



Kid ASA

Remuneration report 2023

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1. Key developments in remuneration

This report on remuneration to senior executives (the "Report") is prepared by the board of directors of Kid ASA. The Report has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6-16 b, the Norwegian Regulation on Guidelines and Report on Remuneration of Leading Employees of 2020 section 6 and the Norwegian Accounting Act section 7-31b.

The remuneration report for 2023 complies with the Remuneration Policy approved by the General Meeting in May 2021. The Policy is applicable for a period of four years unless material changes are proposed by the Board of Directors and can be found on the Company's website investor.kid.no. The remuneration policy is subject for a yearly review by the Board. No changes to the policy have been proposed for 2024. The Board of Directors will evaluate and update the remuneration policy before the Annual General Meeting in 2025.

The overall objective of the remuneration guidelines for the Executive Management is to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders. KID shall offer competitive terms to its Executive Management Team, and consequently, the remuneration of the Executive Management Team shall as far as possible be in line with the market level for remuneration of senior management in comparable companies. However, the remuneration of the Executive Management Team shall not be of a size or nature which is liable to harm the Company's reputation.

The remuneration of the Board is approved by the General Meeting. The Board of Directors are not eligible to participate in any incentive arrangements operated by KID and receive a fixed annual fee.

The Remuneration Policy, adopted by the general meeting 2021, have been fully implemented. No deviations from the Remuneration Guidelines have been decided and no derogations from the procedure for implementation of the Remuneration Guidelines have been made. No remuneration has been reclaimed by the Company during the reported financial year. The Remuneration Report will be presented to the Annual General Meeting 2024 for an advisory vote.

1.1 Overall Company performance

Revenues for 2023 increased by 7.4% to MNOK 3,413.6 (MNOK 3,178.0). The like-for-like sales growth was 3.9 % and online sales grew by 17.6%, accounting for 12.2 % of total revenues. Gross margin was 61.5 % (58.1 %) for 2023. Other operating expenses including IFRS 16 and employee benefit expenses, ended at 35.7 % of revenues in line with 35.7 % in 2022. Operating profit (EBIT) was MNOK 480.4, up from MNOK 369.2, driven by increased revenues and gross margin.

In accordance with the Remuneration Policy, the remuneration of the Executive Management consists of a fixed annual salary and performance-based bonuses. Since the targets of the short- and long-term incentive plans are linked to the Company's profitability targets, the development of the Company's business operations is reflected in the remuneration paid to the Executive Management. For further details on the Company's performance in 2023, reference is made to the Company's consolidated annual accounts for 2023, available at <https://investor.kid.no>.

1.2 Key developments in Board remuneration

The Nomination Committee is responsible for preparing matters related to the election and remuneration of the members of the Board of Directors for the General Meeting. At the General Meeting in May 2023 the chairman of the Board and two Board members were re-elected. Furthermore, the Annual General Meeting approved to adjust the Board remuneration based on the levels of remuneration for elected members of

Boards of Directors in comparable companies. The General Meeting resolved that the remuneration of the Board of Directors for the previous twelve months should be as followed (TNOK):

	2022	2023
Chairperson:		
Fee	500	525
Board member:		
Fee	365	385
Number of members	4	5
Additional fee to audit committee:		
Fee	14 per meeting	15 per meeting
Number of members	2	3
Nomination committee:		
Chairperson	40	45
Member	40	40
Number of members	2	2

No Board member has taken on additional tasks in the company outside their normal duties during the year.

1.3 Key developments in Executive Management remuneration

During the year, there has been a change in the composition of the Executive Management. Eystein Lund resigned as CFO and worked until 31 March 2023, while Mads Kigen started as new CFO 1 July 2023. The remuneration in 2023 was in line with the approved Remuneration policy. The remuneration level is a result of business results, individual performance and alignment with competitive terms. The increase in total remuneration compared to 2022 is due to higher bonus provisions, positive change in the long-term incentive plan from 2021 as well as adjustments of base salary.

The incentive plans are based on financial targets aligned with the strategic ambition. As a result of higher financial performance in 2023, both the short-term and the long-term programs resulted in 100% bonus. In 2022, the short-term incentive and long-term incentive program resulted in 0% of maximum bonus.

2. Total remuneration

2.1 Board remuneration

The following table shows the total Board remuneration which has been paid in 2023 and 2022 (TNOK) for the periods May 2022 to May 2023 and May 2021 to May 2022, respectively.

