

Kid ASA

Interim report
Q3 2023



Quarter in brief

(Figures from corresponding period the previous year in parentheses)

GROUP REVENUE increased by 13.1%.

GROSS MARGIN increased by 6.6 percentage points to 62.1%.

OPEX increased by 3.3% and demonstrates strong cost control.

EBITDA increased by MNOK 98.6 to MNOK 241.4 (MNOK 142.7).

CASH FLOW from the operations is strong due to increased profit and a constant working capital.

HALF-YEAR DIVIDEND payment of NOK 2.75 per share, payable in November 2023.

Group revenue

Our concepts have a strong value-for-money position. Our revenue growth has proven to be resilient, thus the effect of the current negative sentiment in the market for consumer goods, has been limited. Our growth this quarter indicates a countercyclical pattern and we have experienced positive effects by the successful launching of new categories and products as well as a successful campaign in Sweden. The growth in the quarter was driven by both increased customer traffic and basket size, and we witnessed a robust growth across all price-levels. The positive revenue development can partly be attributed to favorable shopping weather observed in the quarter.

Notably, we saw strong growth in established product categories as a result of constant product- and assortment development. In addition, revenues from new categories introduced since 2017 amounted to more than MNOK 93 in the third quarter, which represents a growth of approx. 30% compared to last year. The limited and exclusive high-end collection "Atelier" was successfully launched in May and contributed with revenues of approx. MNOK 10 in Q3.

Moreover, the "Hemtex 50 Years" campaign has been particularly impactful this quarter, driving substantial customer traffic and revenues. Furthermore, our store investments continue to driving growth.

Extended

Revenues from the Extended assortment was MNOK 16.6 in the quarter. We observe that stores play a crucial role to the success of the concept and fuel the like-for-like growth. The sales comprise a varied mix of the assortment, including sofas, carpets and beds.

The Extended concept was launched in Norway in Q4-22 and has provided profitable growth both online and in physical stores. Based on this, we have decided to increase the number of Extended stores from the current 5 pilot stores to a total of 10 stores in Norway, and to open 3 new Extended stores in Sweden. As previously communicated, we plan to launch the extended assortment online in Hemtex during H1-24.

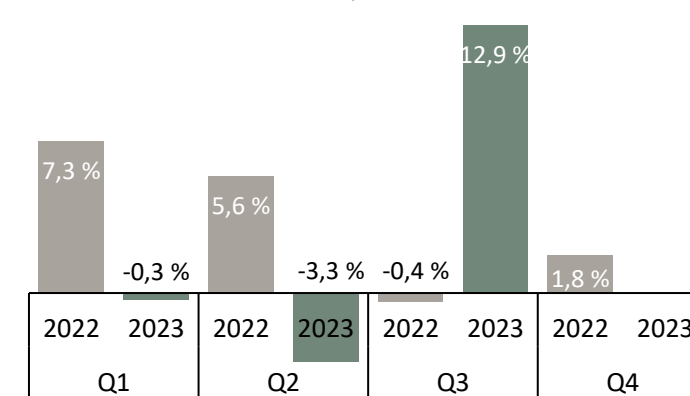
Omnichannel

The made-to-measure ("M2M") module launched in Q2-23, enabling physical stores to sell M2M products, also contributed to positive revenue development in the third quarter of MNOK 4.2 (MNOK 1.8).

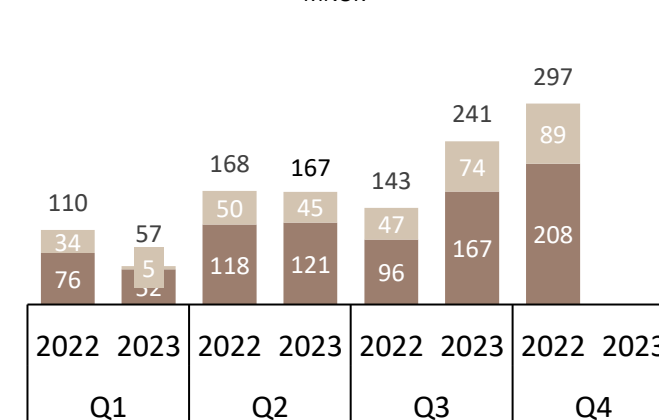
Gross margin

Overseas freight rates peaked during 2022 and negatively impacted gross margin. Normalised freight rate levels, in combination with price adjustments implemented during Q1, resulted in a gross margin for the quarter in line with historical levels.

