

Kid ASA

Interim report Q4 2020



Dear Shareholders

With an intensive shopping quarter behind us, we can conclude that Q4 was another successful quarter for Kid. Although stricter COVID-19 restrictions affected customer behaviour differently across markets, we were able to adapt rapid changes in demand. With a like-for-like growth of 7,4%, improved gross margin and stringent cost control, the Kid Group presents another quarter with an all-time-high EBITDA!

These are the key takeaways from the fourth quarter:

- Group revenues in Q4 were driven by continued growth in Norway, Finland and Estonia. We also delivered solid growth in Sweden throughout most of the quarter – on top of a strong growth in Q4 last year. However, during the last few weeks before Christmas, COVID-19 restrictions reduced customer traffic in Sweden.
- We see that product and category development is being well received by our customers and is a key driver for growth. Product categories such as lamps and lightning, furniture, kitchen accessories and scented candles that have been launched over the past three years have in Q4 contributed with MNOK 83.0 in revenues for Kid Interior. We are now stepping up efforts in this area and are adding a new team of three to fuel profitable growth further through category development and expansion into new categories.
- Following increased sales volumes, and with all sourcing now centralised through Kid, we have managed to improve purchasing terms with our suppliers and thereby improving gross margins. Moreover, we are planning for further volume increase as we are expanding our product assortment in Hemtex in line with Kid Interior stores in Norway. By the end of 2021 we expect 100 Hemtex stores to have implemented this assortment, and remaining stores by the end of 2022.
- Both segments have seen an impressive increase in online sales, representing 9.8% (6.9%) of total sales for the quarter, while at the same time maintaining short delivery times to online customers. In Kid Interior, the Autostore has increased logistic delivery precision and capacity significantly compared to last year. In Hemtex, major efforts by our employees, together with our new third-party supplier, have enabled a record number of deliveries in Q4.
- During the quarter, we opened four new stores in Norway and one in Sweden, and we have refurbished and relocated seven stores. We continue to see positive profit development from both new stores and refurbishments, driven by higher growth compared to the rest of the store portfolio.
- We remain committed to our CSR activities. Kid Interior is the main sponsor for the Pink Ribbon campaign in Norway and donated MNOK 2.8 to the campaign in 2020 – a significant increase from last year – along with a contribution of MNOK 0.2 to the NRK Telethon. Throughout 2020, Hemtex donated MSEK 0.3 to SOS Children's Villages Sweden. Moreover, MNOK 0.4 worth of Bokhari dialect shopping bag products have been sold this year in Kid Interior stores, supporting safe and meaningful jobs for Pakistani craftsmen and women.
- Following our continued strong financial performance in 2020, the Board of Directors will propose to the General Annual Meeting a total dividend payment of NOK 4.40 per share to be paid in June 2021.



We have turned the page, leaving 2020 behind and are looking forward to the new year – with full steam ahead. We see a lot of exciting opportunities and look forward to present new and extended product collections which we are confident will add further growth and profitability, and at the same time taking pride in inspiring our customers and contributing to making life more positive and joyful!

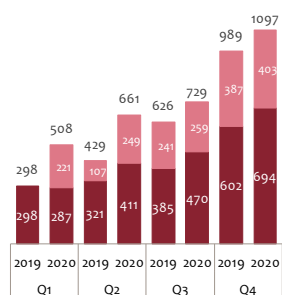
Yours sincerely,

Fourth quarter in brief

- ✓ Group revenues increased by 6.6% and like-for-like growth was 7.4%. The Kid Interior segment experienced a steady increase in revenue throughout the quarter, while the Hemtex segment turned from positive to negative growth in mid-December following Swedish governmental Covid -19 related restrictions. Online revenues increased by 59.2% and 46.4% in Kid Interior and Hemtex respectively.
- ✓ Gross margin increased by 3.0 pp to 63.1% as a result of improved purchasing terms following higher volumes, reduced freight costs, a consistent currency hedging policy and reduced rebating.
- ✓ Opex-to-sales (including employee benefits expenses) decreased to 36% (37%).
- ✓ During Q4, a COVID-19 cost reduction effect of MNOK 7.8 has been estimated, mainly as a result of lower employee expenses and less travelling.
- ✓ Adjusted EBITDA exclusive of IFRS16 effects increased by MNOK 70.0 to MNOK 299.3 (MNOK 229.3).
- ✓ Proposed ordinary dividend payment of NOK 3.40 per share with additional NOK 1.00 per share, payable 9 June 2021.
- ✓ LTM gearing ratio excluding IFRS16 effects was 0.40 at the end of the quarter.

