KID ASA ANNUAL REPORT

Financial statements
ESG statements

2024

Kid

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Kid

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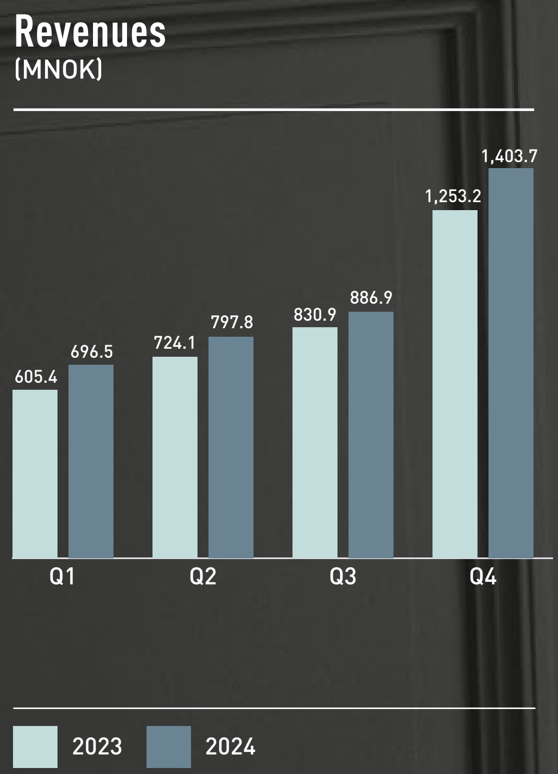
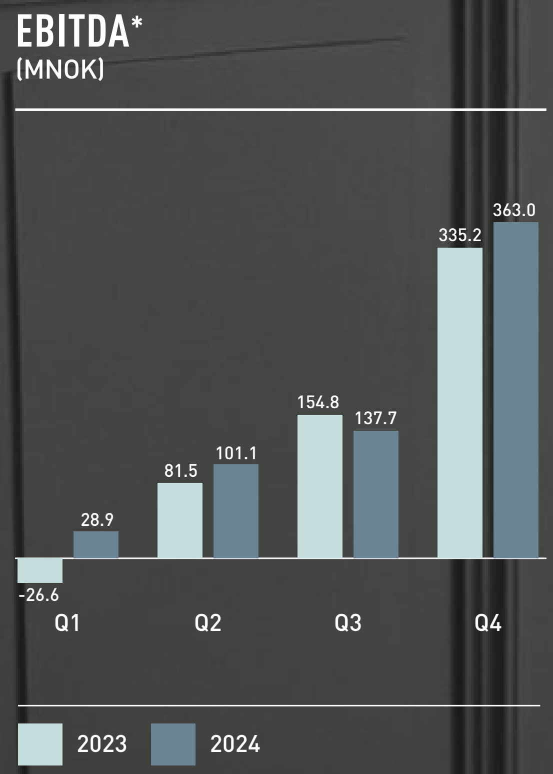
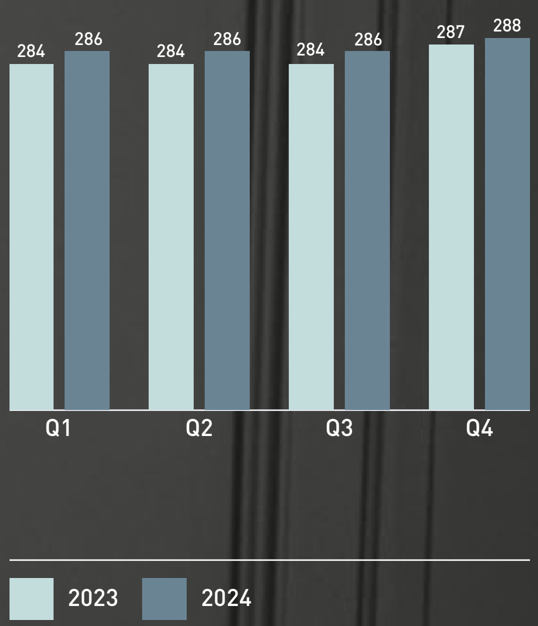




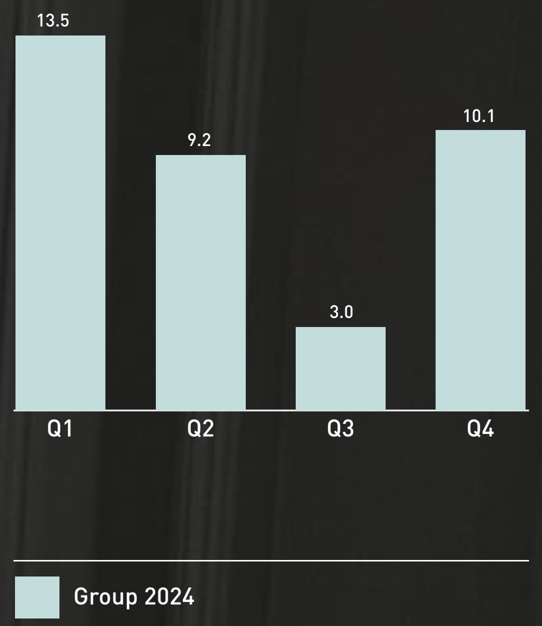
* Excluding IFRS 16 effects

Number of physical stores*
(Period end)



*Including franchise

Like-for-like growth
(%)



ABOUT KID

Kid ASA (listed on the Oslo Stock Exchange under the ticker symbol KID) offers a full range of home and interior products through Kid Interior in Norway with 158 stores, and under the Hemtex brand in Sweden, Finland and Estonia with 119 stores as well as 11 franchise stores. 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. At the end of 2024 the Kid Group had 2,273 employees.

The Group operates under the Kid Interior brand in Norway and Hemtex brand in Sweden, Finland and Estonia. Both brands are benefiting from unbeatable brand recognition and top-of-mind awareness.

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

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

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

Warehouse, Viared, Sweden


OUR MISSION
Inspiration for every home

OUR HISTORY

- Kid
- Hemtex
- Kid & Hemtex

1937 – Establishment

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

1953 – The first shop

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

1970 – Establishment

Hemtex was established by 14 owners of independent interior textile stores

1970s – Own production

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

1990 – Change of name

The company, with its 60 stores, changed name to Hemtex

1994 – Change of name

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

1997 – Growing

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

2005 – Stockholm Stock Exchange

The company turns public as its shares are listed on the Stockholm Stock Exchange

2005 – Shares sold

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

2009 – DNB Bank

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

2012 – Successful turnaround

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

2015 – ICA Gruppen

ICA Gruppen takes 100 percent ownership of Hemtex

2015 – Oslo Stock Exchange

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

2019 – Acquisition of Hemtex

Hemtex was aquired by Kid ASA May 2019

2022 – Extended Concept

A successful launch of a new and extended assortment, including large furniture, in larger physical stores and online in Q4 2022 and during 2023

2024 HIGHLIGHTS

8.8%
LIKE-FOR-LIKE GROWTH

8.5%
(Kid Interior)

9.3%
(Hemtex)

3,785
MNOK IN REVENUES

2,273
EMPLOYEES

12.3%
ONLINE SHARE
(18.2% incl click and collect)