Board of Directors 2023	Position	Other benefits	Total
Petter Schouw-Hansen*	Chairman of the Board	660	660
Rune Marsdal	Board Member	385	385
Karin Bing Orgland*	Board Member	520	520
Liv Berstad	Board Member	385	385
Gyrid Skalleberg Ingerø	Board Member	385	385
Espen Gundersen*	Board Member	505	505
Nomination committee			
Geir Moe	Nomination committee	40	40
Sten Arthur Sælør	Nomination committee	45	45

Board of Directors 2022	Position	Other benefits	Total
Petter Schouw-Hansen*	Chairman of the Board	584	584
Rune Marsdal	Board Member	365	365
Karin Bing Orgland*	Board Member	449	449
Liv Berstad	Board Member	365	365
Gyrid Skalleberg Ingerø	Board Member	365	365
Espen Gundersen*	Board Member	0	0
Nomination committee			
Geir Moe	Nomination committee	40	40
Sten Arthur Sælør	Nomination committee	40	40

*Members of the Audit Committee. Espen Gundersen was appointed in 2022 with the first remuneration in 2023

2.2 Shareholdings by the Board

The following table shows the shareholdings of the Board per 31.12.23 and 31.12.22

Number of shares	2023	2022
Petter Schouw-Hansen	54 808	54 808
Liv Berstad	1 270	-
Gyrid Skalleberg Ingerø	3 007	3 007
Karin Bing Orgland	32 629	32 629
Espen Gundersen	7 000	4 000
Rune Marsdal	20 427	20 427

2.3 Remuneration to Executive Management

The total remuneration for Executives comprises a base salary, a short-term cash-based incentive, a long-term cash-based incentive, a pension contribution and other benefits. The fixed remuneration enables the Executives to take decisions with a long-term perspective in mind without undue considerations for short- or long-term incentives. The variable remuneration is designed to promote performance in line with the Company's strategy and to further align the interests of Executives and shareholders. The variable remuneration is based on financial targets of the Group. Set out below is an overview of the Executive remuneration in 2022 and 2023 (TNOK):

	Fixed remuneration			Variable remuneration		Total remuneration	% fixed remuneration / % variable remuneration
	Base salary*	Pension	Other benefits**	Short term incentive plan	Long term incentive plan		
2023							
Anders Fjeld, CEO	4 009	55	215	2 000	1376	7 655	56 / 44
Mads Kigen, CFO	850	25	16	850	425	2 167	41 / 59
Eystein Lund, former CFO	1 702	14	3	-	0	1 719	100 / 0
Anders Lorentzson, VD Hemtex***	2 666	450	176	968	939	5 198	63 / 37

	Fixed remuneration			Variable remuneration		Total remuneration	% fixed remuneration / % variable remuneration
	Base salary*	Pension	Other benefits**	Short term incentive plan	Long term incentive plan		
2022							
Anders Fjeld, CEO	3 639	43	211	-	-160	3 733	100 / 0
Eystein Lund, CFO	2 474	43	15	-	-613	1 920	100 / 0
Anders Lorentzson, VD Hemtex***	2 628	547	159	-	-125	3 208	100 / 0

*Base salary includes holiday pay

**Other benefits includes car allowance

***The remuneration for Anders Lorentzson is presented in SEK

There have not been any loans or guarantees granted to key management personnel for either 2022 or 2023. The CEO has 6 months' salary as termination benefit if the termination is initiated by the Company. There are no share-based payments. On 21 December 2022 it was announced that CFO Eystein Lund is stepping down. He received monthly salary until 31 March 2023 and a severance pay of NOK 750,000. Mads Kigen started as new CFO from 1 July 2023.

2.3.1 Short-term incentive plan

For 2023, the Board determined the maximum possible bonus to be 6 months' base salary for the Chief Executive Officer and Chief Financial Officer and 4.5 months' base salary for the VD of Hemtex. The bonus is determined based on the financial performance of the Company in relation to the EBITDA excl. IFRS 16 target for the financial year. For 2023 the EBITDA excl. IFRS 16 target was MNOK 469.1. Please refer to the remuneration policy section 3.3.4 for more information on targets and bonus thresholds.

The short-term bonus for the Executives was 100% of maximum (0% in 2022). As a result, the accrued bonus for the Chief Executive Officer, Chief Financial Officer and VD Hemtex for 2023 is MNOK 3,8 (MNOK 0).

2.3.2 Long-term incentive plan

The Executive Management have participated in a long-term incentive plan consisting of a bonus deposit for Executive Management is calculated based on financial profit target (EBITDA excl. IFRS 16) for the financial year. For 2023 the EBITDA excl. IFRS 16 target was MNOK 469.1. Please refer to the remuneration policy section 3.3.4 for more information on targets and bonus thresholds. The deposit is adjusted based on the change in the Company's share price on a volume weighted average share price the week following the Annual General Meeting adjusted for dividends and the following periods until payout. The program is designed with annual payments over the 3 years following the annual general meeting after the financial year of the deposit, with 25% the two first years and 50% the last year. The program was first launched in 2021 and is approved annually by the Board of Directors.