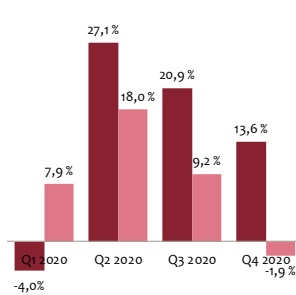


Revenue, MNOK



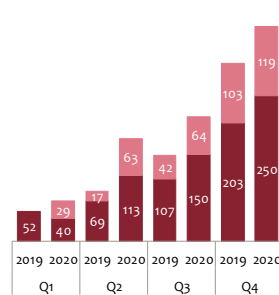
■ Kid Interior ■ Hemtex¹

Like-for-like growth (%)



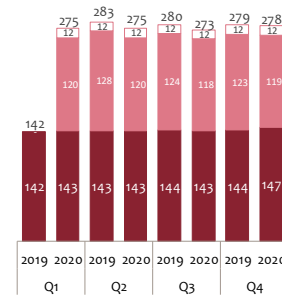
■ Kid Interior ■ Hemtex¹

Segmental EBITDA, MNOK



■ Kid Interior ■ Hemtex¹

No. of physical stores (period end)



■ Kid Interior ■ Hemtex ■ Hemtex (franchise)

¹ Hemtex AB figures are included in the group accounts from 15 May 2019

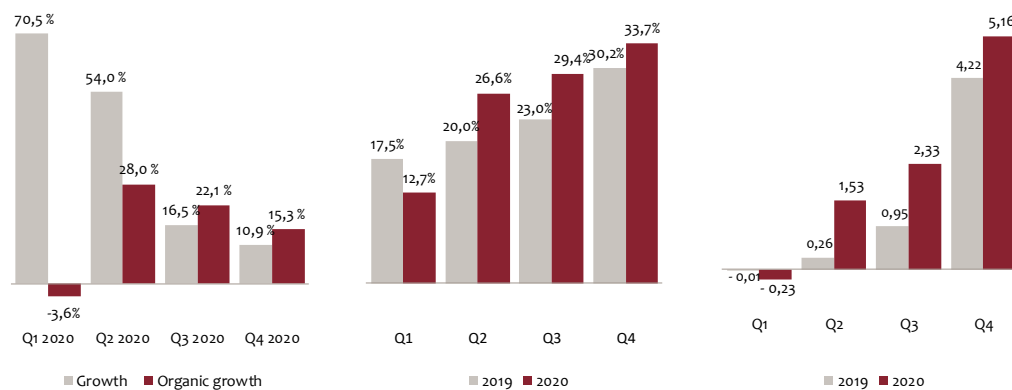
Alternative Performance Measures

(Amounts in NOK million)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenue	1 097,2	989,5	2 994,7	2 342,2
Like-for-like growth including online sales ¹	7,4 %	n/a	11,5%	6,8 %
COGS	-405,2	-394,5	-1 128,7	-925,7
Gross profit	692,0	595,0	1 866,0	1 416,5
Gross margin (%)	63,1%	60,1%	62,3%	60,5%
Other operating income	0,9	0,1	1,7	2,1
Employee benefits expense	-174,7	-173,6	-607,1	-503,5
Other operating expense	-219,0	-193,6	-726,6	-574,8
Other operating expense - IFRS 16 effect	70,3	69,8	289,7	226,6
OPEX	-323,4	-297,5	-1 044,1	-851,6
Integration costs	0,0	1,6	1,2	14,1
Opex excluding integration costs	-323,4	-295,9	-1 042,9	-837,6
Adj. EBITDA	369,6	299,1	824,8	581,0
Adj. EBITDA margin (%)	33,7%	30,2%	27,5%	24,8%
Depreciation	-17,1	-14,7	-63,8	-50,5
Depreciation - IFRS 16 effect	-69,7	-65,9	-277,1	-214,4
Adj. EBIT	282,8	218,5	483,9	316,0
Adj. EBIT margin (%)	25,8%	22,1%	16,2%	13,5%
Net financial income (expense)	-5,6	-0,8	2,2	-11,3
Net financial expense - IFRS 16 effect	-8,3	-7,5	-30,7	-29,7
Adj. Profit before tax	268,9	210,1	455,5	275,1
Adj. Net income	209,7	171,6	357,0	220,4
Adjusted earnings per share	5,16	4,22	8,78	5,42
Liabilities to financial institutions	-521,8	-674,5	-521,8	-674,5
Lease liabilities - IFRS 16 effect	-819,2	-802,3	-819,2	-802,3
Cash	301,3	339,2	301,3	339,2
Net interest bearing debt	-1 039,7	-1 137,5	-1 039,7	-1 137,5

Revenue growth (%) ²

Adj. EBITDA margin (%) ^{2 | 3}

Adj. EPS, (NOK) ^{2 | 4}



¹ Calculated in constant currency

² Hemtex AB figures are included in the group accounts from 15 May 2019

³ Adjusted for transaction costs and integration costs. See page 6 for details on adjustments

⁴ Adjusted for transaction costs, integration costs and tax. See page 6 for details on adjustments

Financial review for the Kid Group

Q4 2020 was another strong quarter for the Kid Group both in terms of revenues and profitability.

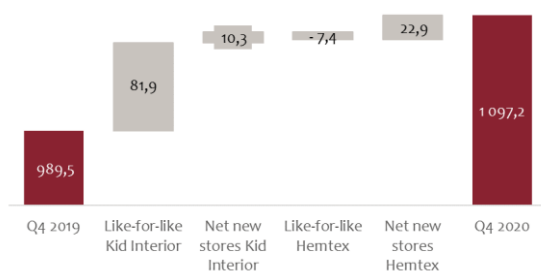
The COVID-19 cost reduction effect in the quarter, is estimated at MNOK 7.8.