9.81
EPS

Kid Interior, Farmandstredet, Tønsberg


Hemtex, Södra Högsbo


Kid Interior, Moa, Ålesund

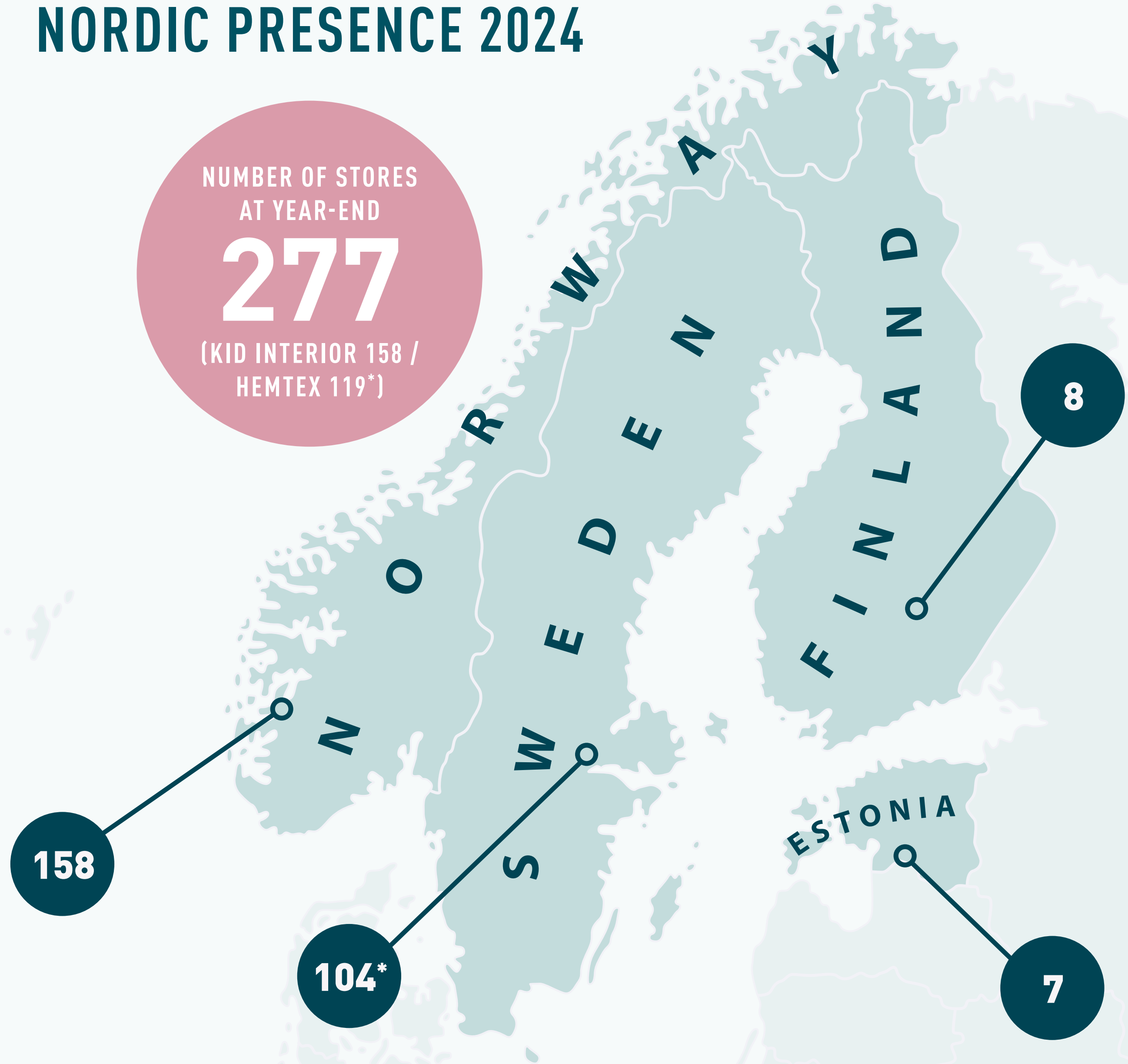
Kid Interior, Kilen, Tønsberg

Kid Interior, Moa, Ålesund

Hemtex, Kongshälla

Kid Interior, Moa Ålesund

NORDIC PRESENCE 2024



CHANGES DURING THE YEAR

8 NEW STORES
(Kid Interior 4 / Hemtex 4)

14 REFURBISHED STORES
(Kid Interior 9 / Hemtex 5)

15 RELOCATED STORES
(Kid Interior 10 / Hemtex 5)

7 CLOSED STORES
(Kid Interior 3 / Hemtex 4)

11 FRANCHISE STORES
(Kid Interior 0 / Hemtex 11)

*Excluding franchise stores

2024 AT A GLANCE

PROPOSED DIVIDEND PER SHARE PAYABLE IN MAY 2025 **5.0**

3.0 **PAID DIVIDEND IN NOVEMBER 2024**

AGGREGATED YEARLY DIVIDEND OF **8.0**

DIVIDEND % OF NET PROFIT **82%**

GROSS MARGIN OF

61.9%

(61.5% in 2023)

3.3

MILLION CUSTOMER CLUB MEMBERS

(Kid Interior: 1.5 million / Hemtex: 1.8 million)

630.7

EBITDA OF MNOK

* Excluding IFRS 16 effects

(MNOK 544.9 in 2023)

DEAR SHAREHOLDERS

In 2024, the Kid Group delivered another record year and again outperformed the market. We can proudly present a strong revenue growth of 10.9% and all-time-high revenues of close to NOK 3.8 billion. This is a result of our strong value-for-money position, long-term commitment to business and category development initiatives, marketing investments and activities and investments in inspirational stores and store concept.

Category development, innovation and other operational improvements remain key growth drivers. Based on a constant currency calculation, revenues from new categories launched since 2022 increased by 77% in 2024 to MNOK 133.8, with a notable growth contribution from, among other things, sofas, beds, paperware and home cleaning.

The Extended concept was successfully launched online and in selected larger stores (+600 sqm.) in Hemtex in Q1-24. The concept comprises an extension of our current categories and new assortment, including sofas, carpets and beds. During the first quarter we also raised our ambition in terms of Extended stores (+1,200 sqm.) and aim to have 15 stores in Norway and remain committed to 3 Extended stores in Sweden.

On a constant currency basis, online revenues grew by 10.4% compared to last year, reaching MNOK 464.0 in 2024, which corresponds to an online share of 12.3%. Additionally, Click & Collect contributed MNOK 223.9 to store revenues. In total, 18.2% of total revenues thus stems from our online platform and omnichannel approach, which will remain an important growth driver. Measured on a constant currency basis, revenues from like-for-like stores grew by 8.6% compared to last year, ending at NOK 3.1 billion in 2024. In summary, Kid Group has delivered strong growth across all sales channels, with significant increases in both our store portfolio and online presence, driven by our successful omnichannel strategy.

The Kid concept is well-received in the Nordics, and market studies suggest potential beyond current markets. Kid Group has during 2024 decided to pilot and test markets outside the Nordic region and Baltics under the Hemtex brand. Accordingly, a German-language website will be launched with local and limited marketing investments for the market in Germany. Additionally, an English-language site targeting other European countries will be launched with no specific marketing investments. The pilot is expected to find place during H2-25.

In 2024, we maintained high store project activity, completing 19 store projects in Kid Interior and 10 in Hemtex. Additionally, we opened four new stores and closed three stores in Kid Interior, and both opened and closed four stores in Hemtex. Looking forward, we have in total signed contracts for two new stores and five Extended stores in Norway, and three new stores in Finland.

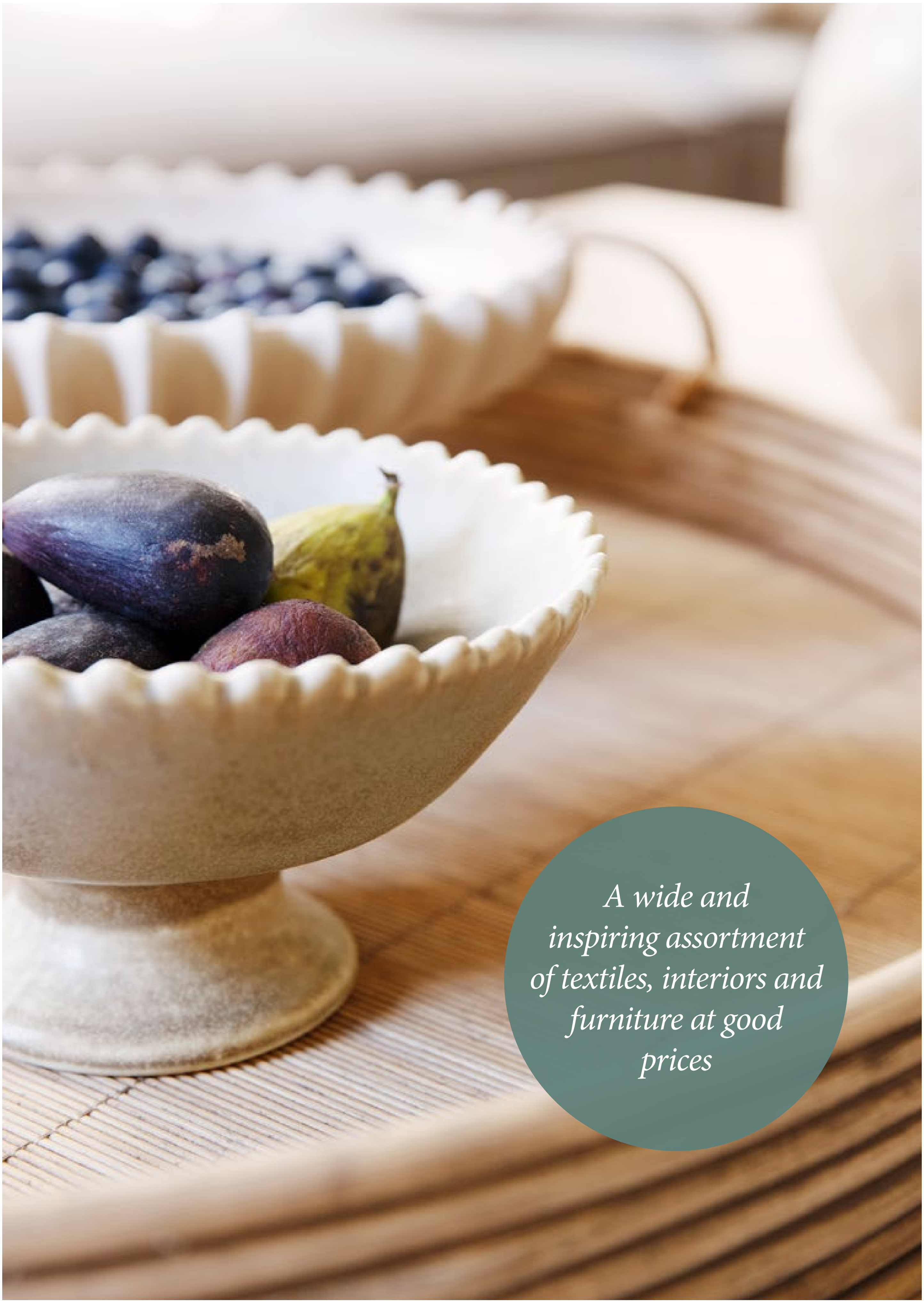
Continuous investment over many years yields results, as seen in our stores, warehouse and logistics, IT systems, and other business development initiatives. Looking into 2025, we will continue to invest and strengthen our market position and drive growth initiatives, expand our current store portfolio through store projects, open new stores, and continue to develop the omnichannel shopping experience. Moreover, we look forward to the launch of the pilot where we will test markets beyond the Nordic region and the Baltics under the Hemtex brand expected to find place in H2-25. Additionally, the commencement of the common warehouse in Sweden serving all markets find place during medio 2025. The common warehouse will significantly enhance our capacity, enabling further growth, while several modern automation solutions combined with a new IT system will result in increased efficiency over time. These and other completed initiatives are important foundation for future growth and development.

This will be my final CEO letter. Since starting in the company on 1st November 2018, it has been an honour to work at Kid alongside our highly dedicated and skilled colleagues, who are essential to our success. As I am preparing to hand over to my successor, I am confident that the new CEO, Marianne Fulford, supported by our strong management team, will continue driving profitable growth and create value for our shareholders.

A big 'thank you' to all employees in Kid Interior and Hemtex for all your efforts in 2024, and of course to our customers, suppliers, partners and shareholders for supporting what we do.

Yours sincerely,

Anders Fjeld
CEO, Kid ASA


A wide and inspiring assortment of textiles, interiors and furniture at good prices

GROUP MANAGEMENT

Anders Fjeld
(CEO)

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

Mads Kigen
(CFO)

Kigen has been the Chief Financial Officer at Kid Group since July 2023. He has been with Kid since September 2021, initially as a Senior Business Development Manager. Prior to joining Kid ASA, he spent close to seven years as an auditor and consultant at PwC and has experience from the finance function in the pharmaceuticals industry. Kigen holds a master's degree from Copenhagen Business School (CBS). He is a Norwegian citizen and resides in Norway.

Anders Lorentzson
(MD Hemtex)

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

CORPORATE GOVERNANCE AT KID ASA

1. IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE PRINCIPLES

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

2. BUSINESS

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

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

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

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

3. EQUITY AND DIVIDENDS

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

The Annual General Meeting approved the proposed dividend of NOK 3.50 per share in May 2024. The Board of directors were also given the authority to approve and distribute a half-year dividend considering the third quarter results in 2024. A half-year dividend of NOK 3.00 was distributed in November 2024. A dividend of NOK 5.00 has been proposed by the Board for the full-year 2024 payable in May 2025. The dividend is subject to approval at the annual general meeting in May 2025.

The Board of Directors has a mandate to increase the Company's share capital by up to NOK 4,877,419. The authority may only be used to issue shares as consideration and to raise new equity in order to strengthen the Company's financing. The authority remains in force until the annual general meeting in 2025, but in no event later than 30 June 2025.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

Kid has one class of shares.

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

5. FREELY NEGOTIABLE SHARES

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

6. GENERAL MEETINGS

The Annual General Meeting ("AGM") is the arena in which all investors can exercise their right to make fundamental decisions for the Company.

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

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

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

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

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

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

The nomination committee consists of two members, who are independent of the Board and the Company's executive management. The current members are Petter Tusvik and Sten-Arthur Sælør.

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITIONS AND INDEPENDENCE
In accordance with the articles of association, the Board of Directors of Kid shall consist of a minimum of three and a maximum of nine members, as decided by the general meeting.

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

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

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

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

The Board evaluates its performance and expertise annually.
The Board has established an audit committee consisting of two board members.

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

10. RISK MANAGEMENT AND INTERNAL CONTROL
Kid is exposed to financial risks related to foreign exchange (FX) and interest rates. FX risks are managed by hedging nine to eleven months forward. Interest rate risks are managed by a MNOK 395 interest SWAP. Other operational risk areas are reported to the Board on a regular basis.

The Company provides the Board with monthly reports on the Group's financial performance and prepares quarterly reports that are made public. The audit committee and the auditor together review the quarterly and annual reports as well as the sustainability report before they are approved by the Board.

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

11. REMUNERATION OF THE BOARD OF DIRECTORS
The Board of Directors are presented separately in the annual report.

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

The remuneration of the Board in 2024 is disclosed in the notes to the consolidated accounts as well as the Remuneration report for 2024.

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

12. REMUNERATION OF EXECUTIVE MANAGEMENT
The Board of Directors has a set of guidelines for the remuneration of executive personnel. The Board also directly determines the remuneration for the CEO. The CEO is, in consultation with the chairman of the Board, responsible

for determining the remuneration of other members of the executive management.

The Board of Directors and general meeting have approved an incentive program for executive management which aims to align the financial interests of Kid's senior management and its shareholders. The incentive program is based on EBITDA target achievement with a capped maximum level. The program includes no share options or rights. The incentive program is paid out over a period of three years and is dependent on the share price development.

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

13. INFORMATION AND COMMUNICATIONS

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

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

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

14. TAKEOVERS

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

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

15. AUDITOR

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

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

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

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

BOARD OF DIRECTORS

Espen Gundersen
Chairman
Appointed: May 2022
Re-elected as chairman
May 2024

Espen Gundersen was born in 1964 and is a Norwegian citizen. He has had several positions within Tomra Systems ASA in the period 1999 to 2022, including CFO from 2003 and deputy CEO from 2009. Prior to joining Tomra, he served as VP Business Development of Selmer ASA for five years. He started his career with Arthur Andersen in 1989. He holds an MBA from the Norwegian School of Management in Oslo and a CPA from the Norwegian School of Economics and Business Administration in Bergen. Espen Gundersen is also chairman of the board in Hexagon Purus ASA (including head of the audit committee), board member in Scatec ASA (including head of the audit committee) and board member in Norsk Hydro.

Karin Bing Orgland
Board Member
Appointed: August 2015
Re-elected May 2023

Karin Bing Orgland (1959) is currently a professional board member in various companies including Chairman of the BOD of Entur AS and Elektroimportøren AS , Board member and chairing the Audit Committee in NRC Group ASA, Chairman of the Board of Røisheim Hotell AS and Boardmember of Røisheim Eiendom AS, Board member of SpareBank1 Lom og Skjåk. She has extensive experience from various management and board positions within the DNB Group between 1985 and 2013. Bing Orgland resides in Oslo, Norway and holds a Master of Business and Economics degree from the Norwegian school of Economics.

Liv Berstad
Board Member
Appointed: May 2020
Re-elected: May 2024

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

Jon Brannsten
Board Member
Appointed: May 2024

Jon Brannsten (1976) is currently Partner in the Management & Technology consultancy BearingPoint, a company he joined in 2006 and has been Partner since 2015. He is leading their Technology Advisory and Strategy practices in Norway. With extensive expertise in technology and digitalization, Mr. Brannsten oversees the firm's services in the Consumer Goods and Retail sectors. He has successfully advised C-level executives and board members and has been instrumental in leading large-scale technology and digital transformations for some of the largest retail companies in the Nordics.
He holds a MSc in Business from Nord University Business School, specialized in Innovation and Entrepreneurship. He is a Norwegian citizen and resides in Norway.

Gyrid Skalleberg Ingerø

Board Member
Appointed: May 2020
Re-elected May 2024

Gyrid Skalleberg Ingerø (1967) is currently self-employed with a focus on board work and investments. She is currently deputy chair of the board at Telenor ASA, and board member at Höegh Autoliners ASA, Gjensidige ASA, Kitron ASA and Itera ASA. She is Audit Chair in Kitron and Itera, and member of the audit committee in Telenor, Høegh Autoliners and Gjensidige. Ingerø has extensive experience in financial and accounting matters from management positions in different listed companies. In addition to relevant industry experience. Until recently, she was EVP & Group CFO at Kongsberg Gruppen ASA, a leading global technology company with operations in 40 countries. Ingerø has varied board experience from listed companies over the past 20 years, banking experience from Nordea, and has served as CFO / Investor Relations at Komplett Group ASA, SVP & CFO at Telenor Norway, and SVP & CFO at Telenor Digital Businesses, as well as many years at KPMG. She is a Norwegian citizen and resides in Norway.

BOARD OF DIRECTORS' REPORT

The Kid Group consists of Kid ASA, the parent company for Kid Interior AS, Kid Logistikk AS, Kid Sourcing AS, Hemtex AB, Hemtex OY, Kid Eiendom AS and Kid International Logistic AB, together defined as "the Group", "the Company" or "Kid".

The business activity of the Company is mainly design, sourcing and sale of home and interior products through import, wholesale and retail, along with other related activities, including investments in other enterprises and relevant real estate.

Kid Interior is the leading specialist home textile retailer in Norway, with 158 directly owned stores across Norway. Hemtex is the leading specialist home textile retailer in Sweden, with 104 directly owned stores and 11 franchise stores across Sweden. Hemtex also has a presence in Finland and Estonia, with 8 and 7 directly owned stores respectively. All products sold by Kid Interior and Hemtex are also available through online platforms.

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

SUMMARY OF THE YEAR

2024 was another record year for the Kid Group, with a robust revenue growth of 10.9%, building on our strong performance in 2023. Our category development initiatives and store expansion fuelled this growth, including the launch of the Extended concept online and in selected larger Hemtex stores in the first quarter.

We are dedicated to continuously enhancing our omnichannel shopping experience, providing customers with a seamless omnichannel experience by integrating our inspirational physical stores with digital sales channels. In 2024, we launched the made-to-measure module to our Hemtex stores and online. The ordering module enables Swedish, Finnish and Estonian customers to order blinds, shutters and curtains tailored to specific measurements. Our online growth in 2024 was 10.4% and accounted for 12.3% of revenues.

Our physical store network is vital to our growth strategy, with significant store project activity across all markets this year. In 2024, we opened eight new and closed 7 stores. Additionally, we completed 19 and 10 store projects in Kid Interior and Hemtex, respectively. By year-end, we had nine open Extended stores in Norway, offering the full Extended assortment. Five Extended stores are signed and scheduled to open in Norway during 2025, and we are actively working on leads for the three Extended stores in Sweden. We remain positive and committed to opening 15 Extended stores in Norway and three in Sweden.

The warehouse in Sweden, previously owned by Prognosgatan Holding AS ("JV") where Kid Group controls 50%, was sold in December 2024 through Prognosgatan Fastighets AB to a fund managed by Storebrand Asset Management. Kid Group secured favourable terms with a 20-year lease agreement, including termination rights after 8 and 14 years. The net effect in the profit and loss statement for the full-year 2024 was MNOK 33.3.

FINANCIAL RESULTS

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

Income statement for the Group

Revenues for 2024 were MNOK 3,784.9 (MNOK 3,413.6). On a constant currency basis, the like-for-like sales growth was 8.5% and 9.3% for Kid Interior and Hemtex, respectively. Online sales grew by 10.4% in 2024, accounting for 12.3% of total revenues. The growth is attributed to both new and existing product categories, a proof of the robustness of our long term growth and the quality of our product design and development.

Gross margin was 61.9% (61.5%) for 2024, in line with financial objectives. Other operating expenses including IFRS 16 and employee benefit expenses, ended at 34.9% of revenues improved from 35.7% in 2023. Operating profit (EBIT) increased from prior year to MNOK 555.3 (MNOK 480.4).

Net financial expenses amounted to MNOK 90.5 (MNOK 76.6).

Net income for 2024 was MNOK 398.6 (MNOK 313.8).

Balance sheet for the Group

Total assets were MNOK 4,422.1, an increase of MNOK 473.5 from 2023. Non current assets increased by MNOK 215.0 due to investments in stores, the new warehouse in Sweden and new/negotiated rental contracts. Inventories amounted to MNOK 775.9 at the end of the year, an increase of MNOK 199.6 as a result of planned inventory build-up, increased retail space and increased incoming goods across all markets. The inventory

[1] Like-for-like revenue are revenue from stores that were in operation from the start of last fiscal year all through the end of the current reporting period. Like-for-like is calculated in constant currency.
[2] Calculated in constant currency

level was particularly low at the year-end 2023 mainly due to the strong H2-23 and the successful "Hemtex 50 years" campaign. Total receivables were MNOK 160.4, an increase of MNOK 55.4 from 2023, mainly driven by increased value of derivative financial instruments.

Net interest-bearing debt was MNOK 1 508.8 of which MNOK 1 245.7 is related to financial leases as defined by IFRS 16. Net interest-bearing debt excluding financial leases was MNOK 263.1 (MNOK 296.6). Long-term interest-bearing debt excluding leases was MNOK 461.7 (MNOK 491.7) at the end of 2024, short-term interest-bearing debt was MNOK 30.0 (MNOK 30.0), and cash and bank deposits were MNOK 228.5 (MNOK 225.1). The Group has an additional overdraft facility of MNOK 247, a revolving credit facility of MNOK 230 and a new term loan of MNOK 125, of which MNOK 0 was drawn at year end.

The equity ratio at the end of the year was 34.8% compared to 33.3% in 2023.

Cash flow for the Group

Cash flow from operations was MNOK 862.9 (MNOK 961.4). The inventory level increased by MNOK -195.4 (MNOK 111.5) due to strong performance in all markets. Other significant changes from 2023 included increased trade creditors and other short-term liabilities as well as strong results.

Cash flow from investments was MNOK -136.3 (MNOK -181.5). The investment level in 2024 reflects opening, relocation, and refurbishment of stores including new Extended stores as well as investments in the new warehouse in Sweden and our IT platform.

Cash flow from financing was MNOK -732.3 (MNOK -639.7), negatively affected by dividend payments of MNOK -264.2 (MNOK -233.7) and lease payments of MNOK -340.5 (MNOK -296.3). During the year, the revolving credit facility has been drawn and subsequently repaid, and we have repaid MNOK 30 of the long-term loan.

Net change in cash and cash equivalents was MNOK -5.1 (MNOK 140.3), mainly driven by increased profit, offset by increased inventory levels, investments and dividend payments. The Board of Directors finds that the Group had a solid liquidity position as of 31 December 2024.

ANNUAL RESULT ALLOCATION

Earnings per share was NOK 9.81 in 2024. The Board of Directors proposes a dividend of NOK 5.00 per share to be paid in May 2025. Including the prepayment of NOK 3.00 per share paid in November 2024, the total dividend of NOK 8.00 represents 82% of Group net income for 2024.

KID ASA 2024 profit was distributed as follows:

Dividend pay-out	MNOK	203.2
Dividend prepayment	MNOK	121.9
Transferred to other equity	MNOK	-38.1
Total allocated	**MNOK**	**287.0**

GOING CONCERN

The financial statement has been prepared in accordance with IFRS standards as adopted by the EU and under the going concern assumption. The Board of Directors has made appropriate enquiries and formed a judgement at the time of approving the financial statements that there is a reasonable expectation that Kid ASA has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Directors continues to adopt the going concern basis in preparing the financial statements in accordance with the Norwegian Accounting Act and the Norwegian Company Act. This is further supported by the Group's budget and strategy.

As of the end of the accounting year 2024, the equity ratio was 34.8%. The Board of Directors believes the equity and liquidity are sufficient, given the Company's operational commitments, future plans and achieved results.

CORPORATE GOVERNANCE, ORGANISATION, WORKING CONDITIONS AND SUSTAINABILITY

The Kid group is founded on a set of values which all employees are expected to follow. These values act as our guiding principles in all actions and communications. The values are commercial edge, inspiration, and dedication.

These values are further elaborated in our ethical guidelines for employees, which include key principles such as:

- Communicating openly, truthfully, and clearly
- Acting with respect, consideration, and responsibility towards one another
- Preventing, identifying, and addressing conflicts of interest
- Ensuring non-discrimination based on gender, sexual orientation, ethnicity, religion, disability, gender identity, gender expression, age, or other characteristics

The Group had a total of 2,273 employees, which corresponded to 1,018 full-time equivalents at the end of 2024. The parent company had no employees.

Area	Number of employees
Norway	1,528
Sweden	606
Finland	95
Estonia	44
Total	**2,273**

The Group keeps records of total absence due to sickness, in accordance with laws and regulations. Total sick leave was 4.34% in 2024 (4.13% in 2023). Sick leave is monitored on a monthly basis at store and department level, and appropriate actions are taken in relation to the sick leave that the Company is able to influence. The working environment is monitored continuously and is considered to be good.

During the year, 9 workplace accidents were reported, resulting in personal injuries that required medical visits and/or subsequent sick leave. A total of 46 minor workplace incidents were reported. All divisions of the Group operate with a dedicated focus on occupational health, environment and safety.

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

For information on remuneration, please refer to Remuneration report 2024 as approved by the Board of Directors. The Remuneration report is subject to approval by the Annual General Meeting in 2025, and published as part of the appendices to the Notice of Annual General Meeting at investor.kid.no.

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

Gender equality, discrimination, and harassment

The Kid Group is dedicated to promoting equal opportunities for all individuals. This commitment includes creating an inclusive work environment where employees have fair and equal chances, regardless of various factors such as age, gender, religion, ethnicity, nationality, disability, sexual orientation, sexual identity or life stage. The Kid Group actively supports its employees in balancing work and personal life. Furthermore, the company strives to eliminate any discrimination based on disability. Whenever possible, the Kid Group customizes workplace conditions and tasks to accommodate existing employees or job applicants with disabilities.

The Kid Group maintains strict anti-discrimination and anti-harassment policies, rooted in our core values and communicated to all employees, regardless of their employment status (full-time, part-time, permanent, or temporary). Our overarching objective is to foster diversity and equal opportunities across the entire organization. To achieve this, we implement various initiatives, including:

1. Recruitment Practices: Ensuring a fair and unbiased recruitment process that welcomes candidates from diverse backgrounds.
2. Working Conditions: Creating a supportive and respectful work environment for everyone.
3. Promotion Opportunities: Providing equal chances for career advancement based on merit.
4. Personal Development: Encouraging continuous learning and growth.
5. Work-Life Balance: Striving to maintain a healthy balance between work and personal life.

By actively promoting inclusivity and safety, we aim to cultivate a workspace where every individual feels valued and respected. The Kid Group continuously evaluates internal guidelines and develops new guidelines in accordance with changing legislation.

The Kid Group conducts annual employee survey. For 2024, the entire Kid group utilized a unified survey platform. The survey is conducted to address issues related to discrimination in recruitment, working conditions, promotion, personal development, and work-life balance.

Kid Group identified that 97% of our employees feel that men and women have equal opportunities. However, 3% reported not having the same opportunities as their colleagues, citing age (1%) and other unidentified reasons (2%) as the causes.

Additionally, 84% of our employees know where to seek help if they experience harassment or discrimination. Over the past 12 months, 2% of Kid Group employees reported experiencing harassment or discrimination by a colleague or manager. Of those who reported incidents internally, 50% felt they received the necessary support and assistance, with 57% of them satisfied with the help provided.

When appropriate, the Kid Group utilizes digital polls to identify perceived challenges within teams, enabling us to determine necessary measures to prevent and address potential issues through fact-based analysis. Additionally, Kid conducts semi-annual one-on-one conversations with each employee. Based on the results, risks are identified, analyzed, and appropriate actions are initiated and monitored. Each department manager, in collaboration with HR, is responsible for this process.

The Group continously work towards achieving gender balance. However, there are still some traditional patterns of employment within the retail sector and specifically within home interior, where more than 98% (97%) of in-store employees are women. At the warehouse, the gender equality balance has shifted to traditional patterns previous years, and per year-end 2024 approximately 31% (39%) of the employees in the warehouse were women. By year-end 2024, approximately 77% (74%) of employees at the head office are women and the executive management team consists of three men. The extended management team consist of 40% women. The Board of Directors of the parent company consists of three women (2024: 60%, 2023: 50%) and two men. All Board members are independent of the company's executive personnel, material business contacts and main shareholders (2024: 100%, 2023: 100%).

Kid Group's policy emphasizes equal pay for equal work. As part of the annual salary adjustment process, management review and adjust fixed salaries to ensure alignment and address any disparities. To analyze gender-based salary differences, the company categorizes employees into the following groups:

- Group Executive Management
- HQ Employees
- Store Employees
- Warehouse Employees

For each employment type, an assessment of the total remuneration differences between men and women in 2024 have been performed.

2024	Number of men/women per employment type		Differences in remuneration (Womens share of mens remuneration in %)
	Women	Men	Fixed salary
Group Executive Management	0	3	n/a
HQ employees	115	35	80%
Store employees	1,978	42	100%
Warehouse employees	31	69	92%
Total	**2,124**	**149**	**69%**

For store employees, the remuneration structure varies; store managers receive a fixed salary subject to annual individual assessments, while other store employees follow the same collective agreements based on age. The marginal difference in pay is attributed to the gender distribution between store managers and other store employees. All warehouse employees, on the other hand, adhere to the same collective agreements, and the difference is related to differences within the collective agreements.

Regarding HQ employees, there are several factors influencing their compensation:

- Education
- Competence
- Responsibility
- Working hours
- Market terms for specific positions within each department and role.

The aggregate difference in HQ salary levels is shaped by the gender composition and market terms within departments. Notably, our analysis reveals no material differences between men and women in the same departments with similar roles and responsibilities, aligning with our policy.

However, at the Group level, the primary disparities between men and women are explained by:

- Relatively higher salaries allocated to the CEO, CFO, and VD in Hemtex, which are deemed to be at market terms and consistent with industry practice.
- The salary level for Group Management, which reflects market terms for the roles themselves, with gender having no material impact.

Our overarching policy is to hire the most qualified candidate for any position, irrespective of gender. The difference in remuneration between women and men does not stem from deliberate discrimination.

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

2024, the number of employees was 2,273 (2,201) and 1,811 (1,791) of these were part-time. This means that 80 % (81 %) of employees work part-time. For HQ employees, the share of employees working part-time was 6.5 % (7%).

The Kid Group offer part-time employment at our stores and warehouse, providing mutual flexibility both for our employees and company. Kid endeavors to offer part-time employees the opportunity to increase the rate of employment. Kid regularly conducts surveys to assess whether there are part-time employees working involuntarily part-time. A measure to increase the full-time rate of the Groups employees, is to recruit internally for relevant vacant positions. The Group also offer a talent program enabling store employees to become a store manager. The focus on internal recruitment, increased competence, talent program and the possibility to get a trade certificate in retail are all measures to keep our employees, develop internal competence and provide room for growth and increased possibilities for our employees.

The Kid Group has a simple digital staffing system in stores, which gives priority to people who are already employed when there is a need to staff extra shifts. The system is also used by external temporary staff. This has greatly simplified the staffing process for managers and created a better working environment.

Training and skill development

Attracting and retaining skilled employees is a key competitive advantage for Kid Group. All employees have access to a variety of training programs, including an online academy available to everyone. Currently, we offer a diverse portfolio of courses at Hemtex and Kid Academy, and we are continuously launching new modules. Although our software supplier cannot provide the total number of completed trainings, we closely monitor completion rates using the platform's available analysis tools.

At Kid, we conduct team-based courses for all managers on various topics, including sick leave prevention and follow-up, recruitment, and more. Given our product portfolio includes items requiring specialized expertise, such as furniture and custom-made sun protection, the Kid Group has invested in regional ambassadors who facilitate regional training sessions.

Store managers of the 20 largest Kid stores participate in a development program focused on leadership, economics, staffing, visual merchandising, and sharing best practices.

In 2020, Kid implemented a talent program allowing store employees to apply for the opportunity to become store managers through on-the-job training and seminars. Another way to enhance employees' skills is through the possibility of achieving a retail trade certificate via weekly online training in collaboration with K2 Kompetanse. Additionally, Kid has successfully conducted a pilot program offering apprentices the chance to work in sales and customer service.

The Kid Group will work towards developing an even more unified strategy for competency-enhancing measures throughout 2025.

FINANCIAL RISKS

Currency risk

To reduce foreign currency risks, Kid hedges net foreign currency cash flows by entering into futures contracts. This is done in order to mitigate the currency risk for approximately 100% of goods sourced.

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

Credit and liquidity risk

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

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

Interest rate risk

Kid has a floating interest rate for MNOK 491.7 of outstanding long-term debt. Of this amount, MNOK 395 have been hedged through an interest rate swap agreement at a fixed interest rate of 1.876% maturing August 2029 and MSEK 45 has been hedged through a cross-currency interest swap agreement securing a fixed interest rate of 1.460% and the exposure to SEK that matured November 2024.

Climate risk

In the short-term aspect of climate change, Kid has limited net climate-related risk exposure. However, during 2023 and 2024 we have performed a climate scenario analysis and see potential financial impacts on medium and long term related to transitional and physical climate-related risks. Please refer to, page 46-47 for more information.

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

NEW CEO

On 1 November 2024, Anders Fjeld informed the Board that he would resign as CEO of Kid ASA, to take the position as CEO of Sport Holding AS. He will continue in the position until 1 May 2025. Under Anders' leadership the Group has experienced strong growth, both organic and inorganic, in combination with impressive margins. Anders has been instrumental in the transformation of Kid, and the Board wants to thank Anders for the outstanding work.

Starting 1 May 2025, Marianne Fullford has been appointed the Group's new CEO. Marianne is currently Director of Sourcing and Assortment and joined Kid in 2008. Through her dedication and leadership, Kid's concept and assortment have developed substantially, making the company one of the clear leaders in the Nordic home and interior retail sector. Marianne has a deep understanding of the Kid business model and "winning formula", and she embodies the Kid values of entrepreneurial spirit, inspiration and dedication. We are confident that she will be an excellent replacement of Anders, with whom she has worked closely over the past six years.

OUTLOOK FOR 2025

Kid Group's combination of a unique and continuously renewed assortment, inspirational stores, and a modern e-commerce platform, along with friendly and knowledgeable customer service and a responsible brand, makes customers return to Kid Interior and Hemtex as their preferred home textile and furnishing retailer.

Kid Group will continue to optimise, refurbish and expand the store portfolio to the new, larger standard stores (600 sqm.), and open more Extended stores (1,200+ sqm.). Expanding the square meters in a significant portion of the stores, especially for Hemtex, remains a key priority as this enables the stores to offer our full assortment range and is considered a key driver for growth and profitability. The establishment of Extended stores is progressing, with nine stores currently in Norway, five more signed, and a total ambition of 15 stores in Norway and three in Sweden. The timing of these openings will depend on external rental opportunities.

Kid Group has decided to pilot and test markets beyond the Nordic region and the Baltics under the Hemtex brand. Accordingly, a German-language website will be launched with local marketing investments for the German market.

Additionally, an English-language website targeting other EU countries will be launched without specific marketing investments. The pilot project is progressing according to plan, with a launch date in the second half of 2025. Finally, the new common warehouse will be a key building block supporting future growth of Kid Group. The new warehouse will handle higher volumes and streamline operations. The construction of the new common warehouse has been progressing according to plan and is expected to be operational medio 2025. Due to the commencement of the new warehouse and the termination of the warehouse in Norway, there will be some non-recurring costs throughout 2025. These costs include subleasing the warehouse in Lier, scaling costs in Sweden and Norway, and moving remaining goods to Sweden and are estimated to be approximately MNOK 30.

The Group is expected to be resilient regarding more unstable geopolitical situation worldwide, however effects of high tarrifs and reduced consumer confidence in economic growth, will potentially effect our growth and turnover.

The Board of Directors remains confident in Kid's solid financial situation and liquidity.

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

- A continued, strong financial performance driven by like for-like growth of 4-5% in a normalised market, stable gross margins in line with the past 10 years, and operating expenses relative to sales at current levels.
- An optimized store portfolio of approximately 320 fully owned stores. Capital expenditures related to maintenance is expected at a normalised level of up to MNOK 125, with an additional MNOK 3.0 per new normal store opening (~600 sqm.) and MNOK 6.0 per Extended store (1,200+ sqm.).
- To maintain moderate leverage and an efficient balance sheet.
- A target dividend pay-out ratio of 80-100% of adjusted net profit with semi-annual payments. The distribution policy is dynamic, and any excess capital will be returned to shareholders.
- Gearing ratio (excluding IFRS 16) below 1.25 at year-end.

Sustainability reporting

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

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

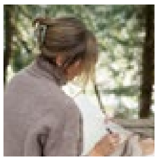
For information on corporate governance policies, please refer to separate section in the annual report.

Kid ASA is subject to annual corporate social responsibility reporting requirements pursuant to section 3-3c of the Norwegian Accounting Act. The reporting follows in a separate statement included in the Board of Directors' report covering sustainability reporting.

SUSTAINABILITY STATEMENT

SUSTAINABILITY-RELATED DISCLOSURES 32

ENVIRONMENT 52



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SUSTAINABILITY-RELATED DISCLOSURES

Being one of the largest interior and textile retailers in the Nordics comes with responsibilities. Whether you're an employee, customer or partner, you should feel confident that we seek to ensure decent working conditions throughout the value chain, protect the environment, and deliver safe, quality products. Our ambition is to *make responsible choices for tomorrow*.

In the Kid Group we work daily with sustainability in mind, always striving to choose the best solution we can at this moment. As one of the first retailers in the home textile and interior sector with a validated Science Based Target, we are dedicated to reducing our greenhouse gas emissions by 50% between 2020 and 2030, with the ultimate goal of achieving net-zero emissions by 2045. Changing direction takes time, and it's not just about us – it's about the entire textile industry value chain. Tomorrow's best alternative for the planet and people might not have been invented yet, but we are developing and working towards a more sustainable business, throughout the value chain in collaboration with our suppliers and partners.

BASIS FOR PREPARATION

This sustainability statement has been prepared on a consolidated basis in alignment with the financial statements, covering all activities conducted by the Kid Group (Kid ASA and its subsidiaries) from January 1, 2024, to December 31, 2024. The sustainability statement adheres to the principles of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). All the disclosures included in the Environment, Social and Governance sections have either been assessed as material according to our double materiality assessment (DMA) or are mandatory according to the ESRS standards.

REPORTING SCOPE AND METHODOLOGY

- **Scope:** The report covers all material activities within the Kid Group, including its entire upstream and downstream value chain, to assess material topics comprehensively.
- **Data Usage:** For continuous performance tracking, quantitative data from the past three years has been utilized as far as possible. For detailed assumptions, measurements and calculation methods, see each topic-specific section.
- **Transparency:** No information has been omitted based on considerations of intellectual property, know-how, or innovation.

TIME HORIZONS

The report adheres to the time horizons used while setting the Science Based Target for assessing short-, medium-, and long-term impacts, risks, and opportunities. These definitions are as follows:

- **Short term:** 1 year (2025), aligned with ESRS mandatory requirements.
- **Medium term:** 2026–2030 (2–6 years), aligned with Kid's strategic planning horizon, which differs slightly from ESRS optional guidance.
- **Long term:** 2031–2045 (7–21 years), also aligned with Kid's strategic planning horizon and differing from ESRS optional guidance.

The definitions of medium- and long-term horizons incorporate flexibility to reflect Kid's strategic priorities.

SUSTAINABILITY GOVERNANCE

The Role of the Administrative, Management and Supervisory Bodies // GOV-1 + GOV-3

For more information on the composition and competence of the corporate bodies, refer to the presentation of Group Management and Board of Directors, starting on pages 16 and 22-23, respectively. There are currently no incentive schemes or remuneration related to sustainability performance in the Group. For a detailed description of our Remuneration Policy, refer to page 20 for the section about *Remuneration of the Board of Directors*.

Board of Directors

The Board of Directors are overseeing the Group's impacts, risks and opportunities, and are responsible for the Policy for Responsible Business Conduct which governs the Group's strategy on respect for people, society and the environment. The Board of Directors receive an annual update from the Head of Sustainability on status on KPI's, material topics as well as updated risk and opportunities assessment. Furthermore the Audit Committee report on ESG topics discussed in the Audit Committee meetings. Any significant change in material risk is reported when it occurs. The Group has three employee representatives on the board of Kid Interiør AS, which is 100% owned by Kid ASA, and the five board members of Kid ASA are also members of the board of Kid Interiør AS. This creates involvement of employees in the board decisions.

While all members have practical experience in sustainability-related matters, some have further strengthened their ESG-expertise through formal training. This includes participation in PwC's 3-sequence program, which focuses on board-level responsibilities related to CSRD reporting, and The Norwegian Institute of Public Accountants' two-day seminar, which covers ESG and financial reporting.

Audit Committee

The Audit committee follows up due diligence and risk management. The Group's sustainability matters, which includes ESG topics, is evaluated by the Group's audit committee on a regular basis as part of the committee's authority and duty. This ensures that the Group has an overview of its impacts, risks and opportunities, takes responsibility for reporting any significant changes in the risk profile, and follows up to make sure that risk management work is carried out in a coordinated and efficient manner within each business area. Representatives from the Audit Committee are part of the internal reference group doing the Double Materiality Assessment.

Sustainability Team

The Kid Group strives to maintain a comprehensive understanding of its ESG impacts and is continuously working on strengthening its understanding of ESG impacts, risks and opportunities, as well as new business opportunities. This involves a strategic effort by the sustainability department to systematically identify, assess, evaluate, and handle impacts and prospects related to sustainability. Through KPI's implemented by the sustainability team the company follows up on its commitments.

The Group's Head of Sustainability and sustainability team has responsibility for managing Kid ASA's sustainability work. The team has the responsibility of developing all aspects of the ESG work including impacts, risk and opportunities, as well as securing processes and policies to manage and follow up the implementation and development of KPI's for sustainability matters for the Group, according to the DMA. The team is also in charge of stakeholder communication, sustainability reporting and external ESG assessments. The team consists of three members but also has access to collaboration with a sustainability consulting firm as well as different industry organizations working on sustainability.

Management Team

The management team consists of ten members, all department managers in the Group, as well as the group executive members; CEO, CFO and Hemtex MD. The management team members are responsible for overseeing and executing strategies concerning their own department and responsible for implementation of necessary actions to deliver on the Group's ESG goals and business conduct in the different departments. The Head of Sustainability addresses ESG topics on a regular basis and ensures that impacts, risks and opportunities are considered when strategies and operations are discussed. ESG topics include changes in the sustainability risks, actions, targets, or new developments.

Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies // GOV-2

The Sustainability Team plays a central role in managing sustainability aspects and Impact, Risks, and Opportunities (IROs) across the organization. The team is responsible for identifying, analyzing, and addressing material IROs, as well as developing and implementing relevant policies, actions and targets related to sustainability.

To ensure that sustainability is fully integrated into the company's strategy and decision-making, the Sustainability Team regularly provides insights and progress updates to key stakeholders in the Group. These updates are provided regularly to the Management Team and Audit Committee and for larger changes to the Board of Directors (BoD), ensuring that sustainability-related IROs are embedded in both strategic execution and oversight. This process also allows for a structured discussion on the interactions and potential trade-offs between sustainability objectives and the company's broader strategy.

Additionally, the Sustainability Team serves as an information hub, facilitating communication between business functions and ensuring that sustainability considerations are effectively incorporated into operational and strategic planning.

In 2024, members of the Audit Committee raised concerns about the company's reliance on virgin and conventional fibers and materials. With evolving environmental and regulatory changes affecting the availability and access to raw materials, this dependency poses a business risk. This underscores the importance of strategic sourcing, ensuring a more resilient supply chain that aligns with sustainability goals. Furthermore, it highlights how the business model is increasingly vulnerable to environmental challenges, emphasizing the need for proactive adaptation to mitigate risks associated with resource scarcity and regulatory shifts.

The Board of Directors was informed and consulted during the final stages of the Double Materiality Assessment process to ensure alignment with corporate policies and procedures.

Statement on Sustainability Due Diligence // GOV-4

At Kid Group, we recognize the critical importance of conducting due diligence on environmental and social impacts, including human rights, throughout our value chain. Due diligence is a continuous process that informs and may lead to adjustments to our strategy, business model, operations, business relationships and sourcing and sales practices.

As part of our sustainability governance framework, we have adopted a due diligence approach aimed at identifying, assessing and mitigating both actual and potential negative impacts on the environment and people, related to our products, operations and value chain, while also evaluating opportunities for positive impact.

This is carried out through consultations with affected stakeholders, feedback mechanisms and research using publicly available information. The findings from this process are integrated into our double materiality assessment.

> We recognize the critical importance of conducting due diligence on environmental and social impacts, including human rights, throughout our value chain

Core elements of due diligence	Chapter	Page
a) Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2, GOV-3 ESRS 2 SBM-3	34-35 49
b) Engaging with affected stakeholders in all key steps of due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P ESRS E1-1 ESRS E4-1 ESRS S2-2	35 42-43 46-49 38 53 82 96-97
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3	44-51 49
d) Taking actions to address adverse impacts	ESRS 2 MDR-A ESRS E1-1, E1-3 ESRS E2-2 ESRS E3-2 ESRS E4-3 ESRS E5-2 ESRS S2-4 ESRS S3-4	37-38 55+57-59 75-77 80 83-84 87 99-100 104
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M, MDR-T ESRS E1-4, E1-5 ESRS E4-4 ESRS E5-3	35-37 59-63 84 88

Risk Management and Internal Controls over Sustainability Reporting // GOV-5

In 2024, Kid ASA updated its Audit Committee mandate to formally include responsibility for overseeing sustainability reporting, in alignment with § 6-43 of the Public Limited Liability Companies Act (Allmennaksjeloven). The committee now ensures the integrity of financial and sustainability disclosures, overseeing the identification and reporting of sustainability-related information, and monitors internal controls and risk management related to sustainability reporting. It also maintains an ongoing dialogue with the external auditor to oversee the assurance process. The Head of Sustainability has participated in Audit Committee meetings since 2024. The Sustainability and Quality Assurance Manager provides updates to the Audit Committee six times per year. In 2024, the sustainability reporting and related work was presented to the Board of Directors on two occasions.