LIKE-FOR-LIKE REVENUE GROWTH



EBITDA MNOK



■ Kid Interior ■ Hemtex

Alternative Performance Measures

(Amounts in NOK million)	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Revenue	830,9	734,7	2 160,4	2 069,4	3 178,0
Like-for-like growth including online sales ¹	12,9 %	-0,4 %	4,8 %	4,6 %	3,2 %
COGS	-315,1	-326,9	-855,2	-853,5	-1 331,6
Gross profit	515,8	407,8	1 305,3	1 215,9	1 846,4
Gross margin (%)	62,1%	55,5%	60,4%	58,8%	58,1%
Other operating income	1,0	1,5	2,6	4,0	5,2
Employee benefits expense	-161,5	-144,5	-484,7	-453,5	-629,9
Other operating expense	-200,5	-194,1	-613,5	-565,0	-795,5
Other operating expense - IFRS 16 effect	86,6	71,9	254,9	219,3	291,3
OPEX	-275,4	-266,6	-843,2	-799,2	-1 134,1
EBITDA	241,4	142,7	464,6	420,8	717,5
EBITDA margin (%)	29,0%	19,4%	21,5%	20,3%	22,5%
Depreciation	-23,8	-18,2	-65,9	-55,5	-74,8
Depreciation - IFRS 16 effect	-78,0	-68,2	-232,5	-205,4	-273,5
EBIT	139,6	56,3	166,2	159,9	369,2
EBIT margin (%)	16,8%	7,6%	7,7%	7,7%	11,6%
Net financial income (expense)	-9,0	-5,3	-27,0	-13,7	-19,0
Net financial expense - IFRS 16 effect	-11,2	-7,2	-31,6	-21,0	-28,5
Share of result from joint ventures	-1,3	-2,5	-1,6	-4,4	-2,8
Profit before tax	118,0	41,3	105,9	120,7	318,9
Net income	90,6	29,5	80,4	90,2	249,2
Earnings per share	2,23	0,73	1,98	2,22	6,13
Liabilities to financial institutions	-747,5	-822,3	-747,5	-822,3	-551,6
Lease liabilities - IFRS 16 effect	-1 069,4	-813,1	-1 069,4	-813,1	-781,8
Cash	0,0	6,5	0,0	6,5	75,7
Net interest bearing debt	-1 816,9	-1 629,0	-1 816,9	-1 629,0	-1 257,7

¹Calculated in constant currency



Financial Review for the Kid Group

A strong quarter in terms of footfall and basket size resulted in double-digit growth in Q3. Gross margin improved as a result of normalised freight rate levels and adjustment of prices. OPEX increased on the back of general salary- and price increases, as well as bonus provisions. In total, we reached all-time high EBITDA for the Group in the third quarter.

Group revenue

Total revenue increased by 13.1% (-2.1%). The Group's revenue showed consistent growth in every month of the quarter. In constant currency, Group revenue increased by 12.1% (+0.5%). Net new stores contributed positively.

The like-for-like increase was 12.9% (-0.4%) in the quarter. Both Kid Interior and Hemtex experienced a positive revenue development in both physical stores and online.

Online revenues increased by 26.8% (+39.4%) in the quarter and represented 11.7% (10.3%) of total revenues.

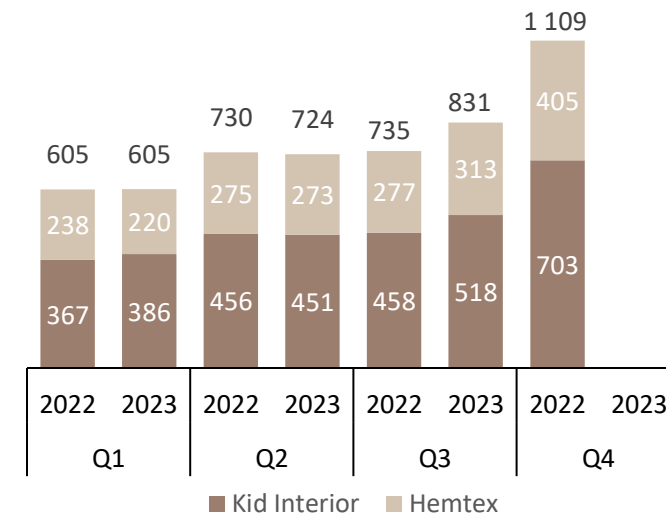
Categories launched since 2017 accounted for MNOK 93.3 (MNOK 71.8) in revenues, of which the Extended assortment accounted for MNOK 16.6 (MNOK 0).

Gross margin

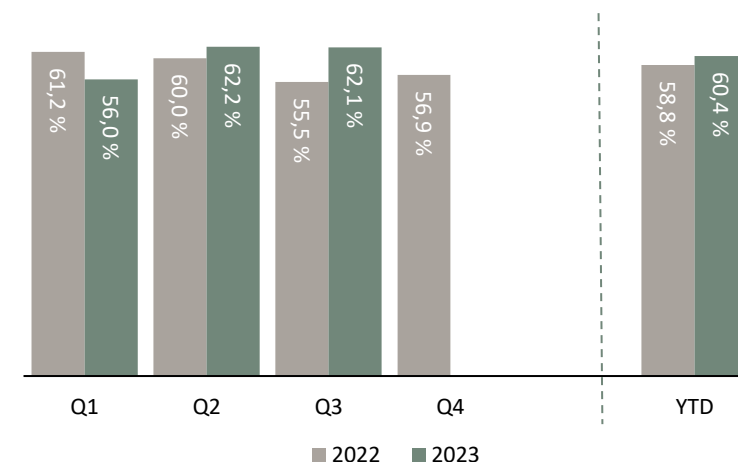
Both segments experienced increased gross margins compared to Q3-22.

As previously communicated, the gross margin in Q3-22 was unusually low as the high freight rates in 2022 were not sufficiently incorporated in our price calculation models.

REVENUES MNOK



GROSS MARGIN %



Financial Review for the Kid Group

Employee expenses increased by MNOK 17.0 to MNOK 161.5:

- MNOK 1.9 in LFL stores mainly due to general salary increases, partly offset by a reduction in working hours following tight cost control in both segments
- MNOK 0.6 in net new stores
- MNOK 1.9 in HQ costs due to general salary increase and increased number of employees
- MNOK 4.1 in Logistics mainly due to the new central warehouse in Sweden
- MNOK 7.2 due to higher bonus provisions compared to last year
- MNOK 1.3 due to changes in SEK/NOK exchange rate

Other operating expenses decreased by MNOK -8.2 to MNOK 113.9:

- MNOK 0.8 in net new stores
- MNOK 10.9 in LFL stores, mainly related to index adjustment of rental costs and increased shared operating costs, however reduced due to decreased electricity costs
- MNOK -2.0 from reduced marketing costs
- MNOK -0.6 in HQ costs, mainly due to high store operating consumables last year in Kid
- MNOK -4.8 in Logistics operating costs

mainly due to personnel costs in Sweden, now presented as employee expenses

- MNOK -13.9 related to change in IFRS 16 effects, reflecting the increase in rental cost in Logistics, HQ and stores due to index regulations, re-negotiated contracts and net new stores
- MNOK 1.4 due to changes in SEK/NOK exchange rate

EBITDA increased compared to Q3 last year mainly due to increased revenue and improved gross margin.

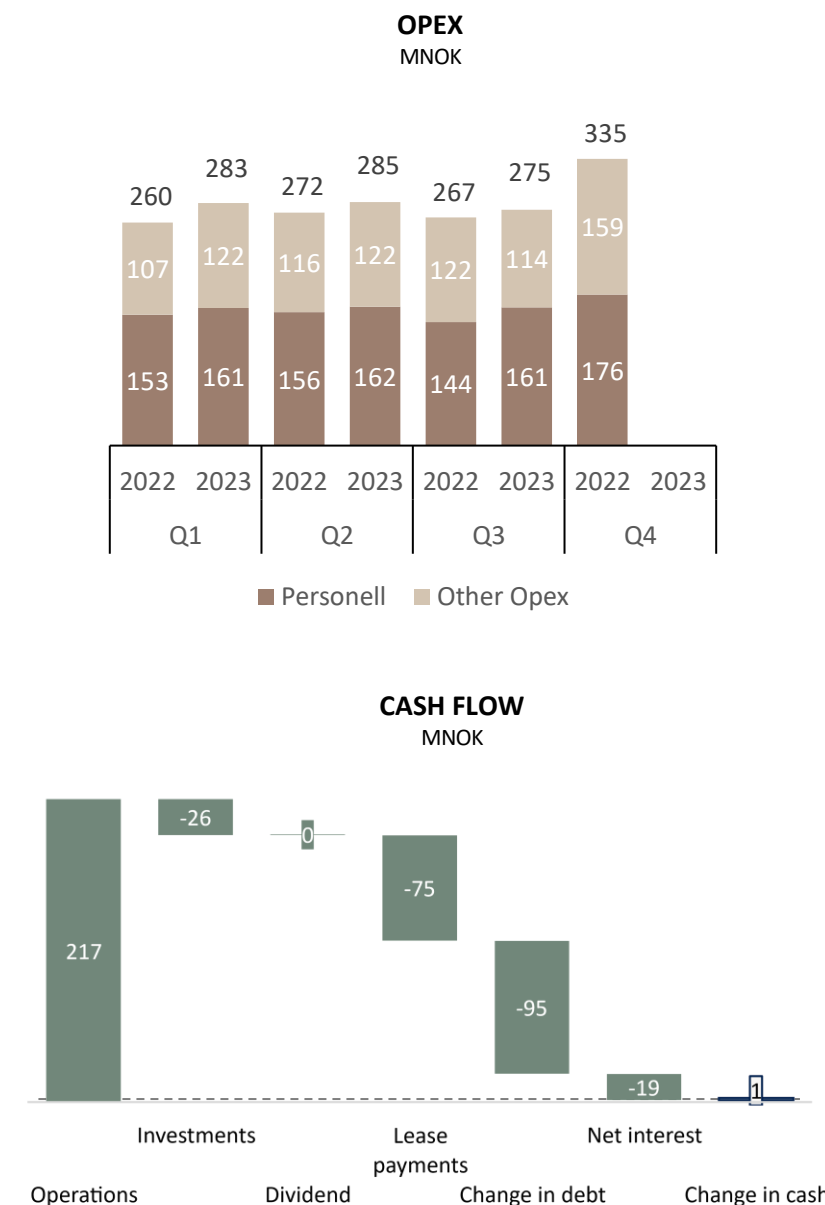
Net financial expenses of MNOK 20.2 (MNOK 12.4) relates to net interest expenses of MNOK 7.8 (MNOK 4.1), net other financial expenses of MNOK 0.6 (MNOK 1.0), net FX expenses of MNOK 0.6 (MNOK 0.1) and IFRS 16 interest expenses of MNOK 11.2 (MNOK 7.2).

Liquidity and borrowings

During the quarter, a new revolving credit facility (RCF) agreement of MNOK 230 has been signed with Nordea replacing the two previous RCF agreements. The maturity date has been prolonged to the end of April 2026.

Excluding IFRS 16 effects, net interest-bearing debt was MNOK 747.5 (MNOK 815.9) at the end of the quarter, corresponding to a gearing ratio of 1.72x (1.62x) of LTM EBITDA. The Group had cash and available credit facilities of MNOK 271.1 (MNOK 132.8) as of 30 September 2023, and has a satisfactorily liquidity situation.

Capital expenditures (CAPEX) amounted to MNOK 24.6 (MNOK 22.8) during Q3 of which investment in the new warehouse in Sweden accounted for MNOK 2.2 (MNOK 7.8), and the remaining MNOK 22.4 (MNOK 15.0) mainly reflects store openings and refurbishments.



Segment: Key figures

KID Interior

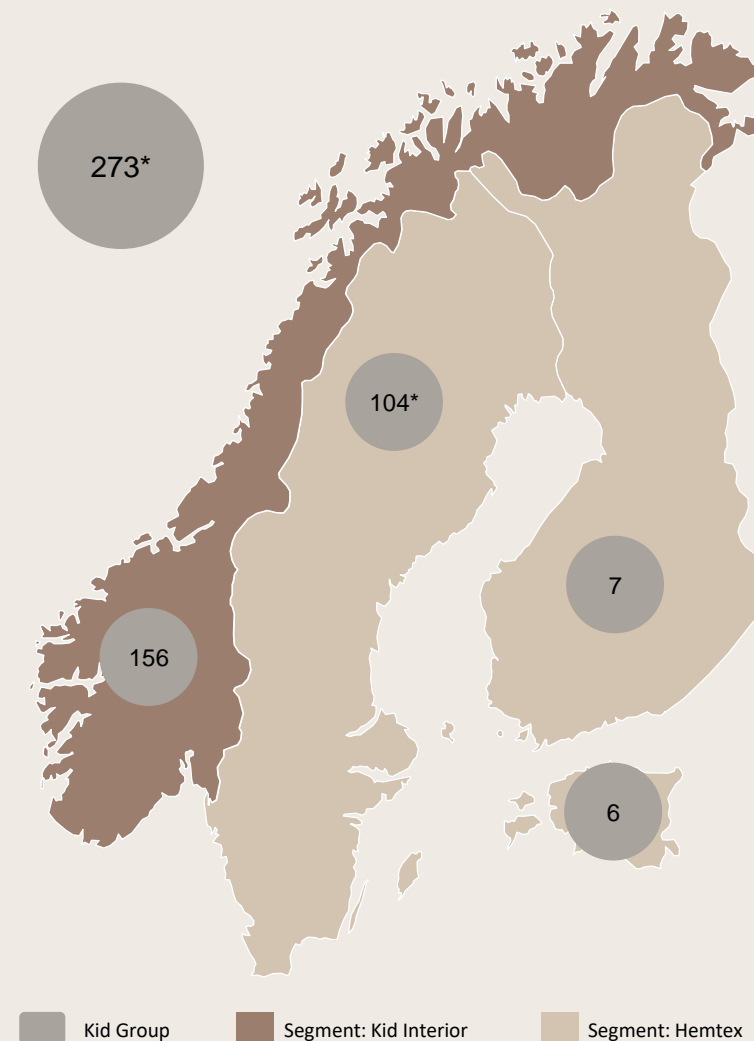
(Amounts in NOK millions)	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Revenue	517,8	457,9	1 354,4	1 280,2	1 983,6
Revenue growth	13,1 %	1,4 %	5,8 %	7,0 %	5,3 %
LFL growth including online sales	12,7 %	-1,0%	4,8 %	4,6 %	3,2 %
COGS	-192,5	-209,3	-531,0	-533,3	-828,0
Gross profit	325,3	248,6	823,4	747,0	1 155,6
Gross margin (%)	62,8 %	54,3 %	60,8 %	58,3 %	58,3 %
Other operating revenue	0,0	0,0	0,1	0,1	0,1
Employee benefits expense	-98,2	-89,2	-295,9	-277,4	-392,2
Other operating expense	-109,9	-106,6	-330,5	-307,1	-434,4
Other operating expense - IFRS 16 effect	49,7	43,0	143,0	127,4	168,7
EBITDA	166,9	95,8	340,1	289,9	497,9
EBITDA margin (%)	32,2 %	20,9 %	25,1 %	22,6 %	25,1 %
No. of shopping days	79	79	227	227	308
No. of physical stores at period end	156	155	156	155	156

Hemtex

(Amounts in NOK millions)	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Revenue	313,1	276,8	806,0	789,2	1 194,4
Revenue growth ¹	10,5 %	-1,0%	-1,3%	3,9 %	3,2 %
LFL growth including online sales ¹	13,3 %	0,8 %	1,0 %	2,7 %	2,8 %
COGS	-122,7	-117,6	-324,1	-320,2	-503,6
Gross profit	190,4	159,2	481,9	469,0	690,8
Gross margin (%)	60,8 %	57,5 %	59,8 %	59,4 %	57,8 %
Other operating revenue	1,0	1,5	2,5	3,9	5,1
Employee benefits expense	-63,3	-55,2	-188,8	-175,9	-237,6
Other operating expense	-90,6	-87,7	-283,0	-258,0	-361,3
Other operating expense - IFRS 16 effect	36,9	29,0	112,0	91,9	122,6
EBITDA	74,5	46,9	124,5	130,9	219,7
EBITDA margin (%)	23,7 %	16,8 %	15,4 %	16,5 %	18,3 %
No. of shopping days	92	92	271	271	362
No. of physical stores at period end (excl. franchise)	117	117	117	117	119

¹ Calculated in local currency

NUMBER OF STORES PER QUARTER END



*Fully-owned stores. Hemtex has an additional 11 franchise stores

Segment: Kid Interior

Revenues increased compared to last year, mainly due to an increase in footfall to both physical stores and online and increased revenue per customer, partly offset by a reduction in conversion rate. The number of shopping days was 79 (79).

Online revenues increased by +45.5% (+37.0%) to MNOK 50.8 (MNOK 34.9).

The Extended Assortment accounted for MNOK 16.6 (MNOK 0) in revenue.

Gross margin increased by 8.5 percentage points. The gross margin was unusual low last year as the high freight rates in 2022 was not sufficiently incorporated in our price calculation models.

Employee expenses increased by MNOK 8.9:

- MNOK 0.6 due to net new stores
- MNOK 1.7 in LFL stores, mainly due to general salary increase, and partly offset by a reduction in working hours
- MNOK 6.0 due to higher bonus provisions
- MNOK 0.8 in headquarter costs mainly due to increase in HQ staff as

well as general salary increases

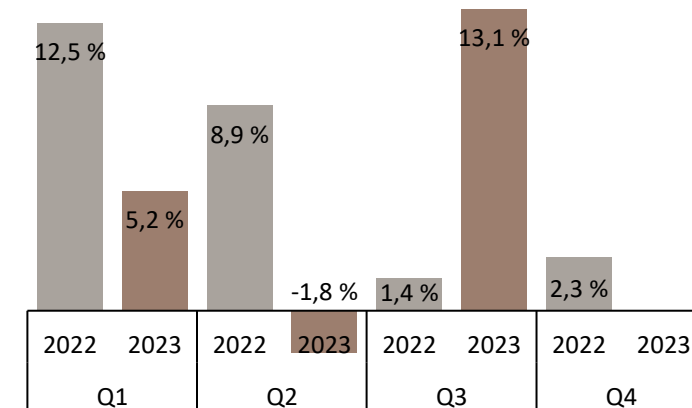
- MNOK -0.2 in Logistics

Year-to-date bonus provision amounted to MNOK 7.7 (MNOK 1.2).

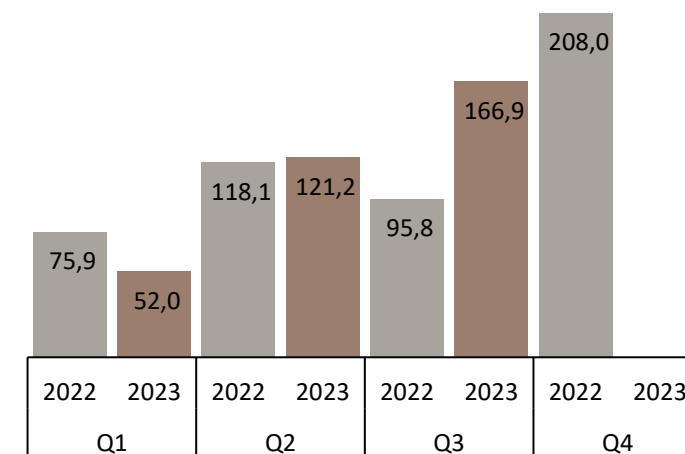
Other operating expenses decreased by MNOK -3.2:

- MNOK 0.9 in net new stores
- MNOK 4.1 in LFL stores, mainly related to index adjustment of rental costs and increased shared operating costs, however reduced due to decreased electricity costs
- MNOK -1.0 in reduced marketing costs
- MNOK -1.2 in HQ, mainly related to high store operating consumables last year
- MNOK 0.7 in Logistics due to increased number of external workforce hours, partly offset by reduced electricity costs
- MNOK -6.7 related to change in IFRS 16 effects, reflecting the increase in rental cost in Logistics, HQ and stores due to index regulations, re-negotiated contracts and net new stores

**LIKE-FOR-LIKE
REVENUE GROWTH**
%



EBITDA
MNOK



Segment: Hemtex

Revenues increased, mainly due to increased footfall to both physical stores and online. The “Hemtex 50 Years” campaign in August and September was an important driver of the revenue development. The number of shopping days (92) in the quarter was unchanged compared to last year.

Online revenues increased by +11.2% (+41.7%) to MNOK 46.3 (MNOK 41.7) based on a constant currency calculation.

Hemtex 24h revenue declined compared to Q3-22 by MNOK 10.3. Reference is made to the Q1-23 report related to the termination of the agreement with ICA Gruppen, which will impact revenues for the year.

Gross margin increased by 3.3 percentage points.

Employee expenses increased by MNOK 8.1:

- MNOK 0.0 due to net new stores
- MNOK 0.3 in LFL stores due to higher hourly cost
- MNOK 1.2 due to higher bonus provisions
- MNOK 1.1 in HQ due to personnel costs related to store manager

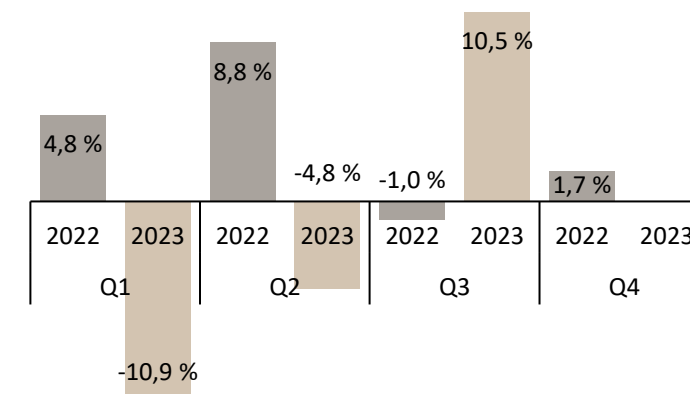
conference, pension costs, as well as general salary increases

- MNOK 4.2 in Logistics due to new employees at the warehouse in Sweden
- MNOK 1.3 due to changes in SEK/NOK exchange rate

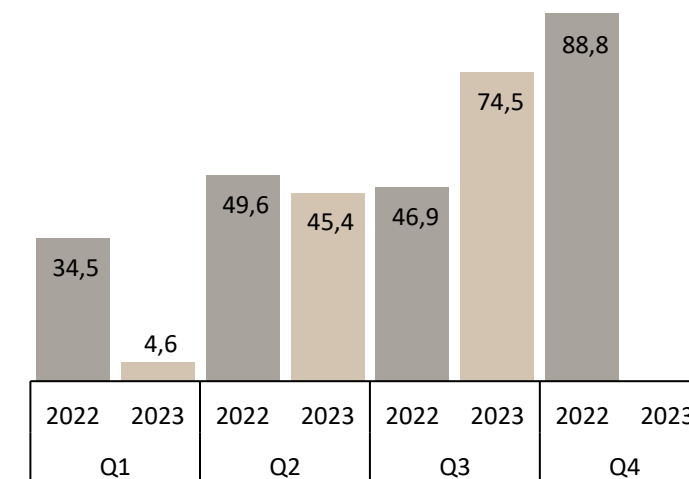
Other operating expenses decreased by MNOK -5.0:

- MNOK -0.1 in net new stores
- MNOK 6.8 in LFL stores, mainly related to index adjustment of rental costs and increased rental space
- MNOK -1.1 from reduced marketing costs
- MNOK -5.4 in Logistics operating costs mainly due to personnel costs now presented as employee expenses due to the inhouse logistic operations from Q2-23
- MNOK 0.6 in HQ mainly due to temporary hired personnel and increased sales commission
- MNOK -7.2 related to change in IFRS 16 effects, reflecting the increase in rental cost in Logistics, HQ and stores due to index regulations, re-negotiated contracts and net new stores
- MNOK 1.4 due to changes in SEK/NOK exchange rate

**LIKE-FOR-LIKE
REVENUE GROWTH**
%



EBITDA
MNOK



Events after the end of reporting period

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

Lier, 8 November 2023
The Board of Kid ASA

Petter Schouw-Hansen
Chair

Karin Bing Orgland
Board member

Rune Marsdal
Board member

Liv Berstad
Board member

Gyrid Skalleberg Ingerø
Board member

Espen Gundersen
Board member

Anders Fjeld
Chief Executive Officer



INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amounts in NOK thousand)	Note	Q3 2023 Unaudited	Q3 2022 Unaudited	Q1-Q3 2023 Unaudited	Q1-Q3 2022 Unaudited	FY 2022 Audited
Revenue		830 913	734 699	2 160 427	2 069 418	3 177 991
Other operating revenue		1 007	1 532	2 578	4 008	5 236
Total revenue		831 920	736 232	2 163 005	2 073 426	3 183 227
Cost of goods sold		-315 148	-326 898	-855 174	-853 481	-1 331 613
Employee benefits expense		-161 495	-144 480	-484 682	-453 502	-629 892
Depreciation and amortisation expenses	9	-101 774	-86 422	-298 425	-260 887	-348 296
Other operating expenses		-113 923	-122 143	-358 563	-345 679	-504 198
Total operating expenses		-692 340	-679 942	-1 996 843	-1 913 549	-2 813 999
Operating profit		139 580	56 290	166 162	159 877	369 228
Financial income		3 667	513	7 077	1 466	4 948
Financial expense		-23 898	-12 959	-65 753	-36 216	-52 476
Net financial income (+) / expense (-)		-20 231	-12 446	-58 675	-34 750	-47 528
Share of result from joint ventures		-1 332	-2 530	-1 588	-4 405	-2 787
Profit before tax		118 017	41 314	105 898	120 722	318 913
Income tax expense		-27 371	-11 801	-25 450	-30 511	-69 668
Net profit (loss) for the period		90 647	29 513	80 448	90 211	249 245
Interim condensed consolidated statement of comprehensive income						
Profit for the period		90 647	29 513	80 448	90 211	249 245
Other comprehensive income		3 387	77 902	116 507	210 222	154 146
Tax on comprehensive income		-2 628	-16 936	-24 082	-46 760	-35 877
Total comprehensive income for the period		91 405	90 478	172 873	253 672	367 513
Attributable to equity holders of the parent		91 405	90 478	172 873	253 672	367 513
Basic and diluted Earnings per share (EPS):		2,23	0,73	1,98	2,22	6,13

Group Figures Q3 2023 Financial Statements

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK thousand)	Note	30.09.2023	30.09.2022	31.12.2022
Assets		Unaudited	Unaudited	Audited
Goodwill	9	67 581	67 266	65 479
Trademark	9	1 511 858	1 511 606	1 510 224
Other intangible assets	9	42 635	24 518	35 326
Deferred tax asset		0	0	1 859
Total intangible assets		1 622 075	1 603 391	1 612 888
Right of use asset	9	1 039 539	795 465	760 734
Fixtures and fittings, tools, office machinery and equipment	9	299 657	202 190	237 245
Total tangible assets		1 339 196	997 655	997 979
Investments in associated companies and joint ventures	10	0	0	0
Loans to associated companies and joint ventures	8	37 591	23 158	23 795
Total financial fixed assets		37 591	23 158	23 795
Total fixed assets		2 998 862	2 624 204	2 634 663
Inventories		728 704	876 556	668 753
Trade receivables		10 135	16 153	12 094
Other receivables		27 013	32 963	35 241
Derivatives		61 783	148 448	59 449
Total receivables		98 931	197 564	106 784
Cash and bank deposits		0	6 482	75 721
Total currents assets		827 635	1 080 602	851 259
Total assets		3 826 500	3 704 809	3 485 922

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK thousand)	Note	30.09.2023	30.09.2022	31.12.2022
Equity and liabilities		Unaudited	Unaudited	Audited
Share capital		48 770	48 770	48 770
Share premium		321 050	321 050	321 050
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		434 440	434 440	434 440
Other equity		812 384	860 279	838 940
Total equity		1 246 824	1 294 719	1 273 380
Deferred tax		322 902	346 100	322 723
Total provisions		322 902	346 100	322 723
Lease liabilities		767 079	553 919	523 528
Liabilities to financial institutions	6	671 658	621 642	521 646
Total long-term liabilities		1 438 737	1 175 561	1 045 175
Lease liabilities		302 320	259 201	258 257
Liabilities to financial institutions	6	75 853	200 695	30 000
Trade payable		152 038	113 496	122 459
Tax payable		0	14 314	57 745
Public duties payable		129 098	119 087	167 139
Other short-term liabilities		155 305	181 588	201 815
Derivatives		3 424	50	7 229
Total short-term liabilities		818 038	888 430	844 644
Total liabilities		2 579 676	2 410 091	2 212 542
Total equity and liabilities		3 826 500	3 704 809	3 485 922

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK thousand)	Total paid-in equity	Other equity	Total equity
Balance at 1 Jan 2022	434 440	828 209	1 262 660
Profit for the period YTD 2022	0	90 212	90 212
Other comprehensive income	0	163 614	163 614
Realized cash flow hedges	0	-59 201	-59 201
Dividend	0	-162 581	-162 581
Balance at 30 Sep 2022	434 440	860 279	1 294 720
Balance at 1 Jan 2023	434 440	838 940	1 273 380
Profit for the period YTD 2023	0	80 448	80 448
Other comprehensive income	0	92 425	92 425
Realized cash flow hedges	0	-77 494	-77 494
Dividend	0	-121 935	-121 935
Balance at 30 Sep 2023	434 440	812 384	1 246 824

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK thousand)	Note	Q3 2023 Unaudited	Q3 2022 Unaudited	Q1-Q3 2023 Unaudited	Q1-Q3 2022 Unaudited	FY 2022 Audited
Cash Flow from operation						
Profit before income taxes		118 018	41 314	105 898	120 723	318 914
Taxes paid in the period		-8 513	-5 550	-65 839	-97 171	-105 571
Depreciation & Impairment	9	101 774	86 422	298 425	260 887	348 296
Effect of exchange fluctuations		747	-155	6 012	-1 855	1 341
Change in net working capital						
Change in inventory		-66 405	-93 741	-51 119	-228 366	-29 170
Change in trade debtors		22 585	4 506	2 290	5 295	9 135
Change in trade creditors		43 517	12 933	29 557	-43 348	-34 347
Change in other provisions ¹		4 954	4 516	-49 193	-58 219	39 259
Net cash flow from operations		216 676	50 245	276 030	-42 054	547 855
Cash flow from investment						
Purchase of fixed assets	9	-25 828	-23 402	-141 478	-61 514	-119 264
Loans to associated companies and joint ventures	8, 10	0	16 188	-12 785	-15 012	-23 795
Net Cash flow from investments		-25 828	-7 214	-154 263	-76 526	-143 059
Cash flow from financing						
Proceeds from long term loans		0	0	0	180 000	230 000
Proceeds from short term loans		0	0	160 000	0	0
Repayment of revolving credit facility		0	0	0	-65 118	-195 118
Repayment of Term Loans		0	0	-10 000	-10 000	-30 000
Overdraft facility		-95 208	29 194	45 853	170 693	0
Lease payments for principal portion of lease liability		-75 378	-66 105	-223 268	-202 620	-263 350
Dividend payment		0	0	-121 935	-162 581	-264 194
Net interest		-18 789	-10 627	-59 830	-30 975	-46 436
Net cash flow from financing		-189 375	-47 539	-209 181	-120 602	-569 098
Cash and cash equivalents at the beginning of the period		0	4 039	75 722	239 331	239 331
Net change in cash and cash equivalents		1 472	-4 511	-87 414	-239 180	-164 299
Exchange gains / (losses) on cash and cash equivalents		-1 472	6 951	11 693	6 330	690
Cash and cash equivalents at the end of the period		0	6 482	0	6 482	75 721

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

¹ Change in other provisions includes other receivables, public duties payable, short-term liabilities and accrued interest.

NOTE 1 CORPORATE INFORMATION

Kid ASA and its subsidiaries` (together the “company” or the “Group”) operating activities are related to the resale of home textiles in Norway, Sweden, Finland and Estonia. The Kid Group offers a full range of home and interior products, including textiles, curtains, bed linens, furniture, accessories and other interior products. We design, source, market and sell these products through our stores as well as through our online sales platforms.

All amounts in the interim financial statements are presented in NOK 1,000 unless otherwise stated. Due to rounding, there may be differences in the summation columns.

NOTE 2 BASIS OF PREPARATIONS

These interim financial statements for the third quarter of 2023 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 2022, 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 2022. Amendments to IFRSs effective for the financial year ending 31 December 2023 are not expected to have a material impact on the group.

NOTE 4 ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

In preparing these interim financial statements the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2022.

NOTE 5 SEGMENT INFORMATION

Kid Group reports segments in accordance with how the chief operating decision maker makes, follows up and evaluates its decisions. Within the Group, Kid Interior relates to Norway and Hemtex relates to Sweden with a few stores in Estonia and Finland. The Group also sells home textiles through the Group’s online websites. Over 98% of the products are sold under own brands.

Q3 2023

(Amounts in NOK thousand)	KID Interior	Hemtex	Total
Revenue	517 819	313 095	830 913
COGS	-192 472	-122 676	-315 148
Gross profit	325 346	190 419	515 765
Other operating revenue	34	972	1 007
Operating expense (OPEX)	-158 498	-116 922	-275 420
EBITDA	166 883	74 469	241 352
Operating profit	110 267	29 311	139 578
Gross margin (%)	62,8 %	60,8 %	0,6
OPEX to sales margin (%)	30,6 %	37,3 %	0,3
EBITDA margin (%)	32,2 %	23,7 %	0,3
Inventory	465 662	263 042	728 704
Total assets	2 717 742	1 108 755	3 826 497

NOTE 6 LOANS AND BORROWINGS

Financing agreements

During the quarter, a new agreement has been signed with Nordea for the revolving credit facility (RCF), replacing the two previous RCF facilities. The maturity date has been prolonged. The definition of EBITDA has been updated to match the reported figures (incl. IFRS 16) and the covenant requirement of LTM EBITDA increased to MNOK 300 accordingly. At the balance sheet date, the Group has the following borrowing facilities:

(Amounts in NOK thousand)	Utilised 30.09.2023	Facility	Interest	Maturity	Repayment
Total term loan	541 700	541 700		15.05.2026	Instalments ¹
<i>Of which secured with fixed interest rate:</i>					
<i>Denominated in NOK</i>	395 000	395 000	Fixed rate at 1,876% + 1.25% ²		
<i>Denominated in SEK</i>	45 000	45 000	Fixed rate at 1,460% + 1.25% ³		
Revolving credit facility	160 000	230 000	3 months NIBOR + 1.31%	27.04.2026 ⁴	At maturity
Overdraft	45 853	247 000	1 week IBOR + 1.10%	12 months	At maturity
	747 553	1 018 700			

¹NOK 30M in annual instalments with bi-annual payments.