	2021	2022	2023	2024	2025	2026	2027
Deposit			25% payout	25% payout	50% payout		
		Deposit		25% payout	25% payout	50% payout	
			Deposit		25% payout	25% payout	50% payout

Long-term incentive plan for Group Executive Management (TNOK)	Anders Fjeld	Anders Lorentzon	Mads Kigen	Eystein Lund
Awarded long-term incentive plan 2021	825	645		613
Payments of long-term incentive plan deposits	-	-		-
Changes in long-term incentive plan deposits	-	-		-613
Adjusted deposit on previous incentive due to change in share price	-160	-125		-
Outgoing balance 2022	665	520	-	-
Payments of long-term incentive plan deposits (already accrued)	-205	-161	-	-
Changes in long-term incentive plan deposits	-	-	-	-
Adjusted deposit on previous incentive due to change in share price	376	294	-	-
Awarded long-term incentive plan 2023	1 000	645	425	-
Outgoing balance 2023	1 835	1 298	425	-

For 2021, management earned the maximum deposit of 3 months' salary. The first payment based on the deposits for 2021 was made after the annual general meeting in 2023 and the final payment after the annual general meeting in 2025. For 2022, management did not earn a deposit on this incentive plan.

For 2023, management earned the maximum deposit of 3 months' salary, which amount to MNOK 2.1. The first payment based on the deposits for 2023 will be made after the annual general meeting in 2025 and the final payment after the annual general meeting in 2027.

2.4 Shareholdings by Executive Management

There are no share-based payment schemes in Kid ASA. The members of the Executive Management are encouraged to hold shares in the Company. The following table shows the shareholdings of the Executive Management:

Number of shares	2023	2022
Anders Fjeld	138 000	130 000
Eystein Lund	n.a.	50 286
Mads Kigen*	500	-
Anders Lorentzon	-	-

*Appointed CFO during 2023

3. Remuneration and Company performance 2019-2023

A summary of the development of the executive remuneration, of employee remuneration and of Company performance in the five-year period 2019–2023 is provided in the table below (TNOK)

Remuneration		2019	2020	2021	2022	2023
Anders Fjeld, CEO	Remuneration	3 804	7 145	6 043	3 733	7 655
	% change	n.a	88 %	-15 %	-38 %	105 %
Mads Kigen*, CFO	Remuneration	-	-	-	-	2 167
	% change	-	-	-	-	n.a
Eystein Lund**, former CFO	Remuneration	-	2 754	4 238	1 920	1 719
	% change	-	n.a	54 %	-55 %	n.a
Henrik Frisell***, former CFO	Remuneration	2 567	1 512	-	-	-
	% change	n.a	n.a	-	-	-
Anders Lorentzson, VD Hemtex****	Remuneration	-	5 098	4 947	3 208	5 198
	% change	-	n.a	-3 %	-35 %	103 %
Board of Directors*****	Remuneration	1 122	1 545	1 844	2 128	2 840
	% change	-1%	38 %	19 %	15 %	33 %
	Average					
Average remuneration on a full-time equivalent basis of employees of the Group*****	remuneration	575	569	575	550	575
	% change	-6 %	-1 %	1 %	-4 %	4 %
Company performance						
EBITDA ex IFRS 16		354 406	535 111	590 533	426 203	544 900
	% change	42 %	51 %	10 %	-28 %	28 %
Net income		207 950	356 098	384 426	249 244	313 800
	% change	23 %	71 %	8 %	-35 %	26 %

* Mads Kigen started as CFO 1 July 2023, hence % change in 2023 is not calculated

**The employment period for Eystein Lund ended 31 March 2023, hence % change in 2023 is not calculated

***The employment period for Henrik Frisell ended 30 September 2020, hence % change in 2020 is not calculated

****Hemtex AB was acquired in May 2019. The salary of the VD in Hemtex have been included from 2020 as the first full year

*****The Board of Directors increased by one member in 2023

*****The average salary for other employees in Hemtex has been calculated based on constant currency to ensure comparability. Average salary has been calculated based on total remuneration of all other employees divided by the average FTE for the year. Included in total remuneration is base salary, holiday pay and accrued bonus. Hemtex have been included from the date of acquisition, 14 of May 2019.

Lier, 16 April 2024

The board of Kid ASA


Pjetter Schouw-Hansen


Karin Bling Orkland


Rune Marsdal


Liv Berstad


Gyrid Skalleberg Inger


Espen Gundersen



To the General Meeting of Kid ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Kid ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 16 April 2024

PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'Herman Skibrek', is written over a light blue horizontal line.

Herman Skibrek
State Authorised Public Accountant

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap