KID ASA ANNUAL REPORT

Financial statements for

2021

Kid

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Kid

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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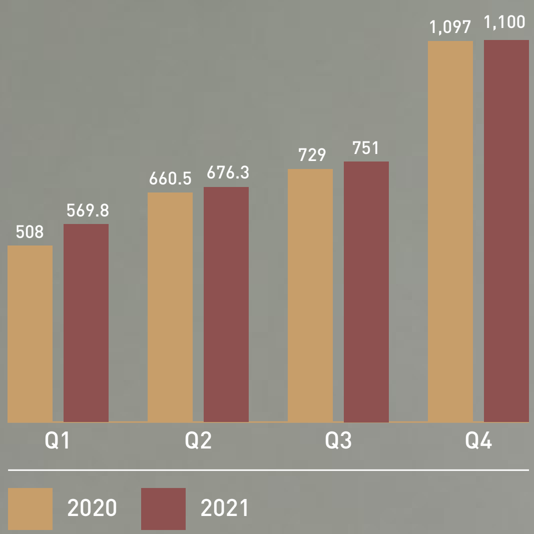
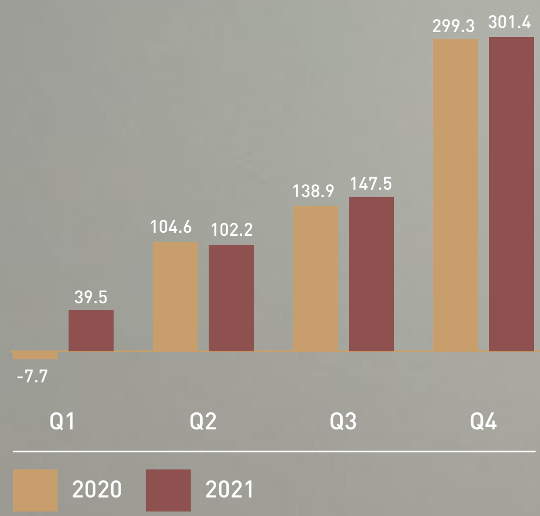
FINANCIAL HIGHLIGHTS 2021

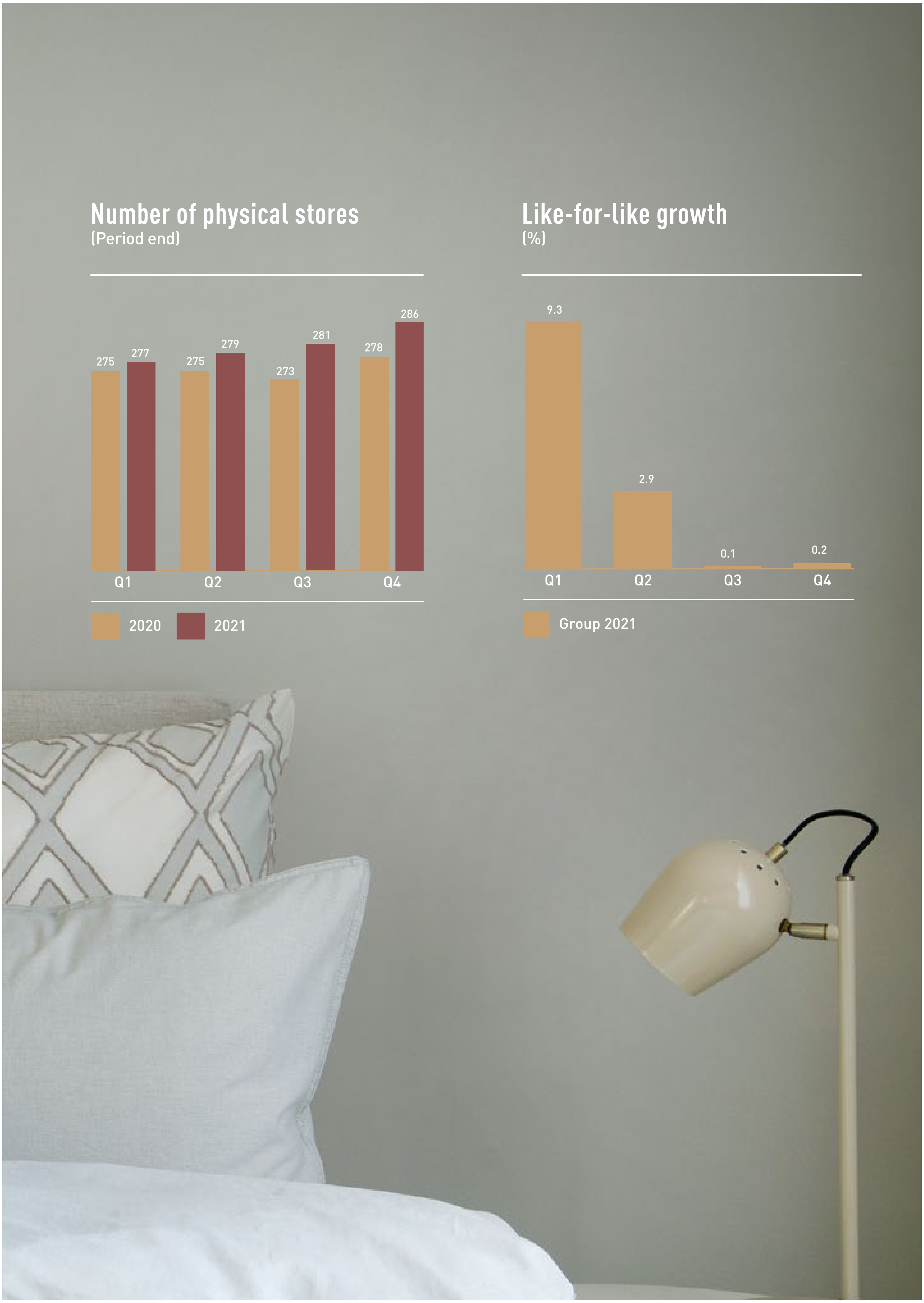
Revenues
(MNOK)



EBITDA
(MNOK)

** Excluding IFRS 16 effects*




Number of physical stores
(Period end)
275
277
275
279
273
281
278
286
Q1
Q2
Q3
Q4
2020
2021
Like-for-like growth
(%)
9.3
2.9
0.1
0.2
Q1
Q2
Q3
Q4
Group 2021

ABOUT KID

Kid ASA (listed on the Oslo Stock Exchange under the ticker symbol KID) operates as a home textile retailer through Kid Interior in Norway with 153 stores, and under the Hemtex brand in Sweden, Finland and Estonia with 133 stores. 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. At the end of 2021 the Kid Group had 2,121 employees.

Kid and Hemtex is the leading pure-play specialist within home textile and interior market in Norway and Sweden, respectively. Both brands are benefiting from unbeatable brand recognition and top-of-mind awareness. Hemtex is also present in Finland and Estonia.

Through in-depth market analysis, monitoring and adapting to underlying consumer trends and demands, supported by in-house design and sourcing competence, we bring high quality, yet value for money, products to our customers. Practically all our products are Kid branded, while some premium products are marketed as sub-brands such as Dekosol and Nordun.

The Kid spirit is based on commitment to our values of entrepreneurial spirit, inspiration and dedication.

Kid is headquartered in Lier, Norway where the group head office and central warehouse for the Norwegian market is located, while Hemtex' offices and warehouse facilities are located in Borås, Sweden.

From the headquarter in Lier.


OUR MISSION
Inspiration for every home

COMPANY FACTS

1937 — Establishment

Kid Interior was established by Jul Andrew Gundersen as JAG shoe factory

1953 — The first shop

The first shop was opened in Drammen in 1953, called "Fabrikkutsalget" (Factory Outlet). At first, the store sold just shoes, but moved into interior products, including sale of the first woollen versions of its duvet

1970s — Own production

An increased focus on interior textiles and the start of its own production

1994 — Change of name

The company changed its name to Kid Interior and began using the Kid brand for selected products

1997 — Growing

The third generation of the Gundersen family takes over the business, which has now grown to 24 stores

2005 — Shares sold

The Gundersen family relinquishes control of Kid as its majority shareholding is sold to IK Capital Partners. The Kid store network has grown to 92

2009 — DNB Bank

DNB Bank takes control of Kid Interior following a long-term debt default

2012 — Successful turnaround

Gjelsten Holding takes 100 percent ownership of the company, which now comprises 111 stores after a successful turnaround

2015 — Oslo Stock Exchange

The company turns public as its shares are listed on the Oslo Stock Exchange. Kid registers a strong financial performance and central warehouse and administration functions are relocated to new facilities in Lier

2019 — Acquisition of Hemtex

Hemtex was aquired May 2019

2.3%
LIKE-FOR-LIKE GROWTH

9.8%
(Hemtex)

-1.8%
(Kid)

9.46
EPS IN 2021
(8% increase from 2020)

2,121
EMPLOYEES
(Kid Interior + Hemtex)

10.2%
ONLINE SHARE

7.8%
ONLINE SHARE
of total revenue
(Kid)

13.8%
ONLINE SHARE
of total revenue
(Hemtex)

3,097
MILL NOK
IN REVENUES
for 2021

Kid Storgata, Oslo

Hemtex, Marieberg

Kid Storgata, Oslo

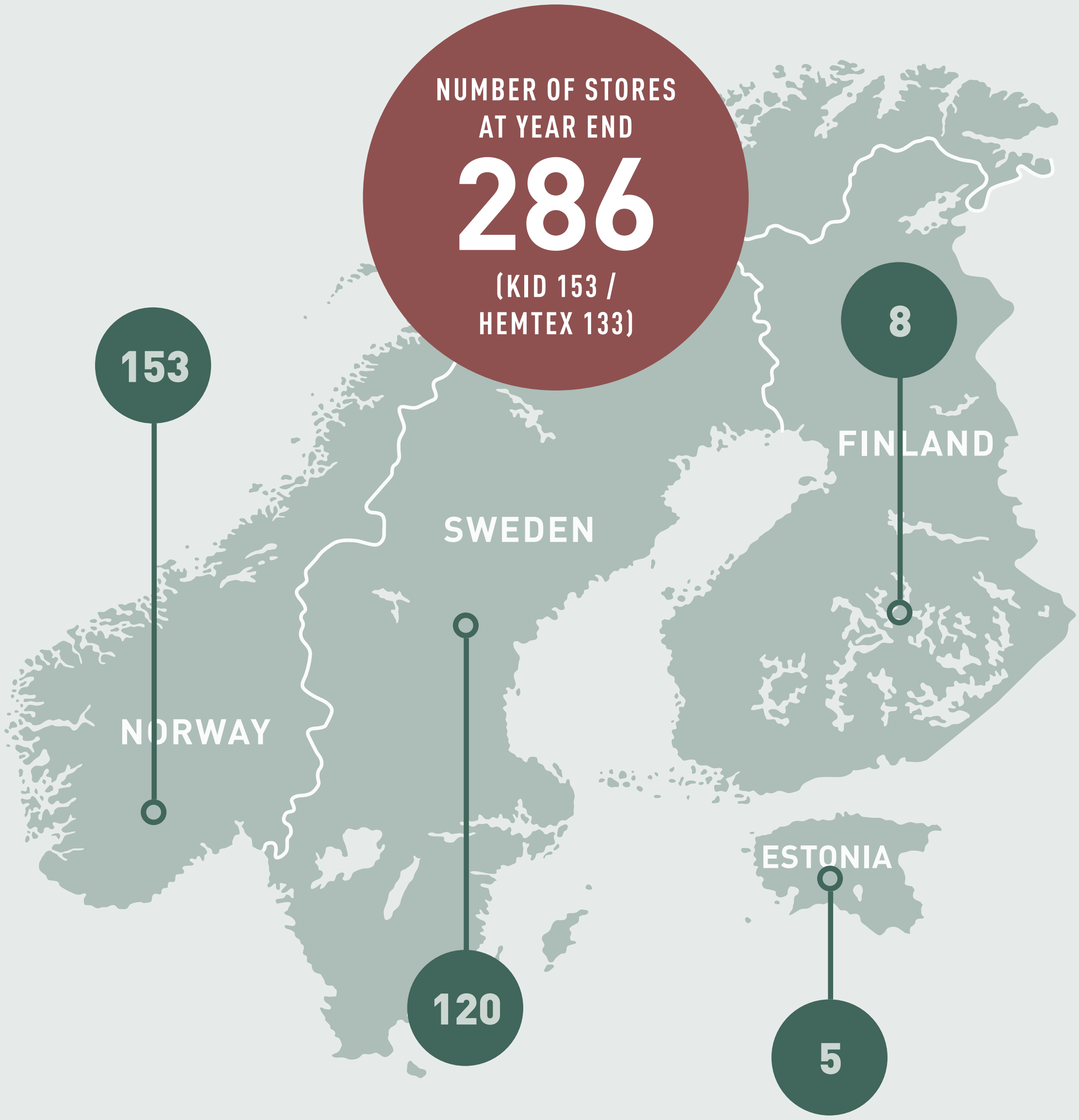
Hemtex, Marieberg

Kid

Kid Storgata, Oslo

Hemtex, Vaasa

NORDIC PRESENCE 2021



CHANGES DURING THE YEAR

10 NEW STORES
(Kid 6 / Hemtex 4)

20 REFURBISHED STORES
(Kid 11 / Hemtex 9)

7 RELOCATED STORES
(Kid 5 / Hemtex 2)

2 CLOSED STORES
(Kid 0 / Hemtex 2)

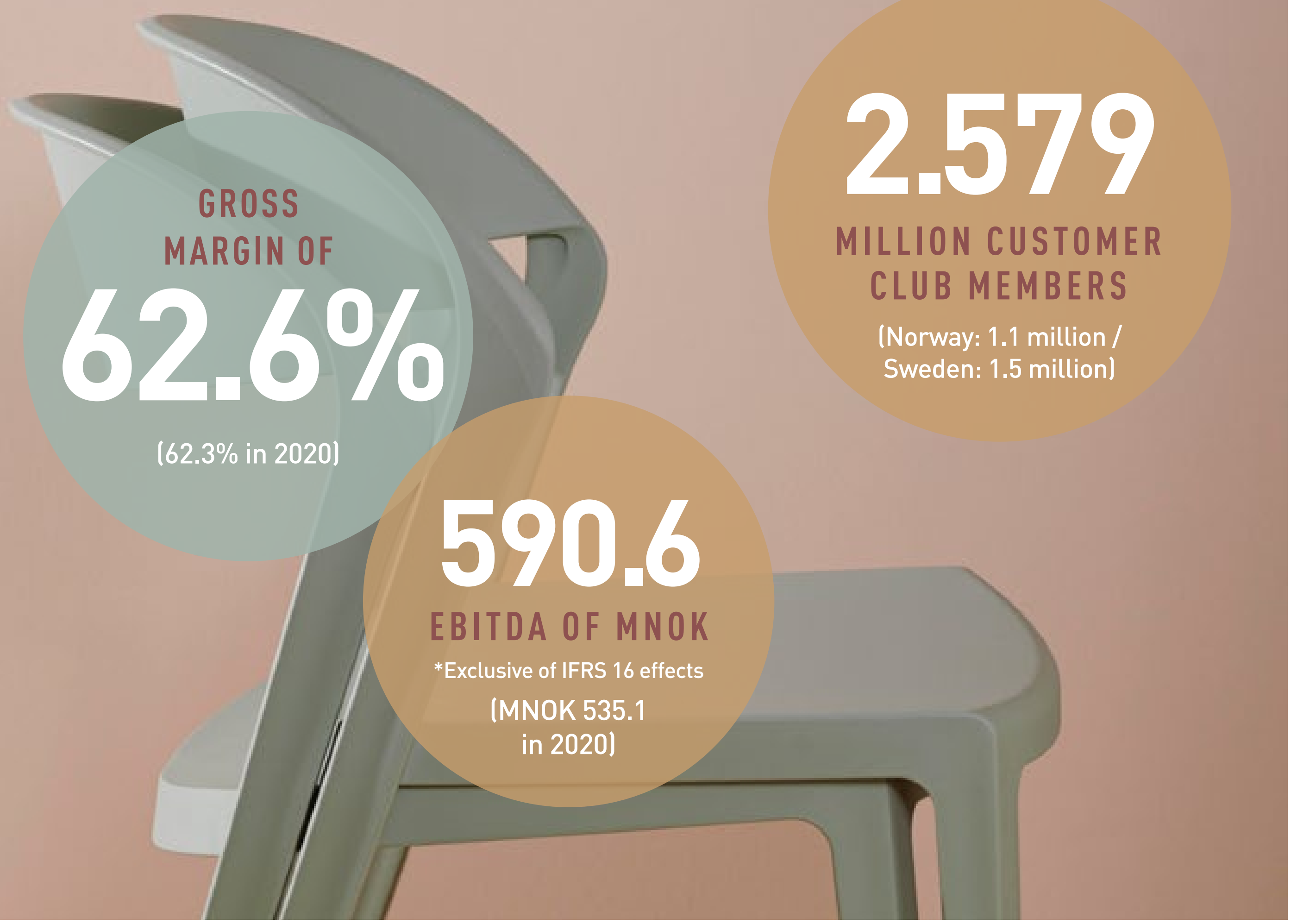
AT A GLANCE 2021

PROPOSED DIVIDEND PER SHARE 4.0

4.6 PAID DIVIDEND IN NOVEMBER 2021

AGGREGATED YEARLY DIVIDEND OF 8.6

DIVIDEND % OF NET PROFIT 91%



GROSS MARGIN OF 62.6%

(62.3% in 2020)

2.579 MILLION CUSTOMER CLUB MEMBERS

(Norway: 1.1 million / Sweden: 1.5 million)

590.6 EBITDA OF MNOK

*Exclusive of IFRS 16 effects

(MNOK 535.1 in 2020)

DEAR SHAREHOLDERS,

In 2021, the Kid Group reached new milestones by passing through the NOK 3 billion revenue mark and by exceeding NOK 300 million in revenues from online sales – in a year that turned out to be another challenging one with shifting governmental restrictions and temporary store closures following the COVID-19 pandemic. Discrepancies in the global freight markets remain a challenge through increased cost and delays.

We clearly acknowledge the importance of having full control of the value chain which is a prerequisite for maintaining solid gross margins. Furthermore, through stringent cost control we have delivered increased year-on-year Earnings Per Share for 7 consecutive quarters – largely explained by increased Hemtex earnings. In 2021, Hemtex surpassed the original NOK 100 million EBITDA 2021 ambition by 70%.

During 2021, Kid improved its digital offering to supplement a safe and user-friendly customer journey both online and in-stores. Our new group ecommerce platform was launched in all markets. The new online store provides increased focus on inspiration, quicker response time, as well as reduced friction. As part of the ecommerce project, we launched “Shop-in-Shop” in Kid Interior, “Click & Collect” in Hemtex, and we launched an online presence in Estonia which means we now have the same online interface in all markets. When adding revenues from all of our OMNI-channel shopping we reached NOK 470 million equal to 15% of total revenues. 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. In combination with our new ecommerce platform, we believe there is a potential for revenue growth through an improved and more relevant customer communication based on collected customer data.

Launching new products, expanding current product categories, and piloting even more new products to ensure future growth have been high on our agenda throughout the year.

Our physical store portfolio remains a key priority. In 2021, we continued to develop and refurbish the store portfolio with 10 new openings, 7 relocations and 20 refurbishments. In general, we see that both Kid Interior and Hemtex stores are increasingly important for landlords to be represented at strategic shopping malls and areas.

On 20 March, Kid ASA was included in the OSEBX index on the Oslo Stock Exchange. For us, this is an acknowledgement of the successful development of Kid for a number of years, and we take pride in joining a strong group of companies in this prestigious index.

To ensure further growth and secure our deliveries and value chain, we have entered into an agreement to build a new headquarter and warehouse for Hemtex in Borås, Sweden. We are confident that the group will operate more cost efficiently, reduce operational risk and better serve its customers by operating its own in-house logistics organization. The new warehouse is expected to be in operation during spring 2023.

2021 has been yet a challenging year for us all, but our team has risen impressively to the challenge. In 2022, we are looking at further expansion into new product categories and expansion of our store portfolios in Finland and Estonia. Furthermore, we will keep on refurbishing and expanding our physical stores, and we will add new functionality to our ecommerce platform.

A huge ‘thank you’ to all Kid and Hemtex employees for all your efforts and commitment in 2021, and of course to our customers, suppliers, partners, and shareholders for supporting the Kid Group to keep on growing.

Yours sincerely,

Anders Fjeld
CEO, Kid Interior AS

Kid Interior and Hemtex Ab are nationwide companies for textiles, home & living, offering a large variety of curtains, bed linens and other interior products, with presence in Norway, Sweden, Finland and Estonia

GROUP MANAGEMENT

Anders Fjeld
(CEO)

Anders Fjeld has been the Chief Executive Officer at Kid since November 2018. Prior to joining Kid, he held senior and executive positions in Elkjøp and XXL. His most recent position was Chief Operating Officer and Concept Development Director in XXL. Fjeld has a bachelor's degree from BI Norwegian Business School.

Anders Lorentzson
(MD Hemtex)

Anders Lorentzson was appointed Chief Executive Officer of Hemtex in May 2018. He started his Hemtex career as Commercial Director back in 2016 and, prior to joining the company, held senior and executive positions at the ICA-Group in Sweden and Estonia. Lorentzson has a solid background in the omnichannel retail business, with more than 20 years of experience.

Eystein Lund
(CFO)

Eystein Lund has been CFO and responsible for investor relation since March 2020. He is a state authorized public accountant and holds a master's degree in Business & Administration, with several years of experience as CFO. Lund was previously CFO in Sector Alarm Group and Opplysningen AS. His experience includes management of accounting and finance functions, refinancing and M&A.


LAVIE
LAVIE

CORPORATE GOVERNANCE AT KID ASA

1. IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE PRINCIPLES

Kid ASA (Kid or the company) consider good corporate governance key to create shareholder value through transparency, fairness and trustworthiness. The company has developed these principles in compliance with laws, regulations and ethical standards. The Norwegian Corporate Governance Board has, for companies listed on the Oslo Stock Exchange, issued the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"). Kid complies with this Code of Practice and it is detailed in this report with section numbers that refer to the Code of Practice's articles. The Code of Practise is available at www.nues.no

2. BUSINESS

Kid's objectives are defined in the company's articles of association and state that: "The business activities of the company are commercial activities, mainly based on the purchase and sale of interior textiles through import, wholesale, retail, franchise and other related activities, including investments in other enterprises and relevant real property". (Articles of association are made available at *investor.kid.no*)

The company's strategy is to ensure growth while maintaining cost control to ensure a continued strong cashflow through:

a. Concept development and category expansion to ensure like-for-like sales growth
b. Inspirational stores through continuous upgrading the store portfolio
c. Opening of new stores
d. Digital footprint and e-commerce
e. Expanding the B2B customer base

The company's risk profile is deemed to be low considering the nature of the business and the geographical span. Kid has a risk program which continuously identifies and assesses current risks.

3. EQUITY AND DIVIDENDS

Kid considers its equity ratio sufficient considering the group's strategy and risk profile. The dividend policy is to pay out 80-100 percent of adjusted net profit, where adjustments are made for significant one-off events.

The Annual General Meeting approved the proposed dividend of NOK 4.40 per share in May 2021. The board of directors were also given the authority to approve and distribute a half-year dividend considering the third quarter results in 2021. A halfyear dividend of NOK 4.60 was distributed in November 2021. A dividend of NOK 4.0 has been proposed by the Board for 2021 year end. The dividend is subject to approval at the annual general meeting in May 2022.

The board of directors has a mandate to increase the company's share capital by up to NOK 4,877,419. The authority may only be used to issue shares as consideration and to raise new equity in order to strengthen the company's financing. The authority remains in force until the annual general meeting in 2022, but in no event later than 30 June 2022.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Kid has one class of shares.

Any purchase or sale by the company of its own shares will either be carried out through the Oslo Stock Exchange or at prices quoted on the Oslo Stock Exchange.

5. FREELY NEGOTIABLE SHARES

All shares in the company have equal rights and are freely tradeable.

6. GENERAL MEETINGS

The general meeting is the arena in which all investors can exercise their right to make fundamental decisions for the company.

The company's goal is to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the company, and that the meetings are an efficient forum for shareholders and the board to express their views. The policy is to facilitate shareholder participation through video conference at the general meetings.

Notices of general meetings are made available at investor.kid.no and a separate notice to the Oslo Stock Exchange no later than 21 days prior to the AGM. The date of the meeting is made available in the financial calendar. The notice clearly states deadlines for shareholders to give notice of attendance and provides information on the procedure for casting their votes by proxy.

All supporting documentation for the AGM is sufficiently comprehensive and detailed to allow shareholders to form a view on all matters to be considered at the meeting. The information will be accessible on the company's website. In accordance with the Norwegian Public Act a shareholder can demand that documents concerning matters that are to be dealt with at a general meeting be sent to him or her by ordinary mail.

The board of directors and the person chairing the meeting will make appropriate arrangements for the general meeting to vote separately on each candidate nominated for election to the company's corporate bodies.

Members of the board, chairman of the nomination committee and the auditor will attend the general meeting.

7. NOMINATION COMMITTEE

The general meeting has elected a nomination committee and approved a set of guidelines for the committee's work. The nomination committee is also laid down in the articles of association. The nomination committee's main purpose is to propose candidates for election to the board and their respective remuneration. In order to achieve this, the committee has contact with shareholders, the board of directors and the company's executive management.

The nomination committee consists of two members, who are independent of the board and the company's executive management. The current members are Sten-Arthur Sælør and Geir Moe.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITIONS AND INDEPENDENCE

In accordance with the articles of association, the board of directors of Kid shall consist of a minimum of three and a maximum of nine members, as decided by the general meeting.

Kid ASA does not have a corporate assembly, but instead has three employee representatives on the board of Kid Interiør AS, which is 100% owned by Kid ASA, and the five board members of Kid ASA are also members of the board of Kid Interiør AS. Board meetings for both companies are held concurrently, at which the board of directors of Kid Interiør AS is responsible for reporting day-to-day operations, while the board of directors of Kid ASA, as the listed parent company, is responsible for equity, long-term debt and the incentive programme for executive management. The board of directors at Hemtex AB consists of Group Executive Management.

The composition of the board of directors ensures that the board can attend to the common interests of all shareholders and meets the company's need for expertise, capacity and diversity. The board members have a combined experience and competence in the fields of retail and consumer goods, as well as finance, property and experience from other listed companies.

60 percent of the board members are women, and no member of the executive management team is a member of the board of directors. The shareholder-elected members of the board of directors have a term of one or two years, and the chairman is elected by the general meeting.

9. WORK OF THE BOARD OF DIRECTORS

The board of directors produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The chairman of the board of directors and CEO have regular contact between the meetings to evaluate the business and they keep the board updated on any matters that need to be addressed. In an event where the chairman has been personally involved in consideration of any material matter, another board member will chair the board's consideration of this particular matter. Board meetings always include the CEO's perspective on current events and progress of business plans, while the CFO provides the board with an overview of the company's financial development and forecasted earnings and cashflow.

The board evaluates its performance and expertise annually.

The board has established an audit committee consisting of two board members.

Any transaction between the company and a related party will be based on arm's length terms. If relevant, the transaction will be supported with a valuation obtained from an independent third party. The company has guidelines to ensure that board members and senior management disclose any material interest to the board of directors in transactions where the company is a party.

10. RISK MANAGEMENT AND INTERNAL CONTROL

Kid is exposed to financial risks related to foreign exchange (FX) and interest rates. FX risks are managed by hedging nine to eleven months forward. Interest rate risks are managed by a MNOK 395 interest SWAP and a MNOK 115 cross currency interest SWAP. Other operational risk areas are reported to the board on a regular basis.

The company provides the board with monthly reports on the group's financial performance and prepares quarterly reports that are made public. The audit committee and the auditor together review the quarterly and annual reports before they are approved by the board.

The board of directors, with assistance from the audit committee, carries out regular reviews of the company's most significant areas of risk exposure and its internal control arrangements.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The board of directors are presented separately in the annual report.

The nomination committee proposes the remuneration of the board of directors at the annual meeting. The proposition takes into account the board's responsibility, expertise, time commitment and the complexity of the company's activities. The board has one sub-committee in the audit committee.

The remuneration of the board in 2021 is disclosed in the notes to the consolidated accounts as well as the Remuneration report for 2021.

Members of the board of directors and/or companies with which they are associated do not, as a general rule, take on specific assignments for the company in addition to those as members of the board. If, however, they do take on such assignments these will be disclosed immediately to the entire board and the remuneration for such additional duties will be agreed by the board.

12. REMUNERATION OF EXECUTIVE MANAGEMENT

The board of directors has a set of guidelines for the remuneration of executive personnel. The board also directly determines the remuneration for the CEO. The CEO is, in consultation with the chairman of the board, responsible for determining the remuneration of other members of the executive management.

The board of directors and AGM have approved an incentive programme for executive management which aims to align the financial interests of Kid's senior management and its shareholders. The incentive programme is based on EBITDA budget achievement with a capped maximum level. The program includes no share options or rights, but a portion of the incentive program is paid out over a period of three years and is dependent on the share price development.

The board of directors prepare guidelines on the remuneration of executive personnel and prepare a yearly remuneration report as a separate appendix to the agenda for the AGM which is approved by the GM. The remuneration for the executive management is also disclosed in the notes to the consolidated accounts in the annual report.

13. INFORMATION AND COMMUNICATIONS

Kid has established an investor relation policy (available at investor.kid.no) that clearly states that any communication with shareholders outside the company's general meeting will take place in accordance with applicable equal treatment requirements and applicable legislation regarding inside information.

The company publishes a financial calendar for the upcoming year in the fourth quarter. The calendar includes an overview of major events such as its AGM, publication of interim reports, publication of revenue reports and any planned public presentations.

All information distributed to shareholders is made available simultaneously on the company's web page. All information which the company is required to disclose will be given in English.

14. TAKEOVERS

Kid has guidelines for how it will act in the event of a takeover bid in accordance with its code of conduct. These guidelines clearly state that the board will not take any obstructive action unless it is agreed upon at the general meeting. In the event of a takeover bid, the board will act in the best interests of the shareholders and ensure that the company's operations are affected as little as possible.

The shareholders will be provided with timely and sufficient information in the case of a takeover bid, with the intention to enable the investors to have an informed view of the situation. The board of directors will also issue a statement making a recommendation as to whether shareholders should or should not accept the offer.

15. AUDITOR

The auditor annually submits to the audit committee the main features of its plan for the audit of the company. The auditor participates in meetings of the board of directors that deal with the annual accounts. At these meetings the auditor reviews any material changes in the company's accounting principles, comments on any material estimated accounting figures and reports all material matters on which there has been disagreement between the auditor and the executive management of the company.

The auditor presents annually to the audit committee a review of the company's internal control procedures, including identified weaknesses and proposals for improvement.

The CEO and CFO of Kid are present at all board meetings. Once a year the board of directors has a meeting with the auditor at which neither the chief executive nor any other member of the executive management is present.

Kid has clear guidelines for the use of the auditor by the company's executive management for services other than the audit. The board of directors reports the remuneration paid to the auditor at the AGM, including details of the fee paid for audit work and any fees paid for other specific assignments.

BOARD OF DIRECTORS' REPORT

The Kid group consists of Kid ASA (the company), the parent company for Kid Interiør AS, Kid Logistikk AS, Hemtex AB, Hemtex OY, Hemtex Logistikk AS and Hemtex International AB, together defined as "the group".

The business activity of the company is mainly purchase and sale of interior textiles through import, wholesale and retail, along with other related activities, including investments in other enterprises and relevant real estate.

Kid Interiør is the leading specialist home textile retailer in Norway, with 153 directly owned stores across Norway. Hemtex is the leading specialist home textile retailer in Sweden, with 120 directly owned stores and 12 franchise stores across Sweden. Hemtex also have a presence in Finland and Estonia, with 8 and 5 directly owned stores respectively. All products sold by Kid Interiør and Hemtex are also available through online platforms.

The product assortment ranges from curtains and bed linens to home accessories, decorations, and smaller furniture. Kid's strategy is to provide an attractive value proposition to customers through an inspirational assortment and quality Kid- and Hemtex-branded products offered at affordable prices both online and through stores located in major population centres. The group's head office is located in the municipality of Lier, Norway.

SUMMARY OF THE YEAR

2021 was yet another successful year for the Kid Group, driven by increased revenues in all markets, higher gross margin and stringent cost control. Along with all-time-high profit, we also passed the milestone of NOK 3 billion in revenues, we were included in the OSEBX index on the Oslo Stock Exchange, and we made strong progress in developing our business.

Hemtex was acquired in May 2019, and we continue to capitalize on integrating our concepts, organizations, and market approach. The gradual introduction of the Kid assortment in Hemtex has successfully renewed and expanded our categories across Sweden, Finland and Estonia. During 2021, we continued to see these initiatives as an important driver for growth. The 32 Hemtex stores that have been upgraded according to the Kid concept since the acquisition generated higher growth compared to the rest of the store portfolio, especially stores that was increased in size. The marketing function for Kid Interior and Hemtex was reorganised and centralised during the year, and we expect positive revenue effects as well as cost synergies from a common marketing approach going forward.

Our priority is to offer our customers a seamless omnichannel experience by connecting inspirational physical stores with our online platform. During 2021, we launched a new group ecommerce platform in all markets with increased focus on inspiration and convenience. The new platform enables us to continue our omnichannel development at a higher and more efficient pace. We also continued the development and refurbishing of the store portfolio with 10 new openings, 7 relocations, and 20 refurbishments.

Assortment renewal and expansion have been key growth drivers for the group. During the past years we have strengthened the organisational capacity within category management and sourcing, which has enabled us to successfully continue to introduce new products and categories.

As part of our marketing strategy, we have revised and renewed our customer club functionality and offerings. With a common digital customer platform in place, we see a potential for utilizing data insights and create more personalized and relevant customer communication.

In order to secure logistics capacity for further growth, Kid has, together with Fabritius on a 50/50 basis, entered into an agreement to build a new warehouse and headquarter facility in Borås, Sweden. The new warehouse is expected to be in operation during spring 2023. We are confident that Hemtex will operate more cost efficiently, reduce operational risk and better serve its customers by operating its own in-house logistics organization in the same way as Kid Interior does in Norway.

The business-to-business offering through Hemtex24H has contributed positively to the growth in 2021. During the year, we signed a distribution agreement with the Danish hypermarket chain Bilka which will add to growth going forward.

Discrepancies in the global freight markets during the second half of 2021 impacted our business negatively by causing delays in the value chain and increased freight prices. Successfully adjusting prices, campaigns and product mix contributed to offset higher freight costs.

COVID-19 restrictions challenged our operations and affected customer behaviour differently across markets also during 2021. However, management has taken proactive measures to limit negative impact from challenging situations caused by the pandemic.

FINANCIAL RESULTS

(Figures from last year are in brackets, unless otherwise specified)

INCOME STATEMENT FOR THE GROUP

Revenues for 2021 were MNOK 3 097.1 (MNOK 2 994.7). The like-for-like sales growth[1] was -1.8 % and 9.8 % for Kid Interiør and Hemtex, respectively. Online sales[2] grew by 21.7% in 2021, accounting for 10.2 % of total revenues.

Gross margin was 62.6 % (62.3 %) for 2021. Other operating expenses excluding IFRS16 and including employee benefit expenses, ended at 34.6 % of revenues down from 34.9 % in 2020.

Operating profit (EBIT) was MNOK 541.2 (MNOK 482.7), driven by revenue growth and increased gross margins.

Net financial expenses amounted to MNOK 56.0 (MNOK 28.4).

Net income for 2021 was MNOK 384.4 (MNOK 356.1).

BALANCE SHEET FOR THE GROUP

Total assets were MNOK 3,534.8, an increase of MNOK 70.0 from 2020. Fixed and intangible assets decreased by MNOK 46.1 as a result of decreased right of use assets as well as currency effects, partly offset by investments in stores and online platforms. Inventories amounted to MNOK 646.8 at the end of the year, an increase of MNOK 164.6 mainly because of increased goods in transit, increased freight costs, increased number of stores and delayed seasonal Christmas sales. Total receivables were MNOK 64.5, an increase of MNOK 13.4 from 2020 mainly driven by increased value of derivative financial instruments.

Net interest-bearing debt was MNOK 1 074.6 of which MNOK 767.3 is related to financial leases. Net interest-bearing debt excluding financial leases as defined by IFRS 16 was MNOK 307.3 (MNOK 220.5). Long-term interest-bearing debt excluding leases was MNOK 451.6 (MNOK 461.5) at the end of 2021, short-term interest-bearing debt was MNOK 95.0 (MNOK 60.3) and cash and bank deposits were MNOK 239.3 (MNOK 301.3). The group has an additional overdraft facility of MNOK 247 and a revolving credit facility of MNOK 130, of which MNOK 65 was drawn at year end.

During the year, Kid entered into a new lending agreement with Nordea consisting of (1) an overdraft facility of MNOK 247.0, (2) a RCF of MNOK 130.0, and (3) a MNOK 611.7 term loan with annual instalments of MNOK 30.0 of which MNOK 481.7 is outstanding at year end.

The equity ratio at the end of the year was 35.7 % compared to 34.2 % in 2020.

Petter Schouw-Hansen
Chairman
Appointed: May 2019, re-elected May 2021

Petter Schouw-Hansen is currently Director with Gjelsten Holding AS, the majority shareholder in KID ASA. He was the Chief Financial and Strategic Officer at Kid from 2011 to 2018. Prior to this, he served as senior consultant at Bearing Point. Schouw-Hansen is currently on the board of directors of various companies and is the chairperson of the board in Sport Holding AS and Bergans Fritid AS. Schouw-Hansen has experience from operationalizing strategy, performance management, M&A and management coaching within several industries, including retail. Schouw-Hansen holds a M.SC from the Norwegian School of economics, specialized in Finance. He is a Norwegian citizen, and resides in Norway.

Rune Marsdal
Board Member
Appointed: May 2019, re-elected May 2021

Rune Marsdal (1971) is currently CFO and member of the board of directors of Gjelsten Holding AS. Marsdal has previously worked as a financial analyst in Danske Securities and as an analyst in Schøyen Finans Forvaltning and Norway Seafoods. Marsdal holds a Master of Business and Economics degree from BI Norwegian Business School, as well as a Certified Financial Analyst degree from Norwegian School of Economics. Marsdal is currently on the board of directors of various companies, including Sport Holding AS, Sport 1 Gruppen AS and Bergans Fritid AS. Marsdal has previously served on the board of directors of Kid Interiør AS and Nordisk Tekstil Holding AS (later Kid ASA), both as a director (2012-2015) and as special advisor to the board of directors (2015-2019), and BEWiSynbra Group AB (publ). Marsdal is a Norwegian citizen and resides in Norway.

[1] 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.

[2] Calculated in constant currency

CASH FLOW FOR THE GROUP

Cash flow from operations was MNOK 673.7 (MNOK 749.2). The inventory level increased by MNOK 180.3 (MNOK -22.8) because of increased goods in transit increased number of stores and delayed seasonal Christmas sales. Other significant changes from 2020 included increased paid taxes and increased trade creditors following increased inventory.

Cash flow from investments was MNOK -92.6 (MNOK -65.4). The investment level in 2021 reflects opening, relocation and refurbishment of stores as well as the investment in a new ecommerce platform.

Cash flow from financing was MNOK -643.7 (MNOK -725.4), negatively affected by dividend payments of MNOK -365.8 (MNOK -284.5), lease payments of MNOK -264.9 (MNOK -275.0) and positively affected by net drawdown of credit facility of MNOK 65.0 (MNOK 0).

Net change in cash and cash equivalents was MNOK -62.6 (MNOK -41.5), mainly driven by increased profit and increased debt, but offset by increased inventory, investments and dividend payments. The board of directors finds that the group had a solid liquidity position as of 31. December 2021.

ANNUAL RESULT ALLOCATION

Earnings per share was NOK 9.46 in 2021. The board of directors proposes a dividend of NOK 4.0 per share to be paid in May 2022. Including the prepayment of NOK 4.60 per share paid in November 2021, the total dividend of NOK 8.60 represents 7.6 % of the share price as of 31.12.2021 and 91 % of Group net income for 2021.

KID ASA 2021 profit was distributed as follows:

Dividend pay-out	TNOK	162,581
Dividend prepayment	TNOK	186,968
Allocated to other equity	**TNOK**	**-80,573**

GOING CONCERN

The board of directors has made appropriate enquiries and formed a judgement at the time of approving the financial statements that there is a reasonable expectation that Kid ASA has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of directors continues to adopt the going concern basis in preparing the financial statements in accordance with the Norwegian Accounting Act and the Norwegian Company Act. This is further supported by the group's budget and strategy.

As of the end of the accounting year 2021, the equity ratio of the parent company was 40.0%. The board of directors believes the equity and liquidity are sufficient, given the company's operational commitments, future plans and achieved results. This is further supported by the results of the Group as a whole.

Karin Bing Orgland
Board Member
Appointed: August 2015, re-elected May 2021

Karin Bing Orgland (1959) is currently a professional board member in various companies including Eksfin, Storebrand ASA and Entur AS . She has extensive experience from various management and board member positions within the DNB Group between 1985 and 2013. Bing Orgland resides in Oslo, Norway and holds a Master of Business and Economics degree from the Norwegian School of Economics.

Liv Berstad
Board Member
Appointed: May 2020

Liv Berstad (1961) is currently the Retail Manager for the clothing company KappAhl in Sweden, Norway, Finland, Poland and UK. Berstad has extensive experience from the aviation industry and retail trade in the Nordic region, mainly from construction material, fashion and cosmetics. She is a Business Economist from BI Norwegian School of Management. Berstad has had several board appointments the last twenty years for companies both in Norway and Scandinavia. She is a Norwegian citizen and resides in Norway.

Gyrid Skalleberg Ingerø
Board Member
Appointed: May 2020

Gyrid Skalleberg Ingerø (1967) is currently EVP & Group CFO in Kongsberg Gruppen ASA. Her previous experience includes Bank experience from Nordea, CFO / Investor Relation of Komplett Group ASA, Financial restructuring and turnaround of Expert and 1881, SVP & CFO of Telenor Norge AS and CFO at Telenor Digital Businesses AS. Prior to her CFO positions, Ingerø worked for 8 years in KPMG. She holds a Master in Accounting and Auditing from Norwegian School of Economics. Skalleberg Ingerø is currently on the board of Flytoget AS, Itera ASA, Patria Inc and various companies within Kongsberg Gruppen. Skalleberg Ingerø is a Norwegian citizen and resides in Norway.

CORPORATE GOVERNANCE, ORGANISATION, WORKING CONDITIONS AND ENVIRONMENT

The group had a total of 2121 employees, which corresponded to 930 full-time equivalents at the end of 2021. The parent company had no employees.

The group keep records of total absence due to sickness, in accordance with laws and regulations. Total sick leave was 6.42 % in 2021 (6.0 % in 2020). Sick leave is monitored on a monthly basis at store and department level, and appropriate actions are taken in relation to the sick leave that the company is able to influence. The working environment is monitored continuously and is considered to be good.

During the year, no severe workplace accidents or other accidents occurred or were reported that resulted in serious personal injury or material losses. All divisions of the group operate with a dedicated focus on occupational health, environment and safety.

Kid ASA has a Directors and Officers liability insurance with AIG Europe S.A. covering pure financial loss claims against the Board of Directors and Executive Management as a consequence of compensatory acts and/or omissions in their respective duties, with an adequate insurance limit.

For information on remuneration, please refer to Remuneration report 2021 as approved by the Board of Directors. The Remuneration report is subject to an advisory vote by the General Meeting in 2022 and is available at the Company's website investor.kid.no.

For information on corporate governance policies, refer to separate section in the annual report.

GENDER EQUALITY, DISCRIMINATION, AND HARASSMENT

The group encourages diversity and pursues a non-discrimination policy, with full gender equality. Furthermore, the group promotes 'equal pay for equal work', whereby the most qualified candidate shall hold a position, regardless of gender, religion or sexual orientation. The group promotes the objective of laws against discrimination through recruitment, salary and employment conditions, promotion, development possibilities and protection against harassment.

The group prohibits harassment of any kind, including sexual harassment, and will take appropriate and immediate action in response to complaints or knowledge of violations of this policy.

Despite an average, acceptable gender equality balance, there are still some traditional patterns of employment within the retail division where more than 95 % of in-store employees are women. At the warehouse, the gender equality balance has shifted from traditional patterns previous years, where most employees were men. Per year-end 2021 approximately 46% of the employees in the warehouse are women. Approximately 76 % of employees at the head office are women and the management team consists of three men. The board of directors of the parent company consists of three women and two men.

The group aims to be a workplace in which no discrimination occurs based on disabilities. As far as possible, individual adjustments are made to adapt the workplace and work tasks for employees or job applicants with disabilities.

ENVIRONMENTAL REPORTING

Kid believes that environmental and financial performance often go hand-in-hand and is constantly striving to identify and implement measures that support this. The group is working on several initiatives to reduce carbon dioxide emissions in the value chain, increase sustainable materials and production, supporting a more circular economy and more.

The group works actively to prevent adverse environmental- and ethics-related issues, human rights and anti-corruption. It works with suppliers to ensure that Kid's products are produced in clean and safe environments, that workers are treated with respect, earn a reasonable wage and that suppliers work within the relevant local laws and regulations. As a member of Ethical Trade Norway, the group commits to working actively with due diligence for responsible business conduct as described by Guiding Principles on Business and Human Rights (UNGP) and the OECD guidelines for responsible business conduct.

More information about organisation, working environment, sustainability and the environment is provided in our separate sustainability report and can be downloaded at investor.kid.no.

FINANCIAL RISKS

CURRENCY RISK

To reduce foreign currency risks, Kid hedges net foreign currency cash flows by entering into futures contracts. This is done in order to mitigate the currency risk of the approximately 90 % of goods sourced, which are denominated in US Dollars.

In order to mitigate currency risk, future contracts must be entered into at least nine months before payment of goods, as prices and quantities are set with a long lead-time. The company has a policy to hedge 100 % of USD currency goods purchases for 9-11 months forward. The policy has been formally approved by the board of directors.

CREDIT AND LIQUIDITY RISK

Kid has limited exposure to credit risk. The clear majority of revenue transactions are settled in cash or by debit card. Trade receivables relate mainly to the B2B customers which are still a relatively small part of total revenues and historically involve limited losses.

Projected cash flow is updated regularly, and the group has sufficient cash and credit facilities available.

INTEREST RATE RISK

Kid has a floating interest rate for MNOK 546.7 of outstanding long-term debt. Of this amount, MNOK 395 have been hedged through a interest rate swap agreement of at a fixed interest rate of 1.876 % maturing August 2029. In relation to the refinanced lending arrangement, Kid entered into a cross-currency interest swap agreement securing MNOK 115 of the term loan with a fixed interest rate of 1.460 % and the exposure to SEK maturing November 2024. At year-end MNOK 30 of the term loan have been repaid.

To the extent of the board of directors' knowledge, the above-mentioned risk factors represent the most material financial risk factors that may be of importance in order to evaluate the company's assets, liabilities, financial position and profits.

OUTLOOK FOR 2022

Our combination of unique and continually renewed assortment, inspirational stores and ecommerce platform, friendly and knowledgeable customer service, and a responsible brand makes customers return to Kid Interior and Hemtex as their preferred home textile and furnishing retailer.

We continue to see growth opportunities within our existing assortment categories. In addition, we will expand into new and complementary categories, especially within the furniture segment, going forward.

Kid will continue to optimise, refurbish and growing the store portfolio. Expansion of store square meters in a large portion of the Hemtex stores remains a high priority, as this enables the stores to offer a wider assortment.

During 2021, we launched a new digital platform in all our markets. Based on a common platform, we will launch further ecommerce functionality and utilise customer insights in making more relevant and personalized customer communication for our club members.

In 2020, the board of directors approved a strategic decision to increase the footprint of Hemtex in Finland and Estonia with an ambition to reach twenty stores in Finland and eight in Estonia within the next five years, with a potential revenue of NOK 100 million. After launching the new ecommerce platform in these markets during 2021, we will ramp up the implementation of our store expansion strategy.

The integration of the Kid and Hemtex concepts has been exceeding our profit expectations. We still see a potential to increase earnings by further integrating the market approach, organisations and the IT systems.

With more than two years of pandemic outbreak behind us and with the ongoing discrepancies in the global freight market, we believe we have gained valuable insights with regards to our customers' behaviour, and at the same time we have proved our resilience and ability to adapt. Following the war outbreak in Ukraine, increased energy prices and macroeconomical turbulence might affect consumer behaviour negatively. The board of directors will keep monitoring the situation closely going forward.

The board of directors remains confident in Kid's solid financial situation and liquidity.

The objectives for Kid ASA in the medium-term are:

- A continued, strong financial performance driven by like-for-like growth of 3-4 % in a normalised market, stable gross margins in line with the past 10 years, and operating expenses relative to sales below 45 %.
- An optimized store portfolio of approximately 320 fully owned stores. Capital expenditures related to maintenance is expected to run at a normalised annual level of MNOK 100, with an additional MNOK 2.0 per new store opening.
- Additional capital expenditures in 2022 of up to MNOK 100 related to establishment of centralised warehouse in Sweden, financed by increased long-term debt.
- To maintain moderate leverage and an efficient balance sheet.
- A target dividend pay-out ratio of 80-100 % of adjusted net profit with semi-annual payments. The distribution policy is dynamic, and any excess capital will be returned to shareholders.

Lier, 7 April 2022

The board of directors, KID ASA

Petter Schouw-Hansen Chairperson	Rune Marsdal Board member	Liv Berstad Board member
Gyrid Skalleberg Ingerø Board member	Karin Bing Orgland Board member	Anders Fjeld Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.	Note	Year ended 31st December 2021	2020
Revenue	4	3,097,096	2,994,658
Other operating income		10,010	1,693
Total revenue		**3,107,106**	**2,996,351**
Cost of goods sold	15	1,159,506	1,128,690
Employee benefits expense	6,21	617,303	607,119
Depreciation and amortisation expense	11,12	336,376	340,840
Other operating expenses	19	452,730	436,973
Total operating expenses		**2,565,916**	**2,513,622**
Operating profit		**541,190**	**482,730**
Financial income	7	7,361	32,299
Financial expense	7	63,384	60,735
Net financial income (+) / expense (-)		**-56,023**	**-28,435**
Profit before tax		**485,167**	**454,295**
Income tax expense	9,20	100,741	98,196
Net profit		**384,426**	**356,098**
Consolidated statement of comprehensive income			
Profit for the period		384,426	356,098
Items that may be reclassified to P&L			
Cash flow hedges	23	54,662	-83,929
Realized cash flow hedges	23	36,737	1,156
Tax effect from cash flow hedges	23	-19,917	18,034
Currency translation differences		-15,770	26,182
Tax effect from currency translation differences		3,729	-5,760
Total comprehensive income for the period		**443,867**	**311,780**
Attributable to equity holders of the parent		443,867	311,780
Basic and diluted Earnings per share (EPS):	10	**9.46**	**8.76**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.		Group	
	Note	**31st December 2021**	31st December 2020
ASSETS			
Goodwill	12	70,286	72,280
Trademark	12	1,511,788	1,515,485
Other intangible assets	12	19,096	5,623
Deferred tax asset	20	22,968	15,810
Total intangible assets		**1,624,140**	**1,609,197**
Property, plant and equipment	11	960,099	1,021,195
Total fixed assets		**960,099**	**1,021,195**
Investments in joint ventures	8	30	-
Total financial fixed assets		**30**	**-**
TOTAL NON CURRENT ASSETS		2,584,268	2,630,392
Inventories	**15**	**646,764**	**482,161**
Trade receivables	13,14	21,999	18,381
Other receivables	14	25,023	32,725
Derivative financial instruments	3,13	17,439	-
Total receivables		**64,461**	**51,106**
Cash and cash equivalents	**13,16,24**	**239,331**	**301,276**
TOTAL CURRENT ASSETS		950,556	834,542
TOTAL ASSETS		3,534,824	3,464,935

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.		Group	
	Note	**31st December 2021**	31st December 2020
EQUITY AND LIABILITIES			
Share capital	17	48,774	48,774
Share premium	17	321,050	321,050
Other paid-in equity		64,617	64,617
Total paid-in-equity		**434,440**	**434,440**
Other reserves	23	4,975	-54,466
Retained earnings		823,248	804,614
TOTAL EQUITY		**1,262,663**	**1,184,601**
Deferred tax liability	20	332,280	315,336
Long term lease liabilities	25	517,550	585,131
Long term liabilities to financial institutions	3,13,18,24	451,628	461,480
Total long-term liabilities		**1,301,458**	**1,361,948**
Short term lease liabilities	25	249,737	234,113
Short term liabilities to financial institutions	3,13,18,24	95,000	60,297
Trade creditors	13	159,751	92,316
Taxes payable	9	90,335	87,011
Public duties payable		172,851	167,402
Derivatives	3,13	5,166	78,364
Other short-term liabilities		197,865	198,883
Total short-term liabilities		**970,705**	**918,385**
TOTAL LIABILITIES		**2,272,162**	**2,280,335**
TOTAL EQUITY AND LIABILITIES		**3,534,824**	**3,464,935**

Lier, 7 April 2022

The board of directors, KID ASA

Petter Schouw-Hansen Chairperson	Rune Marsdal Board member	Liv Berstad Board member
Gyrid Skalleberg Ingerø Board member	Karin Bing Orgland Board member	Anders Fjeld Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.	Group					
	As at 31st December					
	Share capital	**Share premium**	**Other paid - in equity**	**Other reserves**	**Retained earnings**	**Total equity**
Balance at 1 January 2020	48,774	321,050	64,617	-10,148	725,869	1,150,162
PPA adjustment					7,121	7,121
Adjusted balance at 1 January 2020	48,774	321,050	64,617	-10,148	732,990	1,157,283
Profit for the year	-	-	-	-	356,098	356,098
Other comprehensive income	-	-	-	-44,318	-	-44,318
Total comprehensive income for the year	-	-	-	-44,318	356,098	311,780
Transactions with owners - Dividends	-	-	-	-	-284,474	-284,474
Balance as at 31 December 2020	**48,774**	**321,050**	**64,617**	**-54,466**	**804,614**	**1,184,601**
Balance at 1 January 2021	48,774	321,050	64,617	-54,466	804,614	1,184,601
Profit for the year	-	-	-	-	384,426	384,426
Other comprehensive income	-	-	-	59,440	-	59,440
Total comprehensive income for the year	-	-	-	59,440	384,426	443,867
Transactions with owners - Dividends	-	-	-	-	-365,807	-365,807
Balance as at 31 December 2021	**48,774**	**321,050**	**64,617**	**4,975**	**823,234**	**1,262,663**

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.

		Group	
		Year ended 31st December	
	Note	**2021**	2020
Cash flow from operations			
Profit before income taxes		485,167	454,295
Taxes paid in the period		-105,964	-50,103
Depreciation & impairment	11,12	336,376	340,840
Effect of exchange fluctuations		16,861	-23,147
Change in working capital			
Change in inventory	15	-180,317	22,777
Change in trade receivables	14	-4,448	8,685
Change in trade creditors		71,228	-61,333
Change in other short-term liabilities		54,798	57,193
Net cash flow from operations		**673,701**	**749,207**
Cash flow from investments			
Purchase of fixed assets	11,12	-92,614	-65,398
Net cash flow from investments		**-92,614**	**-65,398**
Cash flow from financing			
Proceeds from long term borrowings		130,000	25,000
Repayment of revolving credit facility		-65,000	-130,204
Repayment of Term loans	18,24	-38,678	-50,152
Net interest	7	-39,283	-10,569
Lease payments for the principal portion of lease liability		-264,951	-274,956
Dividend payments to shareholders		-365,807	-284,474
Net cash flow from financing		**-643,719**	**-725,354**
Cash and cash equivalents at the beginning of the period	**16**	**301,276**	**339,242**
Net change in cash and cash equivalents		-62,631	-41,545
Exchange gains / (losses) on cash and cash equivalents		683	3,576
Cash and cash equivalents at the end of the period	**16**	**239,331**	**301,276**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 | GENERAL INFORMATION

Kid ASA and its subsidiaries (together, `the group') sell interior products through wholly owned stores. The group have 153 stores in Norway under the brand name Kid. During 2019 the group acquired Hemtex AB domiciled in Sweden. Hemtex has 120 stores in Sweden, 8 in Finland and 5 in Estonia. Out of the 133 Hemtex stores, 121 is owned by Hemtex and 12 is operated through franchise. The group also have online stores, under both Kid and Hemtex. The domicile of the group is Lier, Norway.

Group's head office is at Gilhusveien 1, 3426 Gullaug.

NOTE 2 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Kid ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Norwegian Accounting Act 1998 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

2.1.1 New and amended standards adopted by the Group

There are no new or amended standards adopted by the Group during the year with impact on the amounts recognised in prior periods or that would significantly affect the current or future periods.

2.2 Consolidation and equity accounting

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

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 post-acquisition 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.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which is the group' Board of Directors (BoD).

The group sells home textiles in across Norway, Sweden, Finland and Estonia under the name KID Interiør and Hemtex, where Kid represent Norwegian market and Hemtex represent the markets in Sweden, Finland and Estonia.

2.4 Foreign currency translation

(a) Functional and presentation currency

Each entity in the group determines its functional currency based on the economic environment in which it operates, and items included in the financial statements of each entity are measured using that functional currency. When preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognised in the functional currency, using the transaction date's currency rate.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within `finance income or costs'.

2.5 Property, plant and equipment
Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Leased movables and shop fittings	5 years
Fixtures	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within `Other (losses)/gains – net' in the income statement.

Property, plant and equipment classified as facilities under construction is held at cost less any recognised provision for impairment. Depreciation is not initiated until the assets are brought into use on store opening.

2.6 Intangible assets

Goodwill
Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments KID and Hemtex.

Trademarks and licences
Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives of 9 to 10 years. Trademarks have an indefinite useful life.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of four to seven years.

2.7 Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.8 Financial assets

2.8.1 Classification
The Group classifies its financial assets in the following categories: at fair value (either through OCI or profit or loss) or amortised cost. The classification is based on the SPPI model (Solely payments of principal and interest) in IFRS 9.

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are derivative instruments not designated as hedging instruments. The Group currently does not have any financial assets at fair value through profit or loss.

(b) Financial assets at amortised cost
Trade receivables, based on the classification model SPPI are held at amortized cost. All trade receivables are classified as current assets.

2.8.2 Recognition and measurement
Trade receivables are initially recognised at their fair value and subsequently measured at amortised cost. Trade receivables are evaluated for possible impairment each reporting period using the simplified credit loss model. See section 2.11. Trade receivables are derecognised when the right to receive cash flows has expired.

2.9 Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10 Impairment of financial assets
Financial assets carried at amortised cost - trade receivables

The majority of the Group's sales are "over the counter" in the KID and Hemtex stores to individuals, where payment is received from the customer at the time of the sale. Therefore in the majority of sales transactions, a trade receivable is not recognised. Sales to businesses or government institutions, for example schools or hospitals, a trade receivables is recognised at delivery of the inventory to the customer. These receivables have low credit risk and all receivables over the past several years have been collected in full and on time. The group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Derivative financial instruments and hedge accounting policies
The Group enters into certain derivative contracts to provide economic hedges for parts of the Group's exposure to currency rate risk and interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Derivatives that are designated as hedging instruments for cash flow hedges are measured at fair value over Other comprehensive income as long as the hedge meets IFRS 9 hedge criteria. The Group does not designate any derivatives as fair value hedges.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

2.12 Inventories, purchased goods and changes in inventory
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses. The cost of purchased goods sold comprises the direct costs (purchase price), import duties and freight as well as the hedging reserve. A significant part of the inventory purchases are denominated in USD and hedged to Norwegian and Swedish kroner with currency derivatives designated as cash flow hedges. Cost of purchased goods sold is determined using a combination of specific identification and weighted-average costing. Changes in inventory also includes a provision for obsolescence and lost goods.

2.13 Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. As of year-end 2020 and 2021 the Group did not have any outstanding bank overdrafts.

Cash is initially recognised at fair value and subsequently measured at amortised cost.

2.14 Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Liabilities from financial institutions
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees and commission costs paid on the establishment and maintenance of short-term bank borrowing facilities are recognised as bank transaction costs in the accounting period when the costs are paid. These costs are not amortised and deferred as the loans are usually re-paid within a few months.

2.17 Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only were there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Provisions
Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when control of a good or service transfers to a customer. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods
The group operates a chain of retail outlets for selling interior products. Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by debit/credit card.

It is the group's policy to sell its products to the retail customer with a right to return within 14 days in Kid and 30 days in Hemtex. Accumulated experience is used to estimate and provide for such returns at the time of sale. Revenue is adjusted for the value of expected returns. Kid does not operate any loyalty programmes. Hemtex has a royalty program where customers receive points based on the consideration paid. When 2 000 points is earned during half a year the customer receive av bonus check of 50 kroner and revenue is adjusted accordingly.

(b) Internet revenue
Revenue from the sale of goods over the internet is recognised at the point that control of the inventory have passed to the customer, which is the point of delivery to the carrier. Revenue is adjusted for the value of expected returns. The return policy for products sold over the internet is the same as for products sold in the stores. Transactions are settled by credit or payment card.

2.20 Interest income
Interest income arises primarily from interest received on short-term bank deposits, and is recognised as earned.

2.21 Dividend distribution
Dividend distributions to the shareholders is recognised as a liability in the Group financial statements in the period in which the dividends are approved by the shareholders at the annual shareholder meeting.

2.22 Employee benefits
The company has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the early retirement pension scheme (AFP). The company has both defined contribution plans and the AFP scheme.

(a) Pension obligations
For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The company also has an agreed early retirement scheme (AFP). The new AFP-scheme, in force from 1 January 2011, is a defined benefit multi-employer scheme, but is recognised in the accounts as a defined contribution scheme until reliable and sufficient information is available for the group to recognise its proportional share of pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognised as debt in the balance sheet.

2.23 Lease contracts
The group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts for the retail stores represent a significant part of the number of contracts and values, and are typically made for fixed periods of 6 months to 8 years. The contracts may include extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments, less any lease incentives receivable
• amounts expected to be payable by the group under residual value guarantees
• the exercise price of a purchase option if the group is reasonably certain to exercise that option
- and payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability any lease payments made at or before the commencement date less any lease incentives received any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options are included in a number of store leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

NOTE 3 | FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. The company applies hedge accounting in accordance with IFRS 9.

The group's risk management is predominantly controlled by a central finance department under policies approved by the board of directors. Group Finance identifies, evaluates and hedges financial risks in close cooperation with the group's operating units in KID and Hemtex. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans and inventory at the fixed foreign currency rate for the hedged purchases.

Derivatives are only used for economic hedging purposes and not as speculative investments.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group assess effectiveness relating to the hedge ratio.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the group or the derivative counterparty.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to: the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and differences in critical terms between the interest rate swaps and loans. TNOK 395 000 of the external loans with floating interest rates are swapped to a fixed interest rate of 1,876% with maturity 16 August 2029. The effect on interest expense in 2021 related to the interest rate swap was NOK -6 559 801 (NOK -3 358 860).

There was no recognised ineffectiveness during 2021 (or in 2020) in relation to the interest rate swap.

The group treasury's risk management policy is to hedge up to a 100% of forecast US dollar cash flows for inventory purchases up to 9-11 months in advance, subject to a review of the cost of implementing each hedge.

For the year ended 31 December 2021, approximately 100% of inventory purchases were hedged in respect of foreign currency risk. At 31 December 2021, approximately 100% of forecasted US dollar inventory purchases during the first quarter of 2022 qualified as 'highly probable' forecast transactions for hedge accounting purposes (for 2020, approximately 100% of inventory purchases were hedged and approximately 100% of the purchases qualified as 'highly probable' as at 31 December 2020). The weighted average buy rate for SEK/USD currency hedges realized in 2021 was 8.75 compared to a weighted average spot rate of 8.54. For NOK/USD currency hedges realized in 2021 the weighted average buy rate was 9.03 compared to a weighted average spot rate of 8.59. Please also refer to notes 3.3 and 23 for more information.

(a) Market risk

(i) Foreign exchange risk

Exposures to currency exchange rates arise from the group's international purchases, which are primarily denominated in USD. The group uses foreign currency derivative contracts to hedge foreign exchange risk which are recorded at fair value over OCI.

At 31. December 2021, the group had future contracts for 100% of the anticipated USD cash flow for a period of 12 months. The Group has adopted IFRS 9 and uses hedge accounting, see note 23 for further information.

The following table illustrates the sensitivity on the company's financial instruments of a 10% change in USD against the Norwegian and Swedish kroner based on the year-end fair value of the instruments with all other variables (e.g. changes of prices on products sold) held constant. Se note 23 for information about the effect on Other reserves.

At 31 December 2021	+10% change	-10% change
Effect on OCI (FX derivatives NOK/USD)	29,136	-29,136
Effect on OCI (FX derivatives SEK/USD)	16,169	-16,169

At 31 December 2020	+10% change	-10% change
Effect on OCI (FX derivatives NOK/USD)	35,973	-35,973
Effect on OCI (FX derivatives SEK/USD)	22,947	-22,947

(ii) Interest risk

The group's interest rate risk arises from long-term borrowings and bank deposits. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates and hedging contracts. As NIBOR and STIBOR will not be replaced in the near future, we have considered that the Group is not effected by the IBOR-reform as per 31 December 2021. The company is also subject to interest rate risk related to short term bank overdraft drawn during the financial year. Borrowings at variable rates expose the Group to cash flow interest rate risk. Fixed-interest contracts are used to reduce this risk.

The following table illustrates the sensitivity on the company's financial instruments of a +/- 1% change in interest based on the year-end fair value of the instruments with all other variables held constant. Se note 23 for information about the effect on Other reserves.

	SWAP	
At 31 December 2021	+1% change	-1% change
Effect on OCI	1,799	-1,799

At 31 December 2020	+1% change	-1% change
Effect on OCI	7,643	-7,643

	Long term loan	
At 31 December 2021	+1% change	-1% change
Effect on interest cost	2,170	-2,170

At 31 December 2020	+1% change	-1% change
Effect on interest cost	1,250	-1,250

(b) Credit risk

The group's turnover comes mainly from cash sales or debit/credit card based sales where settlement in cash takes place within a few days of the sales transaction. As such, the group has limited exposure to credit risk relating to accounts receivable balances. Credit risk also arises from derivative financial instruments and deposits with banks and financial institutions. However, counterparts are limited to financial institutions with high creditworthiness. Historically, default and losses related to credit risk have been low.

(c) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group has capital-intensive inventory in central warehouse and stores and has fluctuations related to working capital due to seasonality and the timing of the deliveries and payments.

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed loan facilities (note 18) at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

Surplus cash is used to pay out dividends and reduce long term borrowings.

The table below analyses the group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex finance lease liabilities)	104,365	38,192	37,630	37,067	365,023
Lease liabilities	259,278	206,871	149,997	96,301	138,602
Trade and other payables	357,615	-	-	-	-
	711,893	**236,871**	**179,997**	**126,301**	**500,230**

At 31 December 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex finance lease liabilities)	60,297	453,333	8,333	-	-
Lease liabilities	234,113	164,054	186,638	136,675	97,764
Trade and other payables	291,198	-	-	-	-
	585,609	**617,388**	**194,971**	**136,675**	**97,764**

Loans consist of one long term loan to Nordea refinanced during the year. Refer to note 18 for information on the external loan.

3.2 Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, reduce excess loan repayments, exploit available credit facilities or sell financial assets. Kid's dividend policy is a pay-out ratio of 80-100% of adjusted net profit, with semi-annual payments. The company will deploy a dynamic distribution policy, and any excess capital will be returned to shareholders.

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net interest bearing debt divided by EBITDA. Net interest bearing debt is calculated as total borrowings (including `current and non-current borrowings' as shown in the consolidated balance sheet excluded financial derivatives) less cash and cash equivalents. EBITDA is calculated as earnings before interest, tax, depreciation and amortisation.

The company has had a strategic focus to reduced long term borrowings and reach and maintain a sustainable quarterly gearing ratio below 2,5. The gearing ratios at 31 December 2021 and 2020 were as follows:

	2021	2020
Total external borrowings (note 18)	546,628	520,000
Less: cash and cash equivalents (note 16)	(239,331)	(301,276)
Net interest bearing debt	307,297	218,724
EBITDA incl IFRS 16	877,567	823,570
Gearing ratio	**0.35**	**0.27**

The Group has covenants limits related to gearing ratio and EBITDA. For more information about covenant-limits, refer note 18.

EBITDA (earnings before interest, tax, depreciation and amortisation) is operating profit excluding depreciation and amortization. Gearing ratio is net interest bearing debt divided on EBITDA.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2021:

Assets	Level 1	Level 2	Level 3	Total
Financial assets (cash flow hedge derivatives) at fair value over OCI"				
Derivatives at fair value				
– Interest rate swaps	-	1,697	-	1,697
– Foreign currency derivative contracts	-	15,742	-	15,742
Total assets	**-**	**17,439**	**-**	**17,439**

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities (cash flow hedge derivatives) at fair value over OCI"				
Derivatives at fair value				
– Interest rate swaps	-	2,528	-	2,528
– Foreign currency derivative contracts	-	2,638	-	2,638
Total liabilities	**-**	**5,166**	**-**	**5,166**

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2020:

Assets	Level 1	Level 2	Level 3	Total
Financial assets (cash flow hedge derivatives) at fair value over OCI"				
Derivatives at fair value				
– Interest rate swaps	-	-	-	-
– Foreign currency derivative contracts	-	-	-	-
Total assets	**-**	**-**	**-**	**-**

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities (cash flow hedge derivatives) at fair value over OCI"				
Derivatives at fair value				
– Interest rate swaps	-	24,730	-	24,729.50
– Foreign currency derivative contracts	-	53,634	-	53,634
Total liabilities	**-**	**78,364**	**-**	**78,364**

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The group has no such instruments at 31 December 2021 or 31 December 2020.

(b) Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The group's financial assets and liabilities measured at fair value consist of interest rate swaps and FX-outright deals and are all included in level 2. Market values are calculated using mid-rates (excluding margin) as determined by Nordea based on available market rates.

(c) Financial instruments in level 3
All other financial instruments measured at fair value are included in level 3. The group has no such instruments at 31 December 2021.

NOTE 4 | SEGMENT INFORMATION

The operating segments are identified on the basis of the reports which Group management (the chief decision-maker) uses to assess performance and profitability at a strategic level. The Group sells interior products mainly through wholly owned stores. Within the Group, Kid Interior relates to Norway and Hemtex relates to Sweden, Estonia and Finland. The Group also sells home interior products through the Group's online websites which is considered part of the operating segments Kid and Hemtex respectively. Over 99% of the products are sold under own brands.

Group management evaluates the results from the segments based on EBITDA. The method of measurement excludes the effect of non-recurring costs, such as restructuring costs and legal costs on acquisition.

Group adjustments include transaction and integration costs.

Geographical information
Kid Group sells home interior products in 153 fully owned stores across Norway and 133 stores across EU, of which 120 were in Sweden, 8 in Finland and 5 in Estonia. Of the stores in EU, 121 are owned by Hemtex and 12 are franchises.

Revenue

	2021	2020
Norway	1,883,498	1,862,845
Sweden	1,096,695	1,045,016
Finland	80,771	54,502
Estonia	36,132	32,295
Total	**3,097,096**	**2,994,658**

Information reported to Group management from the reporting segments.

2021	KID Interior	Hemtex	Eliminations and group adjustments	Total
Revenue	1,883,498	1,213,598	-	3,097,096
Cost of goods sold	-702,266	-457,240	-	-1,159,506
Gross profit	1,181,232	756,358	-	1,937,590
Other operating revenue	503	9,507	-	10,010
Operating expense (OPEX)	-603,282	-466,751	-	-1,070,033
EBITDA	578,453	299,114	-	877,567
Operating profit	391,442	149,749	-	541,190
	-	-	-	-
Gross margin (%)	62.71 %	62.32 %	-	62.56 %
OPEX to sales margin (%)	-32.03 %	-38.46 %	-	-34.55 %
EBITDA margin (%)	30.71 %	24.65 %	-	28.34 %
	-	-	-	-
Inventory	413,016	233,748	-	646,764
Total assets	2,632,304	902,520	-	3,534,824

2020

	KID Interior	Hemtex	Eliminations and group adjustments	Total
Revenue	1,862,845	1,131,814	-	2,994,658
Purchased goods and change in inventory	-703,129	-420,742	-4,818	-1,128,690
Gross profit	1,159,716	711,072	-4,818	1,865,968
Other operating revenue	248	1,446	-	1,693
Operating expense (OPEX)	-594,681	-448,227	-1,184	-1,044,091
EBITDA	565,283	264,291	-6,003	823,570
Operating profit	385,234	103,497	-6,003	482,730
	-	-	-	-
Gross margin (%)	62.3 %	62.8 %		62.31 %
OPEX to sales margin (%)	-31.9 %	-39.6 %		-34.87 %
EBITDA margin (%)	30.3 %	23.4 %		27.50 %
	-	-	-	-
Inventory	253,300	228,861	-	482,161
Total assets	2,602,323	862,611	-	3,464,934

NOTE 5 | CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

Group management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

5.1.1 Estimated value-in-use to support the value of trademark and goodwill

The Group tests annually whether the Group's trademark and goodwill has suffered any impairment in accordance with IAS 36. The recoverable amounts of the defined cash-generating units, KID Interiør and Hemtex, have been determined based on value-in-use calculations. These calculations require use of estimates. The impairment tests are especially sensitive for negative changes in long-term growth and gross margin.

See note 12 – Intangible assets for more information.

5.1.2 Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Most extension options in store leases have not been included in the lease liability, because the group has the market power to renegotiate rental terms rather than exercising options and also has the financial power to replace the stores without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5.2 Critical judgements in applying the entity's accounting policies

There has not been identified any other critical judgements in applying the entity's accounting policies.

NOTE 6 | EMPLOYEE REMUNERATION AND AUDIT FEES

6a Employee benefit expense

	2021	2020
Wages and salaries	497,468	484,073
Social security costs	99,191	94,939
Pension costs - defined contribution plans (note 21)	12,517	20,246
Other benefits	8,128	7,862
Total employee benefit expense	**617,304**	**607,119**
Average number of full-time employees	930	918

There has not been any loans to employees or guarantees granted to employees for either 2021 or 2020.

Accruals

	2021	2020
Salary related accruals included in Other short-term liabilities	126,953	128,171
Total salary related accruals	**126,953**	**128,171**

6b Benefits key management personnel and board of directors

			2021		
Key Management Personnel	**Salary**	**Pension**	**Accrued bonus**	**Other Benefits**	**Total**
CEO, CFO, VD Hemtex	8,315	657	5,925	331	**15,229**
Board of directors				1,948	**1,948**

			2020		
Key Management Personnel	**Salary**	**Pension**	**Accrued bonus**	**Other Benefits**	**Total**
CEO, CFO, VD Hemtex	7,020	632	6,970	346	**14,969**
Board of directors	375			1,270	**1,645**

There has not been any loans or guarantees granted to key management personnel for either 2020 or 2021.
CEO and CFO have 6 months salary as termination benefit.
There are no share based payments.

For more information on remuneration, please refer to Remuneration report 2021 as approved by the Board of Directors. The Remuneration report is subject to an advisory vote by the General Meeting in 2022, and published at investor.kid.no

6c Audit fees

	2021	2020
Statutory audit	1,967	2,503
Other assurance services	68	58
Tax related services	44	82
Other assistance	7	45
Total fees	**2,086**	**2,688**

NOTE 7 | FINANCE INCOME AND COSTS

	2021	2020
Finance costs		
Bank interest cost	15,690	20,601
Bank transaction costs	2,933	3,683
Other finance costs*	17,853	5,793
Interest on lease liability	26,908	30,658
Total finance costs	**63,384**	**60,735**
Finance income		
Interest income on short-term bank deposits	3	539
Other finance income*	5,661	31,760
Change in fair value of cross currency interest swap	1,698	-
Total finance income	**7,361**	**32,299**
Net finance costs	**-56,023**	**-28,436**

* Realized and unrealized currency gain/loss is included in other finance costs and other finance income.

NOTE 8 | INVESTMENTS IN JOINT VENTURES AND SUBSIDIARIES

The group had the following subsidiaries at 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

All subsidiary undertakings are included in the consolidation.

The group had the following joint ventures at 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 contingent liabilities in respect of joint ventures
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.

NOTE 9 | INCOME TAX EXPENSE

	2021	2020
Current tax		
Current tax on profits for the year	90,955	84,633
Total current tax	**90,955**	**84,633**
Deferred tax (note 20)		
Changes in deferred tax	9,786	13,563
Income tax expense	**100,741**	**98,196**

Reconciliation between tax expense and product of accounting profit, multiplied by the applicable tax rate:

	2021	2020
Profit before tax	**485,167**	**454,295**
Tax calculated at domestic tax rate (22%) applicable to profits	106,737	99,945
Tax effects of:		
Expenses not deductible for tax purposes/(Income not subject to tax)	-530	-723
Effect of different tax rates	-5,466	-1,025
Income tax expense	**100,741**	**98,197**
Tax charge in percent of profit before tax	21 %	22 %

NOTE 10 | EARNINGS PER SHARE

There exists only one class of shares.

	2021	2020
Weighted average number of shares	40,645,162	40,645,162
Net profit for the year	384,426	356,098
Earnings per share (basic and diluted) (Expressed in NOK per share)	**9.46**	**8.76**

NOTE 11 | PROPERTY, PLANT AND EQUIPMENT

	Assets under construction	Fixtures and fittings	Autostore	Right of use asset	Total
Year ended 31 December 2021					
Opening net book amount	2,646	168,969	27,897	821,683	1,021,195
Additions	-	74,541	-	221,459	296,000
Reclassifications	-		-	-	-
Depreciation charge	-	-62,091	-6,235	-266,273	-334,599
Currency translation differences	-	-2,569	0	-19,929	-22,498
Closing net book amount	**2,646**	**178,850**	**21,661**	**756,940**	**960,098**
At 31 December 2021					
Cost or valuation	2,646	703,397	31,177	1,509,261	2,246,481
Accumulated depreciation	-	-514,985	-9,515	-761,325	-1,285,825
Currency translation differences	-	-9,561	-	9,004	-557
Net book amount	**2,646**	**178,850**	**21,661**	**756,940**	**960,099**
Year ended 31 December 2020					
Opening net book amount	25,575	153,658	-	822,604	1,001,837
Additions	2,459	62,916	3,289	254,734	323,398
Reclassifications	-25,388		27,888	-	2,500
Depreciation charge	-	-54,734	-3,280	(279,168)	-337,182
Currency translation differences	-	7,129	-	23,513	30,642
Closing net book amount	**2,646**	**168,969**	**27,897**	**821,683**	**1,021,195**
At 31 December 2020					
Cost or valuation	2,646	628,855	31,177	1,287,802	1,950,480
Accumulated depreciation	-	-452,894	-3,280	(495,052)	-951,226
Currency translation differences	-	-6,992		28,933	21,941
Net book amount	**2,646**	**168,969**	**27,897**	**821,683**	**1,021,195**

Assets under construction relates to fixed assets not ready for use. As such, these items are not depreciated until ready for use.

Indicators of impairment of property, plant and equipment including Right of use assets have been assessed. Management concluded that there were no indicators as per 31 December 2021.

NOTE 12 | INTANGIBLE ASSETS

Cost	Software	Trademark	Goodwill	Total
At 1 January 2020	29,483	1,510,165	65,402	1,605,049
Additions	956	-	-	956
Reclassification	-2,500	-	-	-2,500
Currency translation differences	471	5,319	6,879	12,669
As at 31 December 2020	**28,409**	**1,515,484**	**72,281**	**1,616,174**
Additions	16,223	-	-	16,223
Reclassification	-	-	-	-
Currency translation differences	-260	-3,696	-1,995	-5,951
As at 31 December 2021	**44,372**	**1,511,788**	**70,286**	**1,626,446**
Accumulated amortisation and impairment				
At 1 January 2020	-19,396	-	-	-19,396
Amortisation charge	-3,389	-	-	-3,389
As at 31 December 2020	**-22,784**	**-**	**-**	**-22,784**
At 1 January 2021	-22,784	-	-	-22,784
Amortisation charge	-2,489	-	-	-2,489
As at 31 December 2021	**-25,273**	**-**	**-**	**-25,273**
Net book value				
Cost	28,409	1,515,484	72,281	1,616,174
Accumulated amortisation and impairment	-22,784	-	-	-22,784
As at 31 December 2020	**5,625**	**1,515,484**	**72,281**	**1,593,390**
Cost	44,372	1,511,788	70,286	1,626,446
Accumulated amortisation and impairment	-25,275	-	-	-25,276
As at 31 December 2021	**19,096**	**1,511,788**	**70,286**	**1,601,170**
Useful life	**4-7 years**	**Indefinite**	**Indefinite**	

Impairment tests for trademark and goodwill
The group tests whether trademark and goodwill has suffered any impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and assumptions approved by board covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 1%. These growth rates are consistent with forecasts included in industry reports.

Trademark Kid Interior
The trademark Kid was acquired in 2005 and is related to the original cost of the subsidiaries and the company brand Kid Interiør. Kid Interiør was founded in 1937 and has long traditions within its business area. Kid Interiør is a well known brand among the population in Norway and there is a clear intention to retain and further develop this brand. As a consequence, the brand name is not amortised, but tested for impairment annually.

The following table sets out the key assumptions used in the impairment test:	2021	2020
Sales volume (% annual growth rate)	2.0	2.6
Gross margin (%)	60.8	61.0
Other operating costs (%)	44.1	42.8
Annual capital expenditure (%)	2.3	2.0
Discount rate after tax (%) / Discount rate before tax (%)	**7,5 / 9,2**	**7,5 / 9,2**

The recoverable amount of the trademark is estimated to be MNOK 3266 (2020 – MNOK 3559). This exceeds the carrying amount of the trademark Kid Interiør at 31 December 2021 which is MNOK 1460 (2020 – MNOK 1460).

The recoverable amount of the trademark would equal the carrying amount if the key assumptions were to change as follows:

	2021		2020	
	From	To	From	To
Sales volume (% annual growth rate)	2.0	-1.5	2.6	-2.7
Budgeted gross margin (%)	60.8	51.3	61.0	50.3
Discount rate after tax (%)	7.5	15.4	7.5	20.8

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the trademark to exceed its recoverable amount.

Trademark and goodwill Hemtex
The trademark Hemtex was acquired in May 2019 and relates to the Swedish interior goods retailer Hemtex International and its subsidiaries in Finland and Estonia. Hemtex was founded in 1973 and has long traditions within its business area. Hemtex is a well known brand among the population and there is a clear intention to retain and further develop this brand. As a consequence, the brand name is not amortised, but will be tested for impairment annually.

The group has tested whether the trademark and goodwill for impairment at year end.

The following table sets out the key assumptions used in the impairment test:	2021	2020
Sales volume (% annual growth rate)	2.1	2.1
Gross margin (%)	60.8	60.9
Other operating costs (%)	46.8	50.4
Annual capital expenditure (%)	2.3	2.0
Discount rate after tax (%) / Discount rate before tax (%)	**7,2 / 8,7**	**7,2 / 8,7**

The recoverable amount of the trademark and goodwill is estimated to be MNOK 1786. This exceeds the carrying amount of the trademark and goodwill in Hemtex at 31 December 2021 which is MNOK 122.

The recoverable amount of the trademark and goodwill would equal its carrying amount if the key assumptions were to change as follows:

	2021		2020	
	From	To	From	To
Sales volume (% annual growth rate)	2.1	-2.2	2.1	-0.1
Budgeted gross margin (%)	60.8	51.9	60.9	55.4
Discount rate after tax (%)	7.2	34.0	7.2	24.6

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the trademark to exceed its recoverable amount.

NOTE 13 | FINANCIAL INSTRUMENTS

13.1 Financial instruments by category

	31 December 2021		
	Financial assets at amortised cost	Financial assets (cash flow hedge derivatives) at fair value over OCI	Total
Assets as per balance sheet			
Derivative financial instruments	-	17,439	17,439
Trade receivables	21,999	-	21,999
Cash and bank deposits	239,331	-	239,331
Total	**261,330**	**17,439**	**278,769**

	Other financial liabilities at amortised cost	Financial liabilities (cash flow hedge derivatives) at fair value over OCI	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	451,628		451,628
Long term lease liability	517,550		517,550
Short term liabilities to financial institutions	95,000		95,000
Short term lease liability	249,737		249,737
Derivatives		5,166	5,166
Trade creditors	159,751		159,751
Total	**1,473,665**	**5,166**	**1,478,832**

	31 December 2020		
	Financial assets at amortised cost	Financial assets (cash flow hedge derivatives) at fair value over OCI	Total
Assets as per balance sheet			
Derivative financial instruments	-	-	-
Trade receivables	18,381	-	18,381
Cash and bank deposits	301,276	-	301,276
Total	**319,656**	**-**	**319,656**

	Other financial liabilities at amortised cost	Financial liabilities (cash flow hedge derivatives) at fair value over OCI	Total
Liabilities as per balance sheet			
Liabilities to financial institutions (excluding lease liabilities)	461,480		461,480
Long term lease liability	585,131		585,131
Short term liabilities to financial institutions	60,297		60,297
Short term lease liability	234,113		234,113
Derivatives		78,364	78,364
Trade creditors	92,316		92,316
Total	**1,433,338**	**78,364**	**1,511,701**

NOTE 14 | TRADE RECEIVABLES

Trade receivables
The carrying amounts of the Group's trade and other receivables are entirely denominated in the currency in the country in which the company operates, ie NOK, SEK and EUR.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables. The Group has not pledged any of the trade receivables as collateral or security. Management has evaluated the trade receivables credit risk to be insignificant and the trade receivables are recognised in the financial statements at full face value.

Other receivables
Other receivables consists mainly of prepayments for operating expenses and rental payments for retail locations.

NOTE 15 | INVENTORIES

	2021	2020
Inventory at purchase cost	654,013	486,112
Inventory write-downs to net realizable value	-7,248	-3,951
Inventories	**646,764**	**482,161**

Recognized loss on inventories

	2021	2020
Lost and damaged goods	12,399	18,342
Change in provision for obsolescence	3,297	9,206
Recognized loss on inventories in cost of goods sold	**15,696**	**27,548**

NOTE 16 | CASH AND CASH EQUIVALENTS

	2021	2020
Cash in bank and in hand	230,169	291,605
Short-term bank overnight deposits	9,420	9,929
Cash and cash equivalents (excluding bank overdrafts)	**239,331**	**301,276**

The Group does not have any restricted cash bank accounts. See note 18 for further information on employee tax guarantee.

NOTE 17 | SHARE CAPITAL AND PREMIUM

Share capital (all amounts in NOK)

	Number of shares	Ordinary shares	Face value	Total face value
At 31 December 2021	40,645,162	40,645,162	1.2	48,774,194
At 31 December 2020	40,645,162	40,645,162	1.2	48,774,194

The top 20 shareholders per 31.12 are the following:

	31 December 2021	
Company	**# Shares**	**Ownership**
Gjelsten Holding AS	4,161,291	10.24 %
Verdipapirfondet Alfred Berg Gamba	3,064,628	7.54 %
Pareto Aksje Norge Verdipapirfond	2,109,785	5.19 %
Société Générale	2,050,000	5.04 %
Folketrygdfondet	1,895,403	4.66 %
Stenshagen Invest AS	1,464,600	3.60 %
Salt Value AS	1,151,387	2.83 %
State Street Bank and Trust Comp	1,058,923	2.61 %
Verdipapirfondet Holberg Norge	950,000	2.34 %
VJ Invest AS	887,025	2.18 %
J.P. Morgan Bank Luxembourg S.A.	824,619	2.03 %
Verdipapirfondet KLP Akjenorge	742,769	1.83 %
Forsvarets Personellservice	682,300	1.68 %
Verdipapirfondet Nordea Kapital	663,988	1.63 %
Verdipapirfondet Eika Spar	630,752	1.55 %
Verdipapirfondet Nordea Avkastning	596,524	1.47 %
Varner Equities AS	538,877	1.33 %
Verdipapirfondet Pareto Investment	469,000	1.15 %
Verdipapirfondet Eika Norge	461,834	1.14 %
Goldman Sachs International	440,161	1.08 %

	31 December 2020	
Company	# Shares	Ownership
Gjelsten Holding AS	10,161,291	25.00 %
Verdipapirfondet Alfred Berg Gamba	3,249,634	8.00 %
Pareto Aksje Norge Verdipapirfond	2,144,406	5.28 %
Stenshagen Invest AS	1,464,600	3.60 %
Verdipapirfondet Holberg Norge	1,050,000	2.58 %
VJ Invest AS	923,832	2.27 %
Verdipapirfondet Nordea Kapital	867,006	2.13 %
Salt Value AS	840,505	2.07 %
Forsvarets Personellservice	734,600	1.81 %
Goldman Sachs International	678,575	1.67 %
Verdipapirfondet Pareto Investment	652,000	1.60 %
Verdipapirfondet Nordea Avkastning	626,555	1.54 %
Verdipapirfondet Eika Spar	625,738	1.54 %
Verdipapirfondet KLP Aksjenorge	614,197	1.51 %
Verdipapirfondet Nordea Norge Plus	593,234	1.46 %
Verdipapirfondet Eika Norge	508,403	1.25 %
Pescara Invest AS	490,000	1.21 %
J.P. Morgan Bank Luxembourg S.A.	472,171	1.16 %
Varner Equities AS	462,190	1.14 %
Hausta Investor AS	430,000	1.06 %

Share premium	Amount
At 31 December 2014	156,874
Equity issue November 2015	164,175
At 31 December 2021	**321,049**

Key Management Personnel Share holdings	31.12.2021	31.12.2020
Anders Fjeld	130,000	90,000
Eystein Lund	50,286	62,286
Anders Lorentzson	na	na
Board of Directors		
Petter Schouw-Hansen	54,808	44,058
Liv Berstad	420	-
Gyrid Skalleberg Ingerø	3,007	1,007
Karin Bing Orgland	32,629	32,629
Rune Marsdal	20,427	9,677

NOTE 18 | LIABILITIES TO FINANCIAL INSTITUTIONS

	2021	2020
Long term		
Bank loans	451,628	461,480
Total long term liabilities to financial institutions	**451,628**	**461,480**
Short term		
Bank loans	95,000	60,297
Total short term liabilities to financial institutions	**95,000**	**60,297**
Total liabilities to financial institutions	**546,628**	**521,777**

(a) Bank loans
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. The bank loan mature until May 2026. The interest rate of the total term loan is fixed through interest rate swap agreements. For the revolving credit facility and overdraft, the average interest rate was 1,48%.

Total loans include secured liabilities (bank and collateralised loan) of TNOK 481 700 (2020: TNOK 520 000) and revolving credit facility of TNOK 65 000 (2020: TNOK 0). The group has a bank overdraft of TNOK 247 000 which was used five times during the year, but not at year end. The Bank loans are secured by 100% of the shares in Kid Interiør AS.

TNOK 395 000 (included in the 1-5 years in table below) of the external loan with floating interest rate is swapped to a fixed interest rate of 1.876% by means of interest rate derivatives to maintain the desired split between fixed and floating interest rates and is subject to hedge accounting.

TNOK 85 000 (included in the 1-5 years in table below) of the external loan with floating interest rate is swapped to fixed interest rates of 1.460% and currency SEK by means of a cross currency interest rate derivative to maintain the desired split between fixed and floating interest rates and currency exposure. The effect of change in the fair value of the derivative is booked against financial income/expense.

The bank overdraft are secured by inventory, trade receivables, property, plant and equipment, 100% of the shares in Kid Logistikk AS and the rental agreement related to the HQ in Drammen. Since the bank overdraft was not utilized at year end 2021 or 2020, none of the assets were pledged as collateral.

The exposure of the Group's loans to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	2021	2020
6 months or less	10,000	60,297
6-12 months	85,000	-
1-5 years	451,628	461,667
Total liabilities to financial institutions	**546,628**	**521,964**

The carrying amounts and fair value of the loans are as follows:

	2021	2020
Bank loans	546,628	521,964
Finance lease liabilities	-	-
Total carrying amount of liabilities to financial institutions	**546,628**	**521,964**

The fair value of current loans equals their carrying amount, as the loans bear a floating interest priced at market rate.

Included in the 1-5 years category in the table above is a TNOK 481 700 loan, where the group entered an interest swap agreement in 2019 covering TNOK 395 000 as well as a cross-currency interest swap covering TSEK 85 000. See note 3.3 for fair value of the swap at year end.

The carrying amounts of the Group's loans are denominated in the following currencies:

	2021	2020
NOK	461,628	521,964
SEK (through swap-agreement)	85,000	-
Total	**546,628**	**521,964**

The Group has the following granted loan facilities:

	2021	2020
Unused bank overdraft	247,000	247,000
Employee tax guarantee	16,800	13,000
Letter of credit limit	115,000	115,000
Bank guarantee limit	13,000	13,000
Total	**391,800**	**388,000**

Following covenants is regulated by contract:

	Interval	Limit 2021	Limit 2020
Gearing ratio (NIBD/EBITDA)	annually	2.25	2.5
CAPEX Year to date (in NOK millions)	annually	-	100
EBITDA Last twelve monthes (in NOK millions)	quarterly	175	150

The Group has been compliant with covenants at all intervals.

NOTE 19 | OTHER OPERATING EXPENSES

	2021	2020
Rental costs for shops and storage	64,908	58,779
Advertising and other marketing costs	129,262	128,019
Other expenses	258,561	250,175
Total other expenses	**452,730**	**436,973**

NOTE 20 | DEFERRED INCOME TAX

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Specification of temporary differences Asset/liability (-)	2021	2020	Movement
Tangible and intangible assets	-1,456,931	-1,458,433	1,502
Other temporary differences	8,524	-2,736	11,260
Inventories	11,271	8,704	2,567
Financial lease	41,215	36,055	5,160
Accumulated deficit	-	-	-
Provisions	2,990	3,556	-566
Forward currency contracts	-13,664	79,752	-93,416
Unrealized currency gain/loss long term	630	-28,546	29,177
Sum temporary differences	**-1,405,965**	-1,361,649	**-44,316**
Basis for deferred tax	-1,405,965	-1,361,649	-44,316
Deferred tax in the balance sheet	**309,312**	**299,527**	

Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for goodwill identified in business combinations. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences. The deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available to utilize the credits.

The tax rate in Norway is 22%, the tax rate in Sweden is 21,4% for 2020 and 20,6% from 2021 and going forward. The tax rate for Finland is 20%.

NOTE 21 | POST-EMPLOYMENT BENEFITS

The table below outlines where the group's post-employment amounts and activity are included in the financial statements.

Income statement charge included in operating profit for:	2021	2020
Pensions earned this year - the group pension scheme	12,259	19,571
Pensions earned this year - the agreed early retirement scheme (AFP)	258	674
Social security fees	2,356	4,289
Net pension expenses	**14,872**	**24,534**

21.1 AFP scheme

The subsidiary Kid Logistikk AS and 11 of our stores have an agreed early retirement scheme (AFP). The AFP-scheme, in force from 1st of January 2011, is a defined benefit multi-enterprise scheme, but is recognised in the accounts as defined contribution scheme until reliable and sufficient information is available for the group to recognise its proportional share of pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognised as debt in the balance sheet.

NOTE 22 | RELATED PARTIES

The Group's related parties include its associates, joint ventures, key management and members of the board.

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 chairman of the board, Petter Schouw-Hansen, was employed by Kid Interiør AS to perform integration work related to Hemtex AB. For the full year 2020 the payment of salary amounts to NOK 375 thousand. The work was approved by the board as per Kid corporate governance policies. There have been no transactions with related parties during 2021.

NOTE 23 | RECONCILIATION OF OTHER RESERVES

Cash flow hedge reserve

The company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable inventory purchases. These include foreign currency forward contracts which are designated in the cash flow hedge relationships. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve through Other comprehensive income. Please also refer to note 3.1-3.3 for more information.

The company's interest exposure mainly arises from external funding in bank and debt capital markets. The company uses interest rate swaps to achieve the desired fixed/floating ratio of the external debt. Hedge accounting is applied using the cash flow model for interest rate swaps which means that gains and losses from floating to fixed interest rates as of December 31, 2020 are recognized through Other Comprehensive Income and will be continuously released to the income statement until the bank borrowings are repaid. This is done based on the periodic market-to-market revaluation of the interest rate swaps whose fair value tends to reach zero upon maturity.

Cash flow hedge reserve	
Opening balance 01.01.2020	-10,147
Add: Changes in fair value of currency cash flow hedges	-56,488
Add: Changes in fair value of interest cash flow hedges	-27,033
Add: Realized cash flow hedges	1,156
Less: Deferred tax on cash flow hedges in OCI	18,034
Closing balance 31.12.2020 cash flow hedge reserve	**-74,479**
Currency translation differences foreign operations	20,422
Total other reserves 31.12.2020	**-54,466**
Opening balance 01.01.2021	-54,466
Add: Changes in fair value of currency cash flow hedges	32,461
Add: Changes in fair value of interest cash flow hedges	22,202
Add: Realized cash flow hedges	36,737
Less: Deferred tax on cash flow hedges in OCI	-19,917
Closing balance 31.12.2021 cash flow hedge reserve	**17,016**
Currency translation differences foreign operations	-12,041
Total other reserves 31.12.2021	**4,975**

NOTE 24 | NET DEBT RECONCILIATION

The below table sets out an overview over net debt.

	2021	2020
Cash and cash equivalents	239,331	301,276
Borrowings - repayable within one year (including overdraft)	-95,000	-60,297
Borrowings - repayable after one year	-451,628	-461,480
Lease liabilities - payed within one year	-249,737	-234,113
Lease liabilities - payed after one year	-517,550	-585,131
Net debt	**-1,074,584**	**-1,039,746**
Cash and liquid investments	239,331	301,276
Gross debt - fixed interest rates	-481,628	-395,000
Gross debt - variable interest rates	-65,000	-126,777
Lease liabilities	-767,287	-819,245
Net debt	**-1,074,584**	**-1,039,746**

	Finance leases	Borrowings	Total debt	Cash/ bank overdraft	Total net debt
Opening balanse at 1 January 20	**-802,275**	**-674,499**	**-1,476,774**	**339,242**	**-1,137,532**
Cash flows	-	-2,634	-2,634	-41,545	-44,179
Proceeds from borrowings	-	-25,000	-25,000	-	-25,000
Repayment of principals	274,956	180,356	455,312	-	455,312
Non Cashflow activities					
New lease liabilities	-254,734	-	-254,734	-	-254,734
Foreign exchange adjustments	-37,192	-	-37,192	3,576	-33,616
Closing balanse at 31 December 20	**-819,245**	**-521,777**	**-1,341,022**	**301,273**	**-1,039,749**
Opening balanse at 1 January 21	**-819,245**	**-521,777**	**-1,341,022**	**301,273**	**-1,039,749**
Cash flows	-	-	-	-62,631	-62,631
Proceeds from borrowings	-	-130,000	-130,000	-	-130,000
Repayment of principals	264,951	103,678	368,629	-	368,629
			-		
Non Cashflow activities			-		
New lease liabilities	-221,459	-	-221,459	-	-221,459
Foreign exchange adjustments	8,466	1,471	9,937	689	10,626
Closing balanse at 31 December 21	**-767,287**	**-546,628**	**-1,313,915**	**239,331**	**-1,074,584**

NOTE 25 | LEASES

The balance sheet shows the following amounts relating to leases		2021	2020
Right of use assets	11	756,941	821,683
Lease liabilities	3	767,287	819,244

The statement of profit or loss shows the following amounts relating to leases	2021	2020
Depreciation charge of right-of-use assets	266,273	279,168
Interest expense (included in finance cost)	26,908	30,658
Expense relating to (included in other operating expenses):		
Variable lease payments	12,272	6,959
Short term leases and leases of low value	751	867

In addition to turnover based lease payments, variable rental costs such as shared operating costs and marketing costs are excluded from IFRS 16 leases. See note 19 for more information on total variable lease payments.

The total cash outflow for leases in 2021 was TNOK 264 951 (2020 –TNOK 274 956).

	2021	2020
Number of lease contracts	305	305
Right to renewal of lease contract	70	69
Percentage of lease contracts with option to renewal	23 %	23 %

Number of lease contracts by geography	2021	2020
Norway	149	146
Sweden	140	143
Finland	10	10
Estonia	6	6

NOTE 26 | SUBSEQUENT EVENTS

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

FINANCIAL STATEMENTS
KID ASA 2021

Contents

KID ASA - STATEMENT OF INCOME

(All amounts in NOK 1000 unless otherwise stated)

	Note	2021	2020
Management fee	9	13,860	16,009
Total revenues		**13,860**	**16,009**
Personnel expenses	7	2,699	1,505
Other operating expenses	7	14,818	14,767
Total operating expenses		**17,517**	**16,272**
Operating profit		**-3,657**	**-263**
Depreciation	3	954	515
Income from subsidiaries and associated companies	3	376,985	372,839
Interest income from group companies		3,740	5,891
Other interest income	8	5	-
Other financial income	8	22	27,698
Other interest expenses	8	15,659	15,936
Other financial expenses		15,231	8,756
Profit before tax		**345,252**	**380,957**
Tax on ordinary result	6	76,276	83,820
Net profit or loss for the year		**268,975**	**297,137**
Profit attributable to:			
Allocated dividend		162,581	178,839
Dividend prepayment 2021		186,968	235,742
Allocated to other equity		-80,573	-117,444
Total allocation		**268,975**	**297,137**

Note 1 to 13 are an integral part of
these financial statements

KID ASA - BALANCE SHEET / ASSETS

(All amounts in NOK 1000 unless otherwise stated)

	Note	2021	2020
NON-CURRENT ASSETS			
Financial fixed assets			
Investments in subsidiaries	1.2	1,286,130	1,286,100
Loan to group companies	3	110,402	228,460
Total financial fixed assets		**1,396,532**	**1,514,560**
Software	11	17,313	2,634
Total intangible assets		**17,313**	**2,634**
Total non-current assets		**1,413,845**	**1,517,194**
CURRENT ASSETS			
Other receivables	3	412,819	659,118
Cash and bank deposits	12	227,988	286,905
Total current assets		**640,807**	**946,022**
TOTAL ASSETS		**2,054,651**	**2,463,216**

KID ASA - BALANCE SHEET / EQUITY & LIABILITIES

(All amounts in NOK 1000 unless otherwise stated)

	Note	2021	2020
EQUITY AND LIABILITIES			
Paid-up equity			
Share capital	5	48,774	48,774
Share premium reserve		321,049	321,049
Other paid-up equity		64,617	64,617
Total paid-up equity		**434,440**	**434,440**
Retained earnings			
Other equity		387,158	467,732
Total retained earnings		**387,158**	**467,732**
TOTAL EQUITY	4	**821,598**	**902,172**
Deferred tax	6	1,612	6,280
Other long-term liabilities			
Liabilities to financial institutions	2	481,492	519,785
Total of other long term liabilities		**481,492**	**519,785**
CURRENT LIABILITIES			
Trade creditors		1,304	745
Tax payable	6	81,223	78,907
Dividend		162,581	178,839
Other current debt	3, 12	504,841	776,488
Total short term liabilities		**749,949**	**1,034,979**
Total liabilities		**1,233,053**	**1,561,045**
TOTAL EQUITY AND LIABILITIES		**2,054,651**	**2,463,216**

Note 1 to 13 are an integral part of these financial statements.

Lier, 7 April 2022

The board of directors, KID ASA

Petter Schouw-Hansen Chairperson	Rune Marsdal Board member	Liv Berstad Board member
Gyrid Skalleberg Ingerø Board member	Karin Bing Orgland Board member	Anders Fjeld Chief Executive Officer

KID ASA - CASH FLOW STATEMENT

(All amounts in NOK 1000 unless otherwise stated)

	Note	2021	2020
CASH FLOW FROM OPERATIONS			
Profit before income taxes		345,252	380,957
Depreciation		954	515
Taxes paid in the period		-78,629	-51,469
Change in trade creditors		559	736
Change in other provisions and cash pool arrangement		-76,857	359,511
Net cash flow from operations		**191,279**	**690,250**
CASH FLOW FROM INVESTMENTS			
Increase in investments in subsidiaries		-30	0
Investment in software		-15,632	-2,634
Net cash flow from investments		**-15,663**	**-2,634**
CASH FLOW FROM FINANCING			
Proceeds from short/long term loans		130,000	0
Repayment of short/long term loans		-95,000	-155,000
Change in borrowings to group companies		96,274	-22,136
Payment of dividends		-365,807	-284,516
Net cash flow from financing		**-234,533**	**-461,652**
Net change in cash and cash equivalents		**-58,917**	**225,964**
Exchange gain /(losses) on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		286,905	60,940
Cash and cash equivalents at the end of the period		**227,988**	**286,905**

KID ASA - NOTES TO THE FINANCIAL STATEMENTS

| ACCOUNTING PRINCIPLES

General
The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

Currency
The parent company accounts are reported in Norwegian kroner (NOK) which is also the Functional currency for the parent company.

Use of estimates
The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also requires management to apply assessments. In areas which either to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, these are described in the notes.

Measurement of revenues and costs
Revenues are recognised as they are earned. Revenues consist of management fees for services rendered from the Parent company to subsidiaries. Costs are recognised in the same reporting period as the corresponding revenues.

Investments in other companies
The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/ group contributions from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved.

Classification of balance sheet items
Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year instalments on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Purchase costs
The purchase costs of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets, purchase costs also include direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Interest expenses incurred in connection with the production of fixed assets are expensed.

Asset impairments
Impairment tests are carried out if there is an indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Liabilities
Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes
The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

The tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Currency

Monetary balance sheet items in foreign currency are recorded at year-end exchange rates. Realised currency exchange gains or losses are recorded at the time of payment in other financial income or expenses.

Derivative instruments

Derivative instruments are entered into to provide economic hedges for parts of the exposure to currency rate risk. In the Parent company, gains or losses on the derivative instruments are recognised when the instrument expires, is sold or terminated.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions. Please refer to Note 3 in Kid ASA Group accounts for more information.

Cashflow statement

The cashflow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

NOTE 1 | SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES

Parent company
Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Kid Interiør AS	Lier, Norway	100%	119,032	293,099	1,204,158
Hemtex AB	Borås, Sweden	100%	414,867	119,567	81,942
Hemtex Logistikk AS	Lier, Norway	100%	9	-	30
Balance sheet value 31.12.20					1,286,130

NOTE 2 | DEBTORS AND LIABILITIES

	2021	2020
Liabilities secured by mortgage	**-546,700**	**-519,785**
Balance sheet value of assets placed as security:		
Shares	1,286,100	1,286,100
Total	1,286,100	1,286,100

NOTE 3 | BALANCE WITH GROUP COMPANIES, ETC.

	Loan to group comapnies		Other receivables	
	2021	2020	2021	2020
Group companies	110,402	228,460	410,863	657,468
Total	**110,402**	**228,460**	**410,863**	**657,468**

	Other current debt	
	2021	2020
Debt to Group companies	437,683	765,243
Total	**437,683**	**765,243**

Please also refer to note 12 Cash and cash equivalents for information regarding the Company's cash pool arrangement.

NOTE 4 | SHAREHOLDERS' EQUITY

Equity changes in the year	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 01.01.21	48,774	321,049	64,617	467,732	902,171
Profit for the year	-	-	-	268,975	268,975
Dividend pre-payment 11 nov 21	-	-	-	-186,968	-186,968
Proposed dividends 31.12.21	-	-	-	-162,581	-162,581
Equity 31.12.21	**48,774**	**321,049**	**64,617**	**387,158**	**821,597**

NOTE 5 | SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of NOK 48 774 194 consist of 40 645 162 shares with a nominal value of NOK 1.2 each.
Kid ASA is listed on the Oslo Stock Exchange. Top 20 shareholders as of 31.12.21 was:

Shareholder	Ownership
Gjelsten Holding AS	10.24 %
Verdipapirfondet Alfred Berg Gamba	7.54 %
Pareto Aksje Norge Verdipapirfond	5.19 %
Société Générale	5.04 %
Folketrygdfondet	4.66 %
Stenshagen Invest AS	3.60 %
Salt Value AS	2.83 %
State Street Bank and Trust Comp	2.61 %
Verdipapirfondet Holberg Norge	2.34 %
VJ Invest AS	2.18 %
J.P. Morgan Bank Luxembourg S.A.	2.03 %
Verdipapirfondet KLP Akjenorge	1.83 %
Forsvarets Personellservice	1.68 %
Verdipapirfondet Nordea Kapital	1.63 %
Verdipapirfondet Eika Spar	1.55 %
Verdipapirfondet Nordea Avkastning	1.47 %
Varner Equities AS	1.33 %
Verdipapirfondet Pareto Investment	1.15 %
Verdipapirfondet Eika Norge	1.14 %
Goldman Sachs International	1.08 %

NOTE 6 | TAXES

Basis for income tax expenses, changes in deferred tax and tax payable

	2021	2020
Result before taxes	345,252	380,957
Permanent differences	-	43
Basis for the tax expense for the year	345,252	381,000
Change in temporary differences	22,679	-22,136
Basis for payable taxes in the income statement	**367,931**	**358,864**
+/- Group contributions received/given	-	-
Taxable income (basis for payable taxes in the balance sheet)	**367,931**	**358,864**

Components of the income tax expenses

	2021	2020
Tax rate	22%	22%
Payable tax on this year's result	80,945	78,950
Tax effect of differences between reported and booked tax last year	321	-
Total payable tax	81,266	78,950
Change in deferred tax based on original tax rate	-4,989	4,870
Change in deferred tax due to change in tax rate	-	-
Tax expense	**76,276**	**83,820**
Tax expense as a percentage of profit before tax	22%	22.0%
Payable taxes in the balance sheet		
Payable tax in the tax charge	80,945	78,950
Tax effect of group contribution	-	-
Payable tax in the balance sheet	**80,945**	**78,950**
Temporary differences included in the basis of deferred tax/tax asset		
Unrealized currency gain/loss long term	6,762	28,546
Interest rate swap	565	-
Basis for deferred tax/tax asset	7,327	28,546
Deferred tax recognised	**1,612**	**6,280**

NOTE 7 | PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC.

Payroll expenses

	2021	2020
Salaries/wages	-	-
Social security fees	275	179
Board remuneration	2,426	1,326
Total	**2,701**	**1,505**

There are no employees in Kid ASA.

The CEO of Kid ASA has not received salary in relation to his role in this company.

No loans/securities have been granted to the general manager, board chairman or other related parties.

Expensed audit fees

	2021	2020
Statutory audit (incl. technical assistance with financial statements)	621	999
Other assurance services	-	-
Tax advisory fee (incl. technical assistance with tax return)	-	20
Other assistance (IFRS conversion and quarterly reports)		
Total audit fees	**621**	**1,019**

NOTE 8 | SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

Financial income

	2021	2020
Interest income from group entities	3,740	5891
Interest income	22	213
Other financial income (currency gain)	5	27,484
Total financial income	**3,767**	**33,587**

Financial expenses

	2021	2020
Interest expenses	15,659	15,936
Other financial expenses (currency loss)	15,231	8,756
Total financial expenses	**30,890**	**24,693**

NOTE 9 | RELATED-PARTY TRANSACTIONS

The balance with group companies is disclosed in note 3.

Transactions with related parties

	2021	2020
Transactions with Group companies	16,305	16,009
Interest income from Group companies	3,740	5,891

NOTE 10 | FINANCIAL MARKET RISK

Kid ASA is exposed to interest rate risk on long term debt and foreign exchange risk on long term receivable.

Interest risk
The company's interest rate risk arises from long-term borrowings and bank deposits. Borrowings issued at variable rates expose the group to cashflow interest rate risk which is partially offset by cash held at variable rates. Fixed-interest contracts are used to reduce this risk. In addition to the MNOK 481.7 long term loan, Kid ASA also have a MNOK 274 flexible credit facility and a MNOK 130 overdraft credit facility that are used during the year. At year-end MNOK 65 has been drawn of the overdraft facility. Please also refer to note 12 Cash and cash equivalents for information regarding the cash pool.

At year end, the Company had one interest rate swap contract at a fair value of MNOK - 2.53 (MNOK -24.73). Gains or losses on the derivative instrument is recognised when the instrument expires, is sold or terminated. In addition the Company has entered into a cross-currency interest swap during the year of MNOK 115. The fair value at year end was MNOK 1.69 (MNOK 0). No contracts expired, was sold or terminated during the year, as such no gains or losses was recognised in 2021 or in 2020. Please refer to note 3 Financial risk management in Kid Group for further information on derivative contracts.

NOTE 11 | INTANGIBLE ASSETS

	Software
At 1 January 2020	
Additions	3,149
Depreciation	-515
Net book value as at 31 December 2020	**2,634**
At 1 January 2021	2,634
Additions	15,632
Depreciation	-954
Net book value as at 31 December 2021	**17,313**
Useful life	4-7 years

NOTE 12 | CASH AND CASH EQUIVALENTS

The company policy for the purpose of optimizing availability and flexibility of cash within the Group is to use a cash pooling arrangement. The arrangement is organized with Nordea Sweden as a service provider and is a multi-currency arrangement consisting of currencies NOK, SEK, USD, EUR and HKD. Kid ASA as an owner of the pool is financially viable concerning repayment of any net deposits made by Kid Interiør AS, Kid Logistikk AS, Hemtex AB, Hemtex International AB and Hemtex OY. The cash pool has a maximum credit of MNOK 274, which has not been used at year end.

The following balances relate to the cash pool arrangement:

	2021	2020
Cash and bank deposits	228,026	286,905
Current debt to Group companies	432,624	765,243

There are no restricted funds. The Company has an employee tax guarantee limit of TNOK 1000

NOTE 13 | SUBSEQUENT EVENTS

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

RESPONSIBILITY STATEMENT

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, 7 April 2022

The board of directors, KID ASA

Petter Schouw-Hansen Chairperson	Rune Marsdal Board member	Liv Berstad Board member
Gyrid Skalleberg Ingerø Board member	Karin Bing Orgland Board member	Anders Fjeld Chief Executive Officer

To the General Meeting of KID ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KID ASA, which comprise:

- The financial statements of the parent company KID ASA (the Company), which comprise the balance sheet as at 31 December 2021, the statement of income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of KID ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 17 years from the election by the general meeting of the shareholders on 23 June 2005 for the accounting year 2005.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Independent Auditor's Report - KID ASA

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The Groups business operations, who continue to evolve due to ongoing improvement projects, are largely the same as last year. *Valuation of the KID Trademark* carries the same characteristics and risks this year and has consequently been in our focus for the 2021 audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of the KID trademark	
The trademark amounts to a significant part of the Group's total fixed assets. Management performed an impairment test to assess the book value by estimating and discounting the expected net future cash flows. The estimation of the net future cash flows and discount rate are dependent on management judgement. In the event of a write-down of the trademark, both operating profit and total equity would be impacted. No impairment charge was recognized in 2021. We focused on valuation of the trademark due to its significance to the financial statements and the inherent risk that management judgement could affect the valuation. For more information see note 5 "Critical accounting estimates" and note 12 "Intangible assets" where management explains the origin of the Trademark and the impairment test.	To challenge the judgement management used in the estimation of the net future cash flows, we compared management's estimates of the future cash flows with the prior year's actual cash flows, approved budgets, and business plans. We did not find any inconsistencies between the estimated net discounted cash flows and the information used by management to estimate these cash flows. To evaluate management's estimation accuracy, we compared the 2021 estimated cash flows used in last year's impairment test with the actual cash flows in 2021. Only minor deviations were noted. To evaluate management's assumptions related to future long-term revenue growth, we compared management's estimates with the expectations in the marketplace. We found that management's estimates for long-term growth were in line with both the markets and our expectations. To evaluate management's assumptions related to the discount rate, we compared the different input factors used in the determination of the discount rate with observable market data, market expectations and discount rates used by comparable companies. We found that managements discount rate contains the elements required by IFRS, and that the different elements were in line with what we observed in the marketplace and comparative companies. To challenge management's sensitivity analysis, we simulated changes in key parameters and found that the calculation of value used was most sensitive to changes in sales, long-term growth and discount rate. A reasonable variation in the key parameters did not lead to a different conclusion on the impairment test. We have used checklists and judgement to consider whether IFRS disclosure requirements related to the trademark and the impairment test were appropriate. We found that the disclosures, including the sensitivity analysis, were satisfactory and provided meaningful information about the trademark and the valuation performed.

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Independent Auditor's Report - KID ASA

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report - KID ASA

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion
We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name "5967007LIEEXZXH53K17-2021-12-31-en.zip" have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities
Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 7 April 2022
PricewaterhouseCoopers AS

Geir Haglund
State Authorised Public Accountant

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Financial calendar 2022

Our financial calendar shows the dates on which we plan to publish our financial reports and conduct our annual general meeting. It also includes information about events that are relevant to our shareholders.

The accounts and presentation material are available from 07:30 (CET) on the day of publication, and can be downloaded from our website, http://investor.kid.no/

REVENUE UPDATES

KID ASA will announce revenue updates on the following dates:

Q2-2022 revenue – 08.07.2022
Q3-2022 revenue – 10.10.2022

All dates are subject to change.

This information is published pursuant to the requirements set out in the Continuing obligations.

INVESTOR SITE

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