²Fixed interest rate is secured through an interest rate swap of MNOK 395 maturing May 2029 and subject to hedge accounting

³Fixed interest rate and denomination in SEK is hedged through a cross currency interest swap of MNOK 115 maturing November 2024

⁴The revolving credit facility (RCF) has been refinanced during Q3 and consolidated during the quarter

The effect of the change in fair value of the cross-currency interest swap is booked against foreign exchange gains/losses in Statement of profit and loss

NOTE 7 EARNINGS PER SHARE

	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Weighted number of ordinary shares	40 645 162	40 645 162	40 645 162	40 645 162	40 645 162
Net profit or loss for the year	90 647	29 513	80 448	90 211	249 245
Earnings per share (basic and diluted) (Expressed in NOK per share)	2,23	0,73	1,98	2,22	6,13

NOTE 8 RELATED PARTY TRANSACTIONS

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 quarter. 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 third quarter of 2023 and 2022:

Related Party	Q1-Q3 2023	Q1-Q3 2022
Prognosgatan Holding AS (Loan)	37 591	23 158
Total	37 591	23 158

NOTE 9 FIXED ASSETS AND INTANGIBLE ASSETS

Additions on Right of use Assets during the quarter relates to new and renegotiated rental agreements for stores. Additions on PPE relates to investments in the new warehouse in Sweden as well as store openings and refurbishments.

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2023	760 734	237 245	1 510 224	35 327	65 479
<i>Exchange differences</i>	11 150	6 003	1 634	-573	2 102
Additions, disposals and adjustment	500 169	117 065		13 137	
Depreciation and amortisation	-232 514	-60 655		-5 255	
Balance 30.09.23	1 039 539	299 658	1 511 858	42 636	67 581

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2022	756 941	203 158	1 511 788	19 096	70 286
<i>Exchange differences</i>	493	-255	-182	-734	-3 020
Additions, disposals and adjustment	243 418	52 518		8 425	
Depreciation and amortisation	-205 387	-53 231		-2 269	
Balance 30.09.22	795 465	202 192	1 511 606	24 518	67 266

NOTE 10 INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

The group had the following subsidiaries as of 30 September 2023:

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
Kid Eiendom AS	Norway	Logistics	100
Hemtex AB	Sweden	Interior goods retailer	100
Hemtex OY	Finland	Interior goods retailer	100
Kid International Logistic AB	Sweden	Logistics	100

All subsidiary undertakings are included in the consolidation.

The group had the following joint ventures on 30 September 2023:

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

The joint venture is reflected in the statement of profit and loss and the statement of financial position. The share of result from the joint venture for Q3-23 was MNOK -1.3 (MNOK -2.5). Per the reporting date, the carrying amount is MNOK 0 and MNOK -4.3 (MNOK -4.4) has been classified as other short-term liabilities related to the investment.



Definitions

Constant currency is the exchange rate that the Group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

EBIT (earnings before interest and tax) is operating profit. The performance measure is considered useful to the users of the financial statements when evaluating operational profitability.

EBIT margin is EBIT divided by total revenue. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational efficiency.

EBITDA is earnings before tax, interests, amortisation of other intangibles and depreciation and write-down of property, plant and equipment and right-of-use assets. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational profitability on a more variable cost basis as it excludes amortisation and depreciation expense related to capital expenditure.

EBITDA margin is EBITDA divided by total revenue. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational efficiency on a more variable cost basis as it excludes amortization and depreciation expenses.

Gearing ratio is defined as net interest-bearing debt divided by LTM EBITDA excluding IFRS 16 effects.

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.

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.

Like-for-like revenue are revenue from physical stores and online stores that were in operation from the start of last

fiscal year all through the end of the current reporting period. Like-for-like (LFL) is calculated in constant currency.

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.

OPEX-to-sales ratio is the sum of employee benefits expense and other operating expenses divided by revenue. The OPEX to sales ratio measures operating cost efficiency as percentage of sales revenue and is an important internal KPI.

Revenue growth represents the growth in revenue for the current reporting period compared to the same period the previous year. Revenue growth for Hemtex is calculated in constant currency. Revenue growth is an important key figure for the Group and users of financial statements as it illustrates the underlying organic revenue growth.



Alternative Performance Measures

EBIT (earnings before interest and tax) is operating profit. The performance measure is considered useful to the users of the financial statements when evaluating operational profitability.

EBITDA is earnings before tax, interests, amortization of other intangibles and depreciation and write-down of property, plant and equipment and right-of-use assets. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational profitability on a more variable cost basis as it excludes amortisation and depreciation expense related to capital expenditure.

EBITDA margin is EBITDA divided by Total revenue. The performance measure is an important key figure for Kid Group and considered useful to the users of the financial statements when evaluating operational efficiency on a more variable cost basis as it excludes amortisation and depreciation expense related to capital expenditure.

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 ratio is the sum of employee benefits expense and other operating expenses divided by revenue. The OPEX to sales ratio measures operating cost efficiency as percentage of sales revenue and is an important internal KPI.



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.

