

Kid ASA

Interim report
Q1 2024



Quarter in brief

(Figures from corresponding period the previous year in parentheses)

GROUP REVENUES increased by 15.0% (+0.1%).

GROSS MARGIN increased by 5.5 percentage points to 61.5% (56.0%).

OPEX increased by 7.6% (+8.8%).

EBITDA increased by MNOK 67.9 to MNOK 124.5 (MNOK 56.6).

CASH FLOW from operations impacted by inventory build-up.

Group revenues

We are pleased to present the third consecutive quarter with double digit growth. Our value-for-money position and concept remain resilient amid continuing challenging market conditions. Growth in the quarter was accelerated by store projects, combined with omnichannel and category development initiatives. Historically, store projects mainly focused on refurbish and relocate existing stores, whereas we today consider expansion an important growth driver. We reached all-time high Q1 revenues of MNOK 696.5 with online sales exceeding MNOK 80, representing an online share of 12.0%.

Extended concept launched in Sweden

The Extended concept was launched online and in selected larger stores (+600 sqm.) in Hemtex during the quarter. We are satisfied with the results from the launch and look forward to continued rollout throughout the year. The Extended assortment comprise, among other things, sofas, carpets and beds, and is available in both segments and all our markets (i.e. Norway, Sweden, Finland and Estonia). We have raised our ambitions and plan to increase the number of Extended stores (+1,200 sqm.) from 10 to 15 stores in Norway by the end of 2025. Additionally, we remain committed to open 3 Extended stores in Sweden.

Gross margin development

Our gross margin has improved due to price adjustments and freight rates returning to historical levels. The situation in the Red Sea / Gulf of Aden has not impacted us materially, but we will continue to monitor the situation and are prepared to take actions if necessary.

Integrated sustainability report

The Group has released its first integrated sustainability report, transitioning from the Global Reporting Initiative (GRI) standards to the European Sustainability Reporting Standards (ESRS). This aligns our reporting with European standards and showcases our commitment to comprehensive sustainability through focused initiatives on climate action, responsible sourcing, and strategic risk management. Notably, the report includes a scenario analysis to evaluate the financial and operational impacts of climate change, enhancing our strategic planning and risk management.

Warehouse project in Sweden

The warehouse project in Sweden is on schedule. As previously communicated, we estimate that operations in the common warehouse for the Group will commence medio 2025.

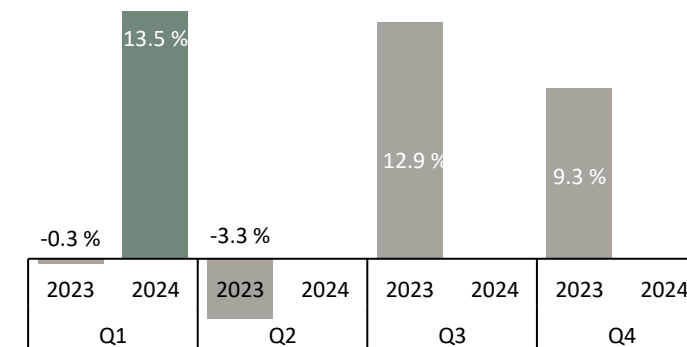
Store portfolio development

We are continuously working to extend and relocate our current stores to the standard store size of ~600 sqm. Compared to 2021, Kid Interior and Hemtex have increased the average square meter per store in the portfolio by 4.3% to 478 sqm. and 9.5% to 402 sqm., respectively. The numbers for Kid Interior exclude the 5 Extended stores in Norway.

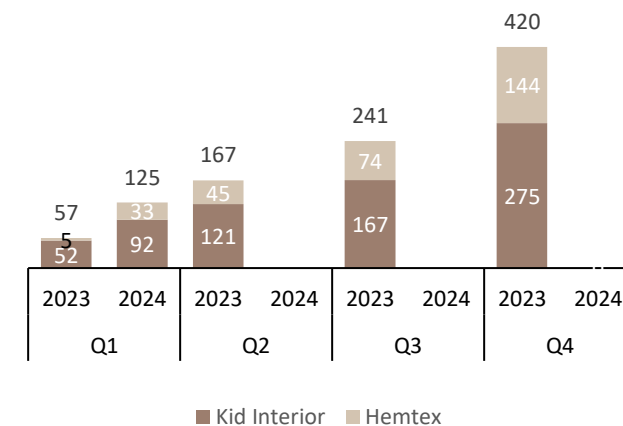
Financial Objectives revised

The acceptance for the Kid concept is in general very positive – and on the back of three quarter with significant growth have we raised our like-for-like growth target with one percentage point from previously 3-4% to 4-5% going forward. The targeted growth is partly fueled by investments in stores. Expected maintenance CAPEX is consequently increased from MNOK 100 to MNOK 125 on an annual basis. New standard stores (~600 sqm.) are expected to trigger an additional MNOK 3 in CAPEX and MNOK 6 for Extended stores (+1,200 sqm.). OPEX relative to sales are expected to stay at current level and the targeted dividend pay-out ratio of 80-100% of adjusted net profit remains unchanged. A complete list of our revised financial objectives was included in our 2023 annual report.