Revenues

Group revenues increased by 6.6% to MNOK 1097.2 (MNOK 1029.6) based on a constant currency calculation, and by 10.9% when applying actual currency (MNOK 989.5). Group revenues on a like-for-like basis were up by 11.5 % on a constant currency basis.

Demand in Norway was strong throughout the quarter, resulting in a like-for-like growth of 13.6%. Hemtex saw a like-for-like decrease of -1.9% after a growth up until stricter Swedish governmental restrictions was put into effect mid-December. Like-for-like growth in Finland was positive with 1.0% and Estonia had a positive like-for-like growth of 18.0%. Finland and Estonia account for less than 5% of Group revenues.

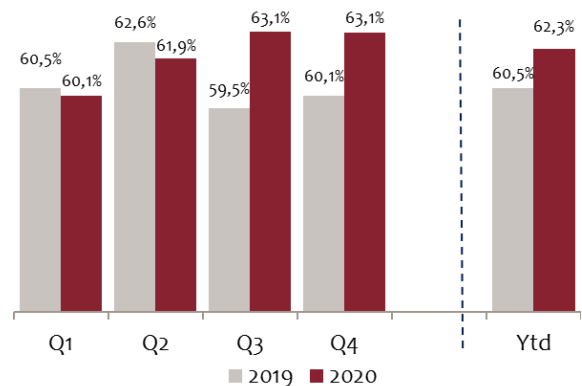
Q4 2019 vs Q4 2020 revenue bridge, MNOK



Gross margin was 63.1%, up 3.0 percentage points compared to Q4 2019.

The increase in gross margin is a consequence of higher purchasing volumes enabling improved purchasing terms with suppliers, reduced freight costs, a consistent currency hedging policy as well as reduced rebating.

Gross margin:

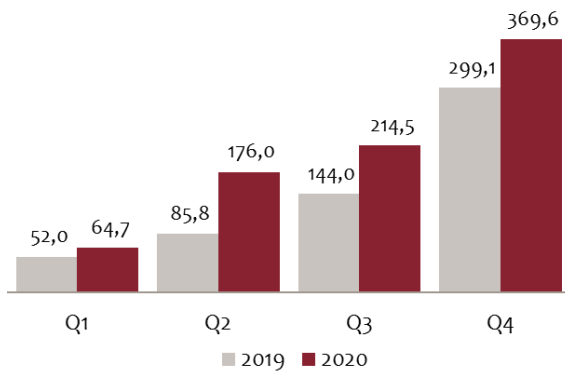


Employee benefits expenses increased by MNOK 1.1 to MNOK 174.7. In Kid Interior, bonus provisions increased based on strong financial performance as well as increased headcount at the head office. In Hemtex employee benefits expenses decreased due to closing of unprofitable stores and downsizing of the Swedish HQ during the integration process with Kid Interior.

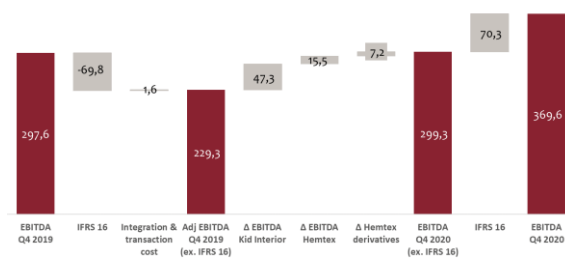
Operating expenses excluding IFRS16 increased by MNOK 25.4 to MNOK 219. Kid Interior had an increase in OPEX due to revenue related cost from higher sales in online and increased marketing costs. Hemtex had a reduction in operating expenses in local currency mainly due to a one-off warehouse relocation cost in Q4 last year. OPEX increased in NOK due to a stronger SEK compared to last year.

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

Adjusted EBITDA increased from MNOK 299.1 to MNOK 369.6. EBITDA was adjusted for transaction and integration costs in Q4 2019 of MNOK 1.6. No such adjustments were made in Q4 2020.



EBITDA exclusive of IFRS16 effects was MNOK 299.3 compared to an adjusted EBITDA of MNOK 229.3 last year. The increase of MNOK 70.0 is due to strong revenue growth with increased margins and stringent cost control.



Net financial expense of MNOK 5.6 mainly relates to net interest expenses of MNOK 3.7 and unrealized foreign exchange loss of MNOK 1.5.

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

Adjustments overview (MNOK)	Q4 2020	Q4 2019	FY 2020	FY 2019
Transaction cost related to Hemtex acquisition ¹				8,8
Integration cost related to Hemtex acquisition		1,6	1,2	5,3
EBITDA and EBIT adjustments		1,6	1,2	14,1
Profit adjustments before tax		1,6	1,2	14,1
Tax effects on adjustments (22%)		-0,3	-0,3	-1,6
Net income adjustments		1,2	0,9	12,4

¹ For FY 2019 MNOK 6.7 of total MNOK 8.8 in transaction cost were not tax deductible

Liquidity and borrowings

The Group has a satisfactorily liquidity position.

Excluding IFRS16 leasing liabilities, net interest-bearing debt was MNOK 220.3 (MNOK 335.2) at the end of the quarter, corresponding to 0.40 x LTM EBITDA (excluding IFRS16).

The Group had cash and available credit facilities of MNOK 678.3 as of 31 December 2020.

Segment allocated costs

Following the integration of Hemtex, certain group costs have been booked in Kid Interior and in the parent company Kid ASA. In Q4, such costs have been assessed and allocated to the respective segments based on common accepted methodology. Details are specified in the table below. Going forward, group costs will be allocated and reported on a quarterly basis.

Segment allocated costs

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

Segments: Key figures

KID Interior

(Amounts in NOK millions)	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenue	694,2	602,0	1 862,8	1 606,3
Revenue growth	15,3 %	11,0 %	16,0 %	9,5 %
LFL growth including online sales	13,6 %	8,8 %	14,8 %	6,8 %
COGS	-254,5	-233,4	-703,1	-622,6
Gross profit	439,6	368,5	1 159,7	983,7
Gross margin (%)	63,3 %	61,2 %	62,3 %	61,2 %
Other operating revenue	0,1	0,0	0,2	0,2
Employee benefits expense	-111,4	-106,2	-378,8	-349,1
Other operating expense	-114,8	-96,1	-378,5	-351,4
Other operating expense - IFRS 16 effect	36,8	37,1	150,9	148,3
EBITDA before allocated costs	250,3	203,3	553,5	431,7
EBITDA margin (%)	36,1 %	33,8 %	29,7 %	26,9 %
Allocated employee benefits expense ³	1,7		1,7	
Allocated other operating expense ³	10,0		10,0	
EBITDA	262,0	203,3	565,3	431,7
No. of shopping days	80	80	308	306
No. of physical stores at period end	147	144	147	144

Hemtex

(Amounts in NOK millions)	Q4 2020	Q4 2019	FY 2020	FY 2019 ¹
Revenue	403,0	387,5	1 131,8	735,9
Revenue growth ²	-5,7%	19,6 %	1,1 %	13,1 %
LFL growth including online sales ²	-1,9%	22,0 %	6,7 %	12,5 %
COGS	-150,7	-153,9	-420,7	-290,5
Gross profit	252,4	233,6	711,1	445,4
Gross margin (%)	62,6 %	60,3 %	62,8 %	60,5 %
Other operating revenue	0,9	0,1	1,4	1,9
Employee benefits expense	-63,3	-67,4	-227,4	-154,4
Other operating expense	-104,2	-96,0	-347,8	-209,3
Other operating expense - IFRS 16 effect	33,5	32,7	138,7	78,4
EBITDA before allocated costs	119,3	103,0	276,1	161,9
EBITDA margin (%)	29,5 %	26,6 %	24,4 %	21,9 %
Allocated employee benefits expense ³	-1,7		-1,7	
Allocated other operating expense ³	-10,0		-10,0	
EBITDA	107,5	103,0	264,3	161,9
No. of shopping days	91	91	364	273
No. of physical stores at period end (excl. franchise)	119	123	119	123

¹ Hemtex AB figures are included in the group accounts from 15 May 2019. FY 2019 is for the period 15 May until the end of FY19.

² Calculated in local currency

³ Refer "Segment allocated cost" section for further details

Segment: Kid Interior

Revenues in Kid Interior increased by 15.3% to MNOK 694.2. Like-for-like revenues including online sales were up by 13.6%, with constant sales growth throughout the quarter.

Online sales increased by 59.2% to MNOK 49.2.

Kid Interior has seen growth across all categories, but in particular within bed linen, pillows and duvets. Furthermore, new initiatives introduced after 2017 have added MNOK 130.0 in revenues in 2020, of which MNOK 83.0 during Q4. New initiatives include expansion of the kitchen segment, custom sun screening, furniture, lightning, and other accessories.

Gross profit increased by MNOK 71.1 compared to last year and **gross margin** increased by 2.1 percentage points due to higher purchasing volumes enabling improved purchasing terms, less rebating and favourable product mix following assortment expansion.

Employee expenses increased by 4.9% to MNOK 111.4:

- +1.8 percentage points due to net new stores
- +0.9 percentage points due to bonus provisions driven by strong financial performance. Bonus provisions in Q4 was MNOK 4.9 (MNOK 1.6) for store employees, MNOK 4.3 (MNOK 6.7) for HQ and Logistics
- +2.2 percentage points due to increase in HQ staff

Store bonuses are a function of actual vs. budgeted EBITDA per store for the fiscal year ending 31 December and is capped at a maximum cost of MNOK 0,23 per store. In Q4, MNOK 4.9 was provisioned and the full-year accumulated provision was MNOK 24.5 (MNOK 5.8). Furthermore, other management and HQ bonuses including social taxes were provisioned in Q4 with MNOK 4.3 and the full-year accumulated provision was MNOK 18.1 (MNOK 9.6). This includes MNOK

8.3 related to the integration of Hemtex, of which MNOK 2.3 was charged to Hemtex as segment cost. Please refer to separate section above for details.

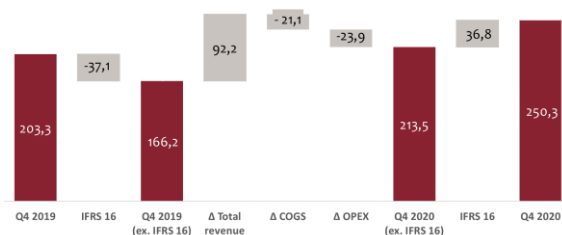
Other operating expenses excluding IFRS16 increased by 19.5% to MNOK 114.8:

- +0.9 percentage points related to revenue related rental costs
- +1.2 percentage points related to rental of port warehouse
- +5.1 percentage points related to increase in marketing costs in line with plan
- +12.2 percentage points because of transportation and other costs related to increased online sales, and a one-off refund from a payment card supplier last year

Covid-19 cost effect during Q4 has been estimated at MNOK 4.7 because of reduced employee benefit expenses (other staff and travelling costs).

EBITDA increased by MNOK 47.0 due to higher revenues and improved margins.

Q4 2019 vs. Q4 2020 EBITDA bridge, MNOK



Capital Expenditure during Q4 amounted to MNOK 19.6 reflecting openings and refurbishments of stores.

Four new stores were opened, one was relocated, and two stores were refurbished during the fourth quarter. There were no closed stores. The total number of physical stores at the end of the quarter was 147 (144).

Segment: Hemtex

Revenues increased by MNOK 15,5 to MNOK 403,0.

In local currency revenues decreased by MSEK -23,4 or -5,7% to MSEK 384,8 mainly related to closing of unprofitable stores (MSEK -12,2), reduced Hemtex24H sales due to high volumes from customer start-up last year (MSEK -5,1) and decreased like-for-like revenues in the last half of December (MSEK -6,1).

Online sales increased by 46,4% to MSEK 55,4.

Hemtex saw a positive like-for-like growth up until stricter Swedish governmental Covid-19 related restrictions was put into effect mid-December. Online traffic increased but was not able to fully compensate as the restrictions occurred too late to ensure online customer deliveries ahead of Christmas.

The implementation of Kid products has developed positively and in general we see that adapting new initiatives from Kid Interior is successful. Furthermore, the product mix has developed positively as Hemtex customers have purchased higher quality products within current categories, e.g. bed linen, pillows and duvets, and towels.

Gross profit increased by MNOK 18,8 and **gross margin** increased by 2,3 percentage points compared to Q4 2019. The increase is mainly caused by a more favourable product mix with higher margins, and a reduced cost of goods sold following higher volumes and effects of joint sourcing with Kid Interior.

Employee expenses decreased by -6,2% to MNOK 63,3:

- -4,0 percentage points due to net new and closed stores
- -3,3 percentage points in like-for-like stores due to reduced employee expenses both from operational efficiency and reduced hours caused by Covid-19
- -9,5 percentage points due to fewer employees at HQ in Borås, Sweden

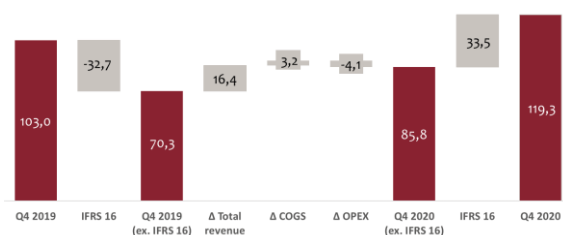
- +10,6 percentage points due to changes in NOKSEK exchange rate

Other operating expenses excluding IFRS16, increased by 8,6% to MNOK 104,2:

- -0,2 percentage points related to retail space and cost for LFL stores
- -3,3 percentage points related to retail space and cost for net new/closed stores
- -0,4 percentage points related to facility costs in HQ
- +2,7 percentage points related to increased marketing costs
- -4,8 percentage points due to warehouse relocation, partly offset by increased revenue related rental costs following higher sales volume online
- -0,5 percentage points related to increased third party logistics costs
- +15,1 percentage points due to changes in NOKSEK exchange rate

Covid-19 cost reduction effect during Q4 has been estimated at MNOK 3,1 of which reduced employee expenses accounted for MNOK 2,5.

EBITDA increased by MNOK 16,3 due to increased average prices from higher quality products, improved margins and reduced employee expenses.



Capital Expenditure during Q3 amounted to MNOK 6,9 and include openings and refurbishments in Q4.

One new store was opened, one store was relocated, and three stores were refurbished during the fourth quarter. No stores were closed. The total number of physical stores (excl. 12 franchise stores) at the end of the quarter was 119 (123).

Events after the end of the reporting period

The pandemic situation persists with local outbreaks and governmental restrictions affecting all markets, however in different ways.

Following local outbreaks in, amongst others, the greater Oslo area and the Bergen region, on average 38 stores have been closed after 22 January 2021. As per 17 February 2021, 47 stores are closed.

All stores are open in Sweden, Finland and Estonia.

Management continues to monitor the situation closely.

The Board of directors has adopted a revised dividend policy for kid ASA. Kid now targets a payout ratio of 80-100 percent of adjusted net profit with semi-annual payments.

The board will propose to the Annual General Meeting in May a dividend payment of NOK 4.40 payable in June 2021. Together with the prepayment of NOK 4.60 from November 2020 this represent 100% of the annual adjusted result after tax and in-line with the revised financial objectives.

The board of directors will also propose to the annual general meeting that the board is given the authority to distribute an additional half-year dividend in November 2021 in accordance with the dividend policy and in light of the third quarter 2021 results.

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

Lier, 17 February 2021

The board of Kid ASA



The image shows four handwritten signatures in blue ink, each with a printed name underneath. The signatures are arranged in a 2x2 grid. The names are: Petter Schouw-Hansen (top center), Rune Marsdal (top right), Liv Berstad (bottom left), and Gyrid Skalleberg Ingerø (bottom right).

Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

A green parakeet is perched on a dark, textured branch. In the background, there is a dark, textured sphere and a yellow ribbon. The overall scene is set against a dark, patterned background.

Kid ASA - Group figures Q4 2020

Financial statements

Interim consolidated statement of profit and loss

(Amounts in NOK thousand)	Note	Q4 2020 Unaudited	Q4 2019 Unaudited	FY 2020 Unaudited	FY 2019 ¹ Audited
Revenue		1 097 191	989 462	2 994 658	2 342 180
Other operating revenue		943	74	1 693	2 082
Total revenue		1 098 134	989 535	2 996 351	2 344 263
Cost of goods sold		-405 186	-394 511	-1 128 690	-925 666
Employee benefits expense		-174 665	-173 633	-607 119	-503 494
Depreciation and amortisation expenses	9	-86 782	-80 615	-340 840	-264 974
Other operating expenses		-148 720	-123 825	-436 973	-348 153
Total operating expenses		-815 353	-772 584	-2 513 622	-2 042 288
Operating profit		282 781	216 951	482 730	301 975
Financial income		180	5 391	32 299	9 510
Financial expense		-14 048	-13 768	-60 735	-50 453
Net financial income (+) / expense (-)		-13 868	-8 376	-28 435	-40 943
Profit before tax		268 913	208 575	454 295	261 032
Income tax expense		-59 226	-38 196	-98 196	-53 082
Net profit (loss) for the period		209 687	170 379	356 098	207 950
Interim condensed consolidated statement of comprehensive income					
Profit for the period		209 687	170 379	356 098	207 950
Other comprehensive income		-49 907	-13 461	-56 632	-134
Tax on comprehensive income		10 852	2 920	12 274	-303
Total comprehensive income for the period		170 632	159 838	311 740	207 513
Attributable to equity holders of the parent		170 632	159 838	311 740	207 513
Basic and diluted Earnings per share (EPS):		5,16	4,19	8,76	5,12

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	31.12.2020 Unaudited	31.12.2019 ¹ Audited
Assets			
Goodwill	9	72 280	65 402
Trademark	9	1 515 485	1 510 165
Other intangible assets	9	5 623	10 085
Deferred tax asset		15 810	2 185
Total intangible assets		1 609 197	1 587 836
Right of use asset	9	821 683	822 604
Fixtures and fittings, tools, office machinery and equipment	9	199 512	179 233
Total tangible assets		1 021 195	1 001 838
Total fixed assets		2 630 392	2 589 674
Inventories		482 161	484 988
Trade receivables		18 381	23 201
Other receivables		32 725	25 815
Derivatives		0	2 305
Total receivables		51 106	51 320
Cash and bank deposits		301 276	339 241
Total currents assets		834 542	875 549
Total assets		3 464 935	3 465 223

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.

Interim consolidated statement of financial position

(Amounts in NOK thousand)	Note	31.12.2020 Unaudited	31.12.2019 ¹ Audited
Equity and liabilities			
Share capital		48 770	48 774
Share premium		321 050	321 049
Other paid-in-equity		64 617	64 617
Total paid-in-equity		434 437	434 440
Other equity		750 164	715 721
Total equity		1 184 601	1 150 161
Deferred tax		315 336	315 398
Total provisions		315 336	315 398
Lease liabilities		585 131	584 848
Liabilities to financial institutions	6	461 480	494 498
Total long-term liabilities		1 046 612	1 079 346
Lease liabilities		234 113	217 427
Liabilities to financial institutions	6	60 297	180 000
Trade payable		92 316	145 122
Tax payable		87 011	51 239
Public duties payable		167 402	154 233
Other short-term liabilities		198 883	160 511
Derivatives		78 364	11 787
Total short-term liabilities		918 385	920 319
Total liabilities		2 280 333	2 315 063
Total equity and liabilities		3 464 935	3 465 223

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.

Interim consolidated statement of changes in equity

(Amounts in NOK thousand)	Total paid-in equity	Other equity	Total equity
Balance at 1 Jan 2019	434 440	656 247	1 090 687
Profit for the period YTD 2019	0	207 950	207 950
Other comprehensive income / Cash Flow Hedges	0	-18 076	-18 076
Dividend	0	-130 064	-130 064
Balance at 31 Des 2019	434 440	716 057	1 150 497
Balance at 1 Jan 2020 ¹	434 440	715 721	1 150 161
PPA adjustment	0	7 171	7 171
Adjusted Balance at 1 Jan 2020 ²	434 440	722 892	1 157 332
Profit for the period YTD 2020	0	356 098	356 098
Other comprehensive income / Cash Flow Hedges	0	-44 359	-44 359
Dividend	0	-284 474	-284 474
Balance at 31 Des 2020 ¹	434 440	750 164	1 184 601

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.

² PPA adjustment of deferred tax in Q1 2020

Interim consolidated statement of cash flows

(Amounts in NOK thousand)	Note	Q4 2020 Unaudited	Q4 2019 Unaudited	FY 2020 Unaudited	FY 2019 ¹ Audited
Cash Flow from operation					
Profit before income taxes		268 913	208 575	454 295	261 032
Taxes paid in the period		-5 900	-7 485	-50 103	-49 702
Depreciation & Impairment	9	86 782	80 615	340 840	265 152
Effect of exchange fluctuations		1 082	0	-23 147	0
Change in net working capital					
Change in inventory		76 477	122 369	22 777	-77 155
Change in trade debtors		-10 889	-1 836	8 685	-15 733
Change in trade creditors		37 257	-25 640	-61 333	65 636
Change in other provisions ²		70 182	72 615	57 193	74 322
Net cash flow from operations		523 904	449 213	749 207	523 553
Cash flow from investment					
Purchase of Hemtex AB, net of cash acquired		0	0	0	5 230
Purchase of fixed assets	9	-27 208	-46 881	-65 398	-98 089
Net Cash flow from investments		-27 208	-46 881	-65 398	-92 859
Cash flow from financing					
Proceeds from long term loans		0	0	25 000	674 375
Repayment of revolving credit facility		-49 802	0	-130 204	-397
Repayment of Term Loans		0	0	-50 152	-627 379
Lease payments for principal portion of lease liability		-66 938	-69 799	-274 956	-223 335
Dividend payment		-235 700	-48 774	-284 474	-130 064
Net interest		-13 061	2 796	-10 569	-26 170
Net cash flow from financing		-365 500	-115 777	-725 354	-332 969
Cash and cash equivalents at the beginning of the period		173 749	52 687	339 246	242 152
Net change in cash and cash equivalents		131 196	286 555	-41 545	97 724
Exchange gains / (losses) on cash and cash equivalents		-3 669	0	3 576	-634
Cash and cash equivalents at the end of the period		301 276	339 242	301 276	339 242

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.

² Change in other provisions includes other receivables, public duties payable, short-term liabilities and accrued interest.

Note 1 Corporate information

Kid ASA and its subsidiaries` (together the "company" or the "Group") operating activities are related to the resale of home textiles in Norway, Sweden, Finland and Estonia.

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

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

Note 2 Basis of preparations

These interim financial statements for the fourth quarter of 2020 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

The accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2019.

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

Segment reporting

After the acquisition of Hemtex AB and its subsidiaries on 15 May 2019, the Group reports operating segments in accordance with how the corporate management (the chief operating decision maker) makes, follows up and evaluates its decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the management and used as a basis for resource allocation and key performance review. Hemtex operates in Sweden, Finland and Estonia.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred.

Note 4 Estimates, judgments and assumptions

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

In preparing these interim financial statements the significant judgements made by management inn applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2019.

Note 5 Segment information

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

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

Per the fourth quarter, there has not been transactions affecting the segments.

Q4 2020

(Amounts in NOK thousand)	KID Interior	Hemtex	Group adjustments	Total
Revenue	694 161	403 030		1 097 191
COGS	-254 519	-150 667		-405 186
Gross profit	439 642	252 362		692 004
Other operating revenue	50	893		943
Operating expense (OPEX)	-177 660	-145 725		-323 385
EBITDA	262 032	107 531		369 563
Operating profit	215 600	67 181		282 781
Gross margin (%)	63,3 %	62,6 %	-	63,1 %
OPEX to sales margin (%)	25,6 %	36,2 %	-	29,5 %
EBITDA margin (%)	37,7 %	26,6 %	-	33,7 %
Inventory	253 300	228 861		482 161
Total assets	2 926 923	862 611		3 789 535

Note 6 Loans and borrowings

Financing agreements

In Q2 2019 Kid ASA secured a NOK 922,000 thousand financing structure with Nordea Bank for the combined Kid and Hemtex group, and in Q1 2020 the group obtained an additional NOK 25,000 thousand facility (TL C). In Q4 2020 Kid ASA repaid NOK 50,000 of the outstanding TL A facility. At the balance sheet date, the Group has the following borrowing facilities:

(Amounts in NOK thousand)	Utilised 31.12.2020	Total Facility Interest	Maturity	Repayment
TL A	100 000	150 000 3 months Nibor + 1.30%	3 years	Installments ¹
TL B	395 000	395 000 Fixed rate at 1,876% + 1.10%	3 years	At maturity
TL C	25 000	25 000 3 months Nibor + 1.30%	3 years	Installments ²
Revolving credit facility	-	130 000 3 months Nibor + 1.10%	2 years	At maturity
Overdraft	-	247 000 1 week IBOR + 1.10%	12 months	At maturity
	520 000	947 000		

¹ NOK 50,000 thousand annually in annual installments

² NOK 8,333 thousand annually in annual installments

The facilities are secured by NOK 1,200,000 thousand of inventory, accounts receivables and operating equipment in Kid Interiør AS and Hemtex AB and the shares in Kid Interiør AS and Hemtex AB. The overdraft facility is in addition secured by a floating charge of SEK 300,000 thousand.

In addition to the facilities described above, Kid has secured a NOK 115 million L/C- and guarantee facility.

Note 7 Earnings per share

	Q4 2020	Q4 2019	FY 2020	FY 2019
Weighted number of ordinary shares	40 645 162	40 645 162	40 645 162	40 645 162
Net profit or loss for the year	209 687	170 379	356 098	207 950
Earnings per share (basic and diluted) (Expressed in NOK per share)	5,16	4,19	8,76	5,12

Note 8 Related party transactions

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

None of the Board members have been granted loans or guarantees in the current year. Furthermore, none of the Board members are included in the Group's pension or bonus plans.

The following table provides the total amount of transactions that have been entered into with related parties during the total year of 2020 and 2019:

Related Party Transactions	FY 2020	FY 2019
Våggsgaten Handel AS with subsidiaries (Store rental)	1 137	1 143
Management for Hire*	375	821
Total	1 512	1 963

*The chairman of the board, Petter Schouw-Hansen, has been employed by Kid Interiør AS to perform integration work related to Hemtex AB. For the year 2020 the payment of salary amounts to NOK 375 thousand. The work is approved by the board as per Kid corporate governance policies. The agreement ended at 31.03.2020.

Note 9 Fixed assets and intangible assets

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2020	822 604	179 233	1 510 165	10 085	65 402
Exchange differences	23 513	7 129	5 319	471	6 879
Additions	254 734	68 664	-	956	-
Reclassification		2 500		-2 500	
Depreciation and amortisation	-279 168	-58 014	-	-3 389	-
Balance 31.12.2020	821 683	199 513	1 515 484	5 622	72 280

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 31.12.2018	-	91 530	1 459 585	9 835	-
IFRS 16 transition effects	674 700	-	-	-6 532	-
Balance 01.01.2019	674 700	91 530	1 459 585	3 303	-
Exchange differences	5 420	-1 614	1 280	493	1 656
Acquisition Hemtex	213 592	38 467	49 300		63 746
Additions	144 776	95 957		10 273	
Depreciation and amortisation	-215 884	-45 107		-3 984	
Balance 31.12.2019	822 604	179 233	1 510 165	10 085	65 402

RESPONSIBILITY STATEMENT KID ASA

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2020 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, 17 February 2020

The board of Kid ASA



Petter Schouw-Hansen

Karin Bing Orgland

Rune Marsdal

Liv Berstad

Gyrid Skalleberg Ingerø

Definitions

- **Like-for-like** revenue are revenue from stores that were in operation from the start of last fiscal year all through the end of the current reporting period.
- **Revenue growth** represents the growth in revenue for the current reporting period compared to the comparative period the previous year. For Hemtex, the comparative period is derived from Hemtex management information (not audited by Kid ASA). Revenue growth for Hemtex is calculated in constant currency. Revenue growth is an important key figure for the KID Group and the user of financial statements as it illustrates the underlying organic revenue growth.
- **Gross profit** is defined as revenue minus the cost of goods sold (COGS). The gross profit represents sales revenue that the Group retains after incurring the direct costs associated with the purchase and distribution of the goods.
- **Gross margin** is defined as Gross profit divided by Revenue. The gross margin reflects the percentage margin of the sales revenue that the Group retains after incurring the direct costs associated with the purchase and distribution of the goods and is an important internal KPI.
- **OPEX to sales margin** is the sum of Employee benefits expense and Other operating expenses divided by Revenue. The OPEX to sales margin measures operating cost efficiency as percentage of sales revenue and is an important internal KPI.
- **EBITDA** is earnings before tax, interests, amortisation of other intangibles and depreciation and write-down of property, plant and equipment and right-of-use assets is an important performance measure for Kid. **Adjusted EBITDA** is defined as EBITDA less items defined as other income and expenses, which includes inter alia, transaction and integration costs. These performance measures are important key figures for Kid Group and considered useful to the users of the financial statements when evaluating operational profitability on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure, and also items not considered as a part of ordinary operations.
- **EBITDA margin** is EBITDA divided by Total revenue. The **Adjusted EBITDA margin** is Adjusted EBITDA divided by total Revenue. These performance measures are important key figures for Kid Group and are considered useful to the users of the financial statements when evaluating operational efficiency on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure, and also items not considered as a part of ordinary operations.
- **EBIT** (earnings before interest, tax) is operating profit. **Adjusted EBIT** is defined as EBIT less items defined as other income and expenses, which includes inter alia, transaction and integration costs. These performance measures are considered useful to the users of the financial statements when evaluating operational profitability, also excluding items not considered as a part of ordinary operations.
- **EBIT margin** is EBIT divided by Total revenue. The **Adjusted EBIT margin** is Adjusted EBIT divided by total Revenue. These performance measures are important key figures for Kid Group and are considered useful to the users of the financial statements when evaluating operational efficiency, also excluding items not considered as a part of ordinary operations.
- **Net Capital expenditure** represent the cash flow from the investment spending in property, plant and equipment and other intangibles, less sale such asset.
- **Net Income** is profit (loss) for the period.
- **Adjusted Net Income** is Net Income adjusted for items defined as other income and expenses, which includes inter alia, transaction and integration costs adjusted for tax effects and change in deferred tax caused by change in tax rate.
- **Constant currency** is exchange rates that the Group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

Disclaimer

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