LIKE-FOR-LIKE REVENUE GROWTH %



EBITDA MNOK



Alternative Performance Measures

(Amounts in NOK million)	Q1 2024	Q1 2023	FY 2023
Revenue	696.5	605.4	3,413.6
Like-for-like growth including online sales ¹	13.5 %	-0.3 %	5.5 %
COGS	-268.2	-266.2	-1,314.3
Gross profit	428.2	339.2	2,099.3
Gross margin (%)	61.5%	56.0%	61.5%
Other operating income	0.8	0.6	4.3
Employee benefits expense	-179.0	-160.9	-704.7
Other operating expense	-221.3	-205.6	-854.0
Other operating expense - IFRS 16 effect	95.6	83.2	339.6
OPEX	-304.6	-283.2	-1,219.1
EBITDA	124.5	56.6	884.5
EBITDA margin (%)	17.9%	9.3%	25.9%
Depreciation	-28.2	-20.3	-92.6
Depreciation - IFRS 16 effect	-86.8	-75.5	-311.6
EBIT	9.5	-39.2	480.4
EBIT margin (%)	1.4%	-6.5%	14.1%
Net financial income (expense)	-6.1	-8.7	-33.3
Net financial expense - IFRS 16 effect	-13.8	-9.2	-43.3
Share of result from joint ventures	-0.6	-0.4	-1.2
Profit before tax	-10.9	-57.4	402.5
Net income	-9.1	-46.6	313.8
Earnings per share	-0.23	-1.15	7.72
Liabilities to financial institutions	-568.9	-700.1	-521.7
Lease liabilities - IFRS 16 effect	-1,221.2	-1,089.3	-1,084.9
Cash	0.0	0.0	225.1
Net interest bearing debt	-1,790.1	-1,789.4	-1,381.5

¹Calculated in constant currency



Financial Review for the Kid Group

2024 is off to a good start with an EBITDA increase of MNOK 67.9 in Q1. Increased number of customers and basket size resulted in the third consecutive quarter with double-digit like-for-like growth. Gross margin improved due to price adjustments in Q1-23 to meet higher currency hedge levels going forward, combined with an inventory comprising lower freight costs. Operating expenses (OPEX) increased mainly due to general salary and price increases.

Group revenues

Total Group revenues increased by 15.0% (+0.1%), with consistent growth in every month of the quarter. In constant currency, revenues increased by 13.7% (-1.3%). Net new stores contributed positively. Across several categories, we are experiencing positive growth, with bedlinen, curtains, and furniture standing out as important growth drivers.

The like-for-like revenue growth increase was 13.5% (-0.3%) in the quarter. Both Kid Interior and Hemtex experienced positive revenue development in physical stores.

Online revenues increased by 16.2% (+1.8%) in the quarter and represented 12.0% (11.7%) of total revenues.

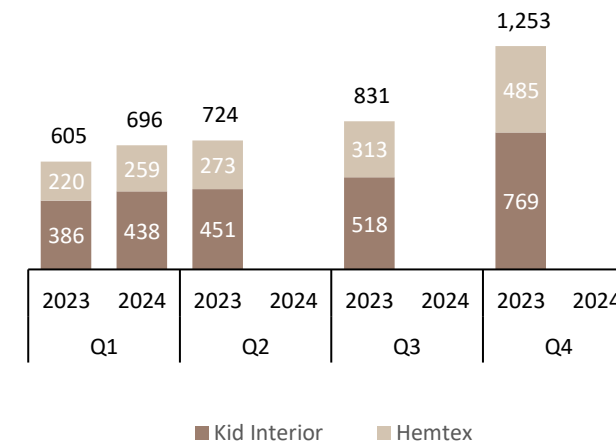
Categories launched since 2022 accounted for MNOK 27.0 (MNOK 9.8) in revenues.

Gross margin

Both Kid Interior and Hemtex experienced increased gross margins compared to Q1-23, driven by freight rates on historical levels in combination with price adjustments implemented during Q1-23 to meet higher currency hedging levels going forward.

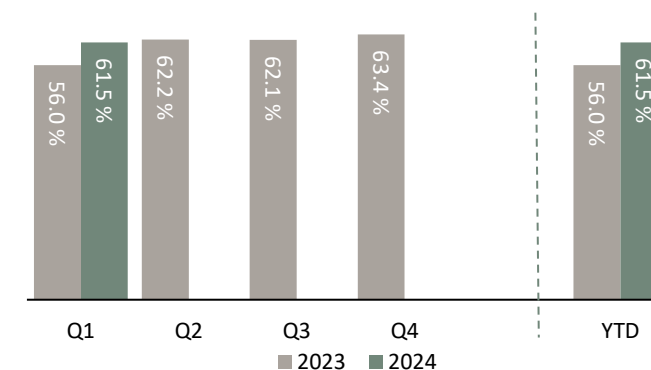
As previously communicated, the gross margin in Q1-23 was unusually low as the high freight rates in 2022 were not sufficiently incorporated in our price calculation models.

REVENUES MNOK



■ Kid Interior ■ Hemtex

GROSS MARGIN %



Financial Review for the Kid Group

Employee expenses increased by MNOK 18.1 to MNOK 179.0:

- MNOK 7.1 in LFL stores mainly due to general salary inflation and increased working hours in Hemtex
- MNOK 1.1 increase from net new stores
- MNOK 0.9 due to higher bonus expenses than estimated and accrued for 2023
- MNOK 1.6 in HQ costs due to general salary increase and increased number of employees
- MNOK 5.5 in Logistics mainly due to the new central warehouse in Sweden presented as other operating expenses last year, in addition to increased logistics activity in Norway
- MNOK 1.9 due to changes in SEK/NOK exchange rate

Other operating expenses increased by MNOK 3.3 to MNOK 125.6:

- MNOK 11.8 in LFL stores, mainly related to index adjustment of rental costs, store expansions and increased shared operating costs, as well as last mile transportation costs related to furniture produced in the Baltics
- MNOK 1.5 increase in net new stores
- MNOK 3.1 from increased marketing cost
- MNOK 0.2 in HQ costs

- MNOK -4.0 in Logistics operating costs mainly due to personnel costs in Sweden, presented as employee expenses this year. This reduction was partly offset by increase in logistics operating material cost and increased number of external workforce hours in Norway
- MNOK -11.3 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 2.0 due to changes in SEK/NOK exchange rate

EBITDA increased compared to Q1-23 mainly due to increased revenues and improved gross margin.

Depreciation increased compared to last year and is mainly due to investments in the new warehouse in Sweden and IFRS 16 effect related to the rental portfolio.

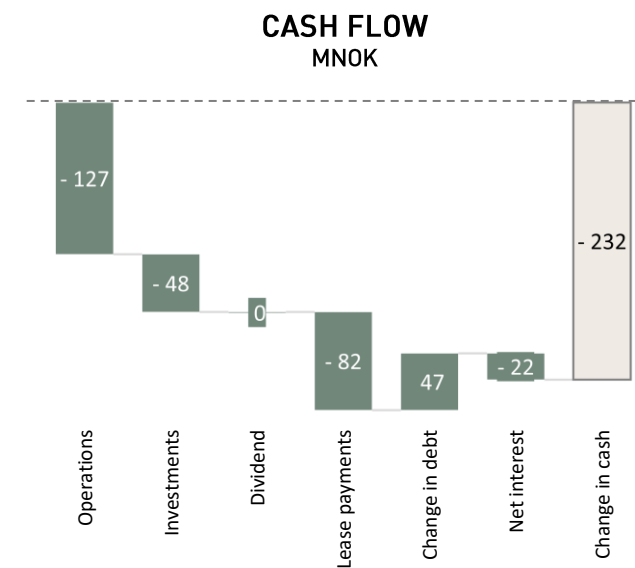
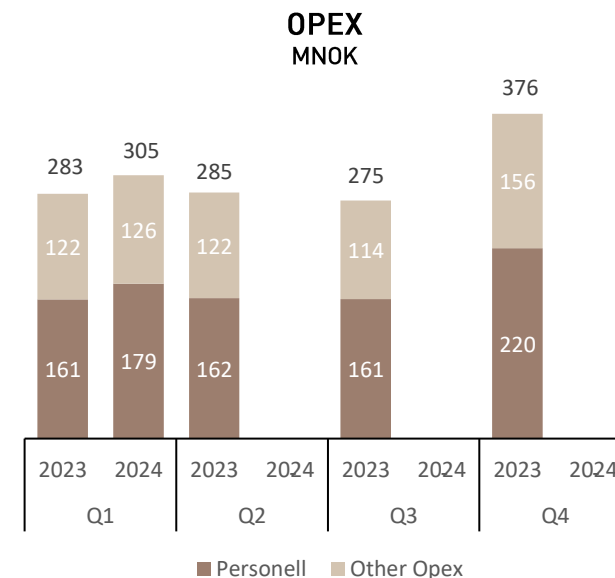
Net financial expenses of MNOK 19.9 (MNOK 17.9) relates to net interest expenses of MNOK 2.9 (MNOK 5.6), net other financial expenses of MNOK 0.9 (MNOK 0.7), net FX expenses of MNOK 2.3 (MNOK 2.4) and IFRS 16 interest expenses of MNOK 13.8 (MNOK 9.2).

Liquidity and borrowings

Excluding IFRS 16 effects, net interest-bearing debt was MNOK 568.9 (MNOK 700.1) at the end of the quarter, corresponding to a gearing ratio of 0.95x (1.94x) of LTM EBITDA. The Group had cash and available credit facilities of MNOK 554.7 (MNOK 328.6) as of 31 March 2024, and has a satisfactorily liquidity situation. The facilities include an unused term-loan facility of MNOK 125 related to investments in the Swedish warehouse

Cash flow from operations in the period is affected by inventory build-up compared to last year. The inventory was 4.1% above last year's level at the end of the quarter. Investments reflects mainly CAPEX relating to store openings and projects, and cash flow from financing represent use of overdraft facility and increased lease payments following index adjustment of rental costs.

Capital expenditures (CAPEX) amounted to MNOK 39.5 (MNOK 48.4) during Q1, mainly relating to store openings and refurbishments. Investments in the new warehouse in Sweden accounted for MNOK 0.6 (MNOK 24.2) in the quarter.



Segment: Key figures

KID Interior

(Amounts in NOK millions)

	Q1 2024	Q1 2023	FY 2023
Revenue	437.7	385.9	2,122.9
Revenue growth	13.4 %	5.2 %	7.0 %
LFL growth including online sales	12.7 %	3.5 %	6.1 %
COGS	-168.3	-172.2	-796.2
Gross profit	269.4	213.7	1,326.7
Gross margin (%)	61.5 %	55.4 %	62.5 %
Other operating revenue	0.0	0.0	0.1
Employee benefits expense	-111.8	-101.0	-436.5
Other operating expense	-118.3	-108.2	-463.9
Other operating expense - IFRS 16 effect	52.2	47.4	189.2
EBITDA	91.6	52.0	615.5
EBITDA margin (%)	20.9 %	13.5 %	29.0 %
No. of shopping days	75	77	306
No. of physical stores at period end	157	155	157

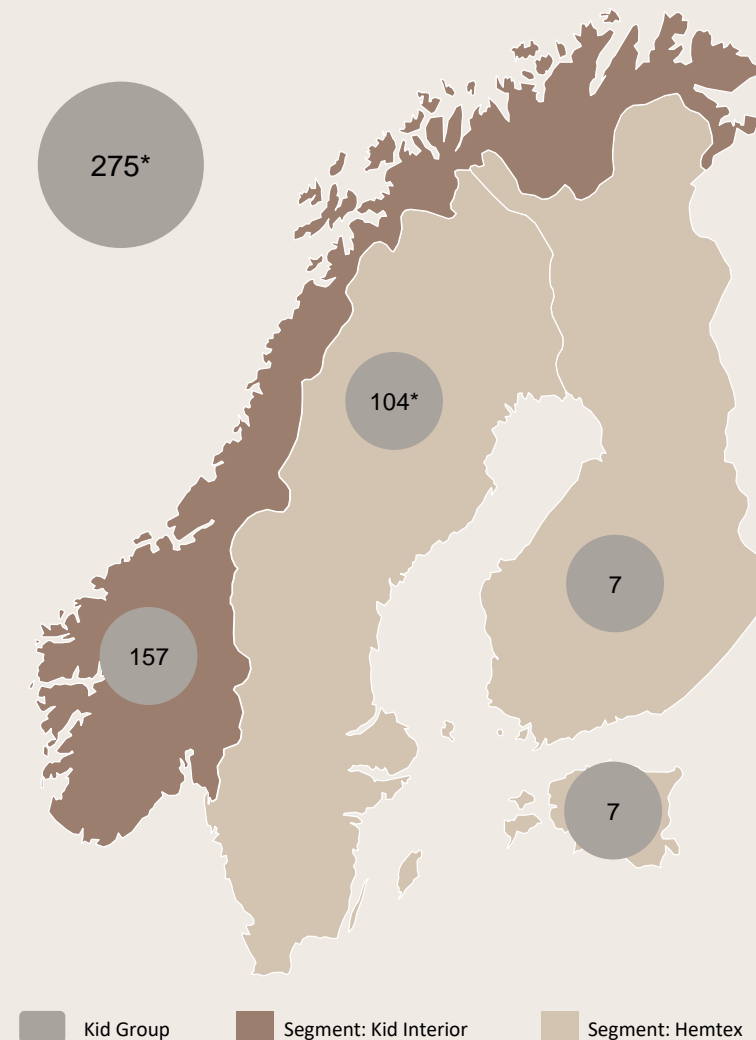
Hemtex

(Amounts in NOK millions)

	Q1 2024	Q1 2023	FY 2023
Revenue	258.8	219.5	1,290.7
Revenue growth ¹	14.3 %	-10.9%	3.2 %
LFL growth including online sales ¹	14.9 %	-6.5%	4.4 %
COGS	-99.9	-94.0	-518.0
Gross profit	158.9	125.5	772.6
Gross margin (%)	61.4 %	57.2 %	59.9 %
Other operating revenue	0.8	0.6	4.2
Employee benefits expense	-67.2	-59.9	-268.2
Other operating expense	-103.0	-97.4	-390.0
Other operating expense - IFRS 16 effect	43.4	35.8	150.4
EBITDA	33.0	4.6	269.0
EBITDA margin (%)	12.7 %	2.1 %	20.8 %
No. of shopping days	90	89	362
No. of physical stores at period end (excl. franchise)	118	118	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 increased footfall in both physical stores and online. The number of shopping days were reduced by two days to 75 (77) in total for the quarter.

Online revenues increased by +33.3% (+20.8%) to MNOK 51.0 (MNOK 38.3).

Gross margin increased by 6.1 percentage points driven by freight rates back on historical levels in combination with price adjustments implemented during Q1-23 to meet higher currency hedging levels going forward.

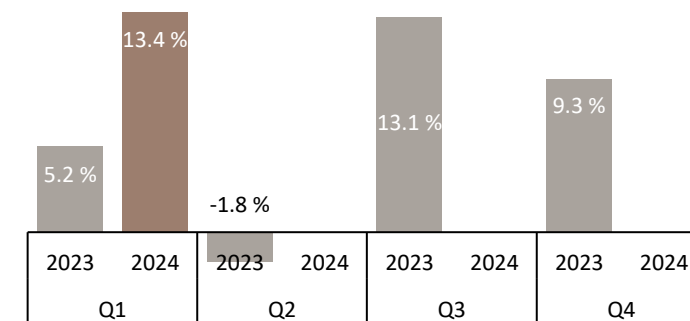
Employee expenses increased by MNOK 10.8:

- MNOK 5.1 in LFL stores mainly due to general salary inflation and store projects activity
- MNOK 1.0 due to net new stores
- MNOK 2.3 due to higher bonus expenses for last year than accrued
- MNOK 1.5 in HQ costs mainly due to increase in HQ staff as well as general salary increases
- MNOK 0.9 in Logistics due to increased sales activity

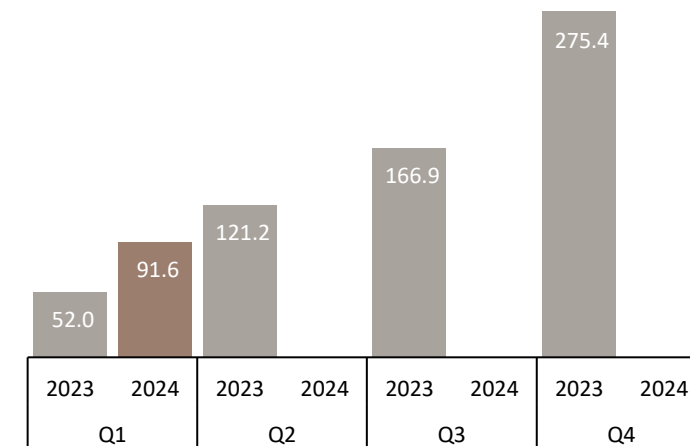
Other operating expenses increased by MNOK 5.3:

- MNOK 7.2 in LFL stores mainly related to index adjustment of rental costs, store expansions and increased shared operating costs, as well as last mile transportation costs related to furniture produced in the Baltics
- MNOK 1.1 in net new stores
- MNOK 1.7 from increase of marketing cost
- MNOK -0.9 in HQ, mainly related to less use of external consultants partly offset by higher IT costs
- MNOK 1.0 in Logistics mainly due to increase in logistics operating materials and increased number of external workforce hours
- MNOK -4.8 related to change in IFRS 16 effects, reflecting the increase in rental cost included 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. The number of shopping days increased by one day to 90 (89) for the quarter.

The Extended concept was launched online and in selected larger stores (+600 sqm.) in Hemtex during the quarter and contributed positively to revenues.

Online revenues decreased by -3.2% (-14.0%) to MNOK 32.7 (MNOK 33.7) based on a constant currency calculation. The decrease in online revenues is mainly due to a change in the campaign activity plan.

Hemtex 24h revenues decreased by MNOK 1.9 compared to Q1-23. Reference is made to the termination of the agreement with ICA Gruppen elaborated in the Q1-23 report, which also will impact revenues this year.

Gross margin increased by 4.2 percentage points driven by freight rates on historical levels in combination with price adjustments implemented during Q1-23 to meet higher currency hedging levels going forward.

Employee expenses increased by MNOK 7.3:

- MNOK 2.1 in LFL stores mainly due to increase in working hours as well as general salary increase
- MNOK 0.1 due to net new stores
- MNOK -1.4 due to lower bonus expenses for last year than accrued
- MNOK 0.1 in HQ due to a reduced number of employees and less services provided by HQ in Norway, partly offset by higher pension costs
- MNOK 4.5 in Logistics due to new employees following the inhouse logistic operations in Sweden
- MNOK 1.9 due to changes in SEKNOK exchange rate

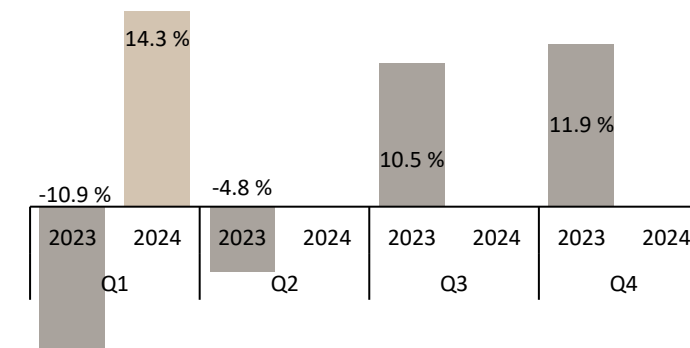
Other operating expenses decreased by MNOK -2.0:

- MNOK 4.6 in LFL stores, mainly related to index adjustment of rental costs and store expansions
- MNOK 0.5 in net new stores
- MNOK 1.4 from increase of marketing cost
- MNOK 1.2 in HQ mainly due to increased IT costs
- MNOK -5.1 in Logistics operating costs mainly due to personnel costs presented as employee expenses

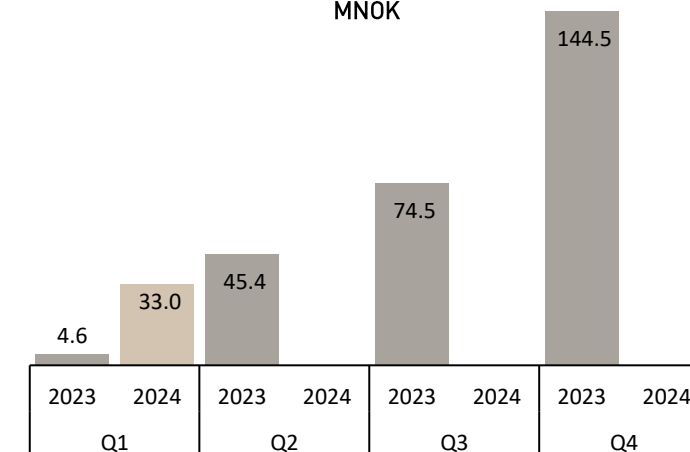
following the inhouse operations

- MNOK -6.5 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 1.9 due to changes in SEKNOK exchange rate

LIKE-FOR-LIKE REVENUE GROWTH %



EBITDA MNOK



Events after the end of reporting period and outlook

Revenue development in April

Group revenues in constant currency were up by 25.5% (-5.1%) in April and up by 16.6% (-2.3%) year-to-date per April, highly impacted by a change in the campaign plan in Kid Interior fueling the April development at the expense of revenues in May. The number of shopping days in Kid Interior was 25 in April this year compared to 22 days last year. The number was 30 days in both years in Hemtex.

Sale of warehouse property in Sweden

A sale of the warehouse property in Sweden will be considered over the coming 6-12 months through a sale of Prognosgatan Fastighets AB.

Lier, 15 May 2024
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	Q1 2024 Unaudited	Q1 2023 Unaudited	FY 2023 Audited
Revenue		696,485	605,403	3,413,595
Other operating revenue		844	620	4,270
Total revenue		697,329	606,023	3,417,866
Cost of goods sold		-268,238	-266,198	-1,314,280
Employee benefits expense		-178,470	-160,855	-704,722
Depreciation and amortisation expenses	9	-114,974	-95,818	-404,136
Other operating expenses		-126,113	-122,329	-514,371
Total operating expenses		-687,795	-645,200	-2,937,508
Operating profit		9,534	-39,178	480,357
Financial income		4,891	2,686	10,844
Financial expense		-24,782	-20,589	-87,473
Net financial income (+) / expense (-)		-19,891	-17,903	-76,630
Share of result from joint ventures		-590	-358	-1,200
Profit before tax		-10,946	-57,439	402,528
Income tax expense		1,800	10,795	-88,701
Net profit (loss) for the period		-9,146	-46,644	313,827
Interim condensed consolidated statement of comprehensive income				
Profit for the period		-9,146	-46,644	313,827
Other comprehensive income		66,253	72,924	62,695
Tax on comprehensive income		-13,844	-10,501	-8,335
Total comprehensive income for the period		43,262	15,780	368,187
Attributable to equity holders of the parent		43,262	15,780	368,187
Basic and diluted Earnings per share (EPS):		-0.23	-1.15	7.72

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

Group Figures Q1 2024 Financial Statements

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK thousand)	Note	31.03.2024	31.03.2023	31.12.2023
Assets		Unaudited	Unaudited	Audited
Goodwill	9	70,328	69,957	70,169
Trademark	9	1,513,974	1,513,696	1,513,851
Other intangible assets	9	46,276	34,656	46,699
Deferred tax asset		6,562	17,450	6,593
Total intangible assets		1,637,140	1,635,759	1,637,312
Right of use asset	9	1,182,535	1,067,142	1,050,028
Fixtures and fittings, tools, office machinery and equipment	9	319,111	274,966	303,178
Total tangible assets		1,501,645	1,342,108	1,353,206
Investments in associated companies and joint ventures	10	424	0	1,013
Loans to associated companies and joint ventures	8	51,476	35,800	50,702
Total financial fixed assets		51,900	35,800	51,716
Total fixed assets		3,190,686	3,013,667	3,042,234
Inventories		700,134	672,806	576,279
Trade receivables		25,876	15,322	32,640
Other receivables		41,943	16,495	43,031
Derivatives		49,693	53,763	29,337
Total receivables		117,513	85,581	105,009
Cash and bank deposits		0	0	225,065
Total currents assets		817,646	758,386	906,353
Total assets		4,008,332	3,772,053	3,948,587

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	31.03.2024	31.03.2023	31.12.2023
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		929,259	823,704	880,840
Total equity		1,363,699	1,258,144	1,315,280
Deferred tax		322,264	325,543	312,218
Total provisions		322,264	325,543	312,218
Lease liabilities		879,315	786,325	779,287
Liabilities to financial institutions	6	491,652	521,650	491,661
Total long-term liabilities		1,370,967	1,307,975	1,270,947
Lease liabilities		341,853	302,973	305,640
Liabilities to financial institutions	6	77,296	178,419	30,000
Trade payable		187,088	134,258	203,375
Tax payable		0	20,491	55,813
Public duties payable		138,640	90,105	209,941
Other short-term liabilities		199,797	192,554	191,626
Derivatives		6,731	2,574	53,748
Total short-term liabilities		951,405	880,393	1,050,144
Total liabilities		2,644,636	2,513,911	2,633,310
Total equity and liabilities		4,008,332	3,772,053	3,948,587

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 2023	434,440	838,940	1,273,380
Profit for the period YTD 2023	0	-46,644	-46,644
Other comprehensive income	0	62,424	62,424
Realized cash flow hedges	0	-31,017	-31,017
Dividend	0	0	0
Balance at 31 Mar 2023	434,440	823,704	1,258,144
Balance at 1 Jan 2024	434,440	880,840	1,315,280
Profit for the period YTD 2024	0	-9,147	-9,147
Other comprehensive income	0	52,410	52,410
Realized cash flow hedges	0	5,152	5,152
Dividend	0	0	0
Balance at 31 Mar 2024	434,440	929,256	1,363,699

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	Q1 2024 Unaudited	Q1 2023 Unaudited	FY 2023 Audited
Cash flow				
Cash Flow from operation				
Profit before income taxes		-10,947	-57,439	402,528
Taxes paid in the period		-37,612	-48,398	-91,037
Depreciation & Impairment	9	114,974	95,818	404,136
Effect of exchange fluctuations		242	11,778	10,192
Change in net working capital				
Change in inventory		-123,261	13,058	111,538
Change in trade debtors		6,802	-2,643	-20,231
Change in trade creditors		-22,632	8,516	76,510
Change in other provisions ¹		-54,632	-90,028	67,808
Net cash flow from operations		-127,066	-69,338	961,444
Cash flow from investment				
Purchase of fixed assets	9	-48,234	-57,169	-163,697
Loans to associated companies and joint ventures	8, 10	0	-12,785	-17,785
Net Cash flow from investments		-48,234	-69,954	-181,481
Cash flow from financing				
Proceeds from long term loans		0	0	0
Proceeds from revolving credit facility		0	0	160,000
Repayment of revolving credit facility		0	0	-160,000
Repayment of Term Loans		0	0	-30,000
Overdraft facility		47,296	148,419	0
Lease payments for principal portion of lease liability		-81,845	-73,999	-296,250
Dividend payment		0	0	-233,710
Net interest		-21,985	-20,794	-79,743
Net cash flow from financing		-56,535	53,626	-639,703
Cash and cash equivalents at the beginning of the period		225,066	75,722	75,722
Net change in cash and cash equivalents		-231,835	-85,666	140,260
Exchange gains / (losses) on cash and cash equivalents		6,769	9,943	9,084
Cash and cash equivalents at the end of the period		0	0	225,067

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 resale of home and interior products in Norway, Sweden, Finland and Estonia. The Kid Group offers a full range of products comprising 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 first quarter of 2024 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 2023, 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 2023. New standards or amendments effective at 1 January 2024 do not 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 2023.

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.

Q1 2024

(Amounts in NOK thousand)	Kid Interior	Hemtex	Total
Revenue	437,720	258,765	696,485
COGS	-168,341	-99,897	-268,238
Gross profit	269,379	158,868	428,247
Other operating revenue	7	836	844
Operating expense (OPEX)	-177,832	-126,752	-304,584
EBITDA	91,554	32,953	124,506
Operating profit	28,312	-18,779	9,533
Gross margin (%)	61.5 %	61.4 %	61.5 %
OPEX to sales margin (%)	40.6 %	49.0 %	43.7 %
EBITDA margin (%)	20.9 %	12.7 %	17.9 %
Inventory	455,910	244,224	700,134
Total assets	2,699,044	1,309,288	4,008,332

NOTE 6 LOANS AND BORROWINGS

Financing agreements

At the balance sheet date, the Group has the following facilities:

(Amounts in NOK thousand)	Utilised 31.03.2024	Facility	Interest	Maturity	Repayment
Total term loan	521,700	521,700		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>	25,000	25,000	Fixed rate at 1,460% + 1.25% ³		
New term loan	-	125,000	3 months NIBOR + 1.69%	01.05.2027	Instalments ⁴
Revolving credit facility	-	230,000	3 months NIBOR + 1.31%	27.04.2026	At maturity
Overdraft	47,296	247,000	1 week IBOR + 1.10%	12 months	At maturity
	568,996	1,123,700			

¹MNOK 30 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 25 maturing November 2024

⁴MNOK 25 in annual instalments with bi-annual payments

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

	Q1 2024	Q1 2023	FY 2023
Weighted number of ordinary shares	40,645,162	40,645,162	40,645,162
Net profit or loss for the year	-9,146	-46,644	313,827
Earnings per share (basic and diluted) (Expressed in NOK per share)	-0.23	-1.15	7.72

NOTE 8 TRANSACTIONS WITH RELATED PARTY AND JOINT VENTURES

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 period-end balance that have been entered into with joint ventures and related parties during the first quarter of 2024 and 2023:

Related Party and Joint Ventures	Q1 2024	Q1 2023
Prognosgatan Holding AS (Loan)	51,476	35,800
Total	51,476	35,800

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 as well as index adjustments. Additions on PPE mainly relates to store openings and refurbishments.

(amounts in NOK thousand)	Right of use Asset	PPE	Trademark	Other Intangibles	Goodwill
Balance 01.01.2024	1,050,028	303,178	1,513,851	46,699	70,169
<i>Exchange differences</i>	3,479	4,166	123	37	159
Additions, disposals and adjustments	215,841	35,654		3,813	
Depreciation and amortisation	-86,814	-23,887		-4,273	
Balance 31.03.2024	1,182,535	319,111	1,513,974	46,276	70,328

(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>	27,019	8,268	3,472	-311	4,478
Additions, disposals and adjustments	354,862	48,142		1,297	
Depreciation and amortisation	-75,474	-18,688		-1,656	
Balance 31.03.2023	1,067,142	274,966	1,513,696	34,656	69,957

NOTE 10 INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

The Group had the following subsidiaries as of 31 March 2024:

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 as of 31 March 2024:

Name	Place of business	Nature of relationship	Measurement method	Ownership share	Carrying amount
Prognosgatan Holding AS	Norway	Joint venture	Equity method	50 %	424

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 Q1-24 was MNOK -0.6 (MNOK -0.4). Per the reporting date, the carrying amount of the investment is MNOK 0.4 (MNOK -3.1 classified as other short-term liabilities).



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 revenues. 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 revenues. 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 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 revenues. The gross margin reflects the percentage margin of the sales revenues that the Group retain 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 revenues minus the cost of goods sold (COGS). The gross profit represents sales revenues that the Group retain after incurring the direct costs associated with the purchase and distribution of the goods.

Like-for-like revenues are revenues 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 revenues. The OPEX to sales ratio measures operating cost efficiency as percentage of sales revenues and is an important internal KPI.

Revenue growth represents the growth in revenues 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, 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 revenues. 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 revenues minus the cost of goods sold (COGS). The gross profit represents sales

revenues that the Group retain after incurring the direct costs associated with the purchase and distribution of the goods.

Gross margin is defined as gross profit divided by revenues. The gross margin reflects the percentage margin of the sales revenues that the Group retain 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 revenues. The OPEX to sales ratio measures operating cost efficiency as percentage of sales revenues 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.