Additionally, we have further defined and embedded relevant controls within various processes and sub-processes related to sustainability reporting, taking into account our assessment of sustainability-related risks. In 2024, we piloted a new online tool integrated with a CSRD-compliant platform, which is planned for full implementation in 2025 as a sustainability management reporting system. This tool is designed to improve data accessibility and streamline the auditing process.

For more information on our corporate risk management and internal control systems and its features, refer to the *Risk Management and Internal Control* section, starting on page 20.

STRATEGY

Strategy, Business Model and Value Chain
// SBM-1

Business Model
The business activity of the Kid Group is mainly purchase and sale of interior textiles and furniture through design, sourcing, import, wholesale and retail, along with other related activities, including investments in other enterprises and relevant real estate. The Group operates in Norway, Sweden, Finland and Estonia, with 288 stores and 4 national online stores at the end of 2024.

The Group had a total of 2,273 employees at the end of 2024. For more information about the company set-up and role as an employer, please see pages 25-27 in the section about *Corporate Governance, Organisation, Working Conditions and Sustainability*.

No significant changes were made to the business model or group strategies in 2024.

Strategy
The product assortment ranges from curtains and bed linens to home accessories, decorations, and furniture. Kid's business strategy is to provide an attractive value proposition to customers through an inspirational assortment, and quality Kid- and Hemtex-branded products offered at affordable prices both online and through stores located in major population centers. To achieve this, Kid is depending on well-functioning partnerships with its suppliers, and access to raw materials and goods, manufactured in a cost effective and responsible way.

All sustainability initiatives across the Group's value chain are guided by *Act with the Heart*, the Group's sustainability strategy, which is integrated into the Group's business development plan via relevant sub-strategies. *Act with the Heart* serves as the foundation for fostering trust and driving responsible business growth within the Kid Group. The goal is to maintain decent working conditions throughout the value chain, protect the environment, and deliver safe, high-quality products. The framework of this strategy is illustrated in the accompanying figure 1.

Value Chain
The Kid Group has a direct impact on its own operations and downstream value chain, managing its own warehouses and stores while maintaining direct communication with customers. However, in the upstream value chain – primarily based in the Asia-Pacific – the Group does not own any factories or production facilities. Given its reliance on external manufacturers, the Group prioritizes strong collaboration with suppliers to support their sustainability efforts.

Through regular engagement via emails, online meetings and in-person visits, the Group fosters transparent and trustworthy business relationships. Supplier and factory visits are particularly important in the due diligence process for assessing operational impacts, identifying risks and opportunities, and ensuring alignment with sustainability goals.

The manufacturing chain presents several critical challenges, including human rights, working conditions, resource use, greenhouse gas emissions and chemical management. To mitigate these risks, all suppliers are required to adhere to the Kid Group's Code of Conduct, which ensures compliance with product- and production policies, chemical restrictions, and quality standards. This commitment is continuously monitored and assessed to minimize negative environmental and social impacts.

More information about the relationship with suppliers can be found on pages 109-110.

Figure 1. The concept of Act with the Heart

ACT WITH THE HEART
Responsible Choices for tomorrow

Sustainability mission:
We strive to maintain decent working conditions throughout the value chain, protect the environment, and deliver safe, high-quality products.

Enivironment – Social – Governance

Stakeholders	Laws and expectations from civil society	Salient risks in the value chain

Double Materiality Assessment

Climate Change	Pollution	Water	Biodiversity	Resource use and Circularity	Workers in the Value Chain	Affected Communities	Governance

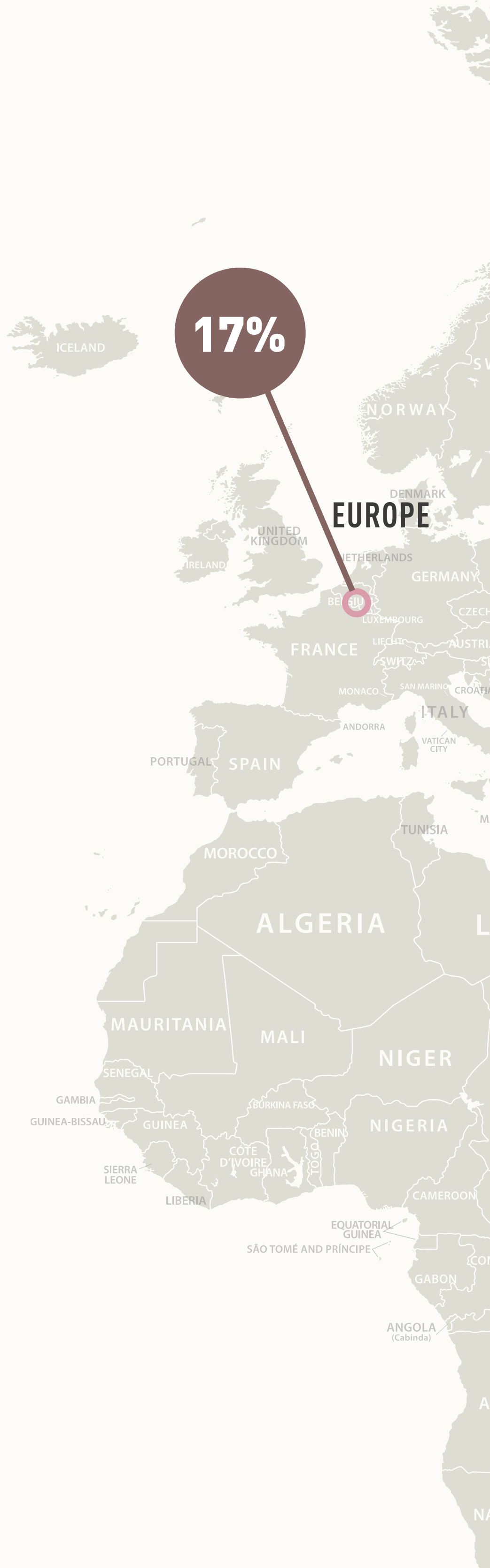
Policies – Actions – Targets

The Act with the Heart framework is the Kid Group's comprehensive approach to sustainability. It starts with our commitment to ethical labor practices, environmental stewardship, and product and business compliance. Supported by the foundational elements of Environmental, Social, and Governance (ESG), this initiative emphasizes active stakeholder engagement, adherence to ESG regulations, and the mitigation of significant negative impact as well as risks within the supply chain. Through Double Materiality Assessments, the program determines and prioritizes key ESG topics. In its execution phase, the strategy encompasses the material topics. This part of the framework has been updated based on the 2024 DMA. This entire process leads to the establishment of defined policies, deliberate actions, and precise targets that are in harmony with the organization's objectives for sustainability.

Description of activities in the value chain		
Upstream	The upstream value chain consists of a variety of activities to produce and supply the products to the Kid Group. The Group outsources all manufacturing, which emphasizes the importance of close collaboration with suppliers to support their sustainability efforts. Purchased goods stand for 95% of the Group's CO_2e emissions, showing a significant impact compared to the rest of the value chain.	Tier 4 – Raw Material Production, *Extraction, farming and/or production of raw materials.*
		Tier 3 – Raw Material Processing, *Raw Materials are processed into yarn and other intermediate products*
		Tier 2 – Material Production, *Fabric, Trim, and other components are produced*
		Tier 1 – Finished Products, *Assembly and manufacture of final products.*
		Inbound transport
Own operations	The Group's own operation consists of the purchase and sale of interior textiles and furniture through import, wholesale and retail, along with other related activities, including investments in other enterprises and relevant real estate.	Warehousing
		Administration
		Store opreations
Downstream	When the goods are sold to the customers, the Group has limited access to information of how the products are being used. Through clear product information, responsible marketing practices and a dedicated customer service, we can contribute to a good user experience. Via Extended Producer Responsibilites, and volontary incentives for collecting of used textiles, we strive to enable circular systems and an efficient end-of life management.	Outbound Transport
		Use of products
		End of life-management

KID GROUP SOURCING MARKETS IN 2024, BASED ON VALUE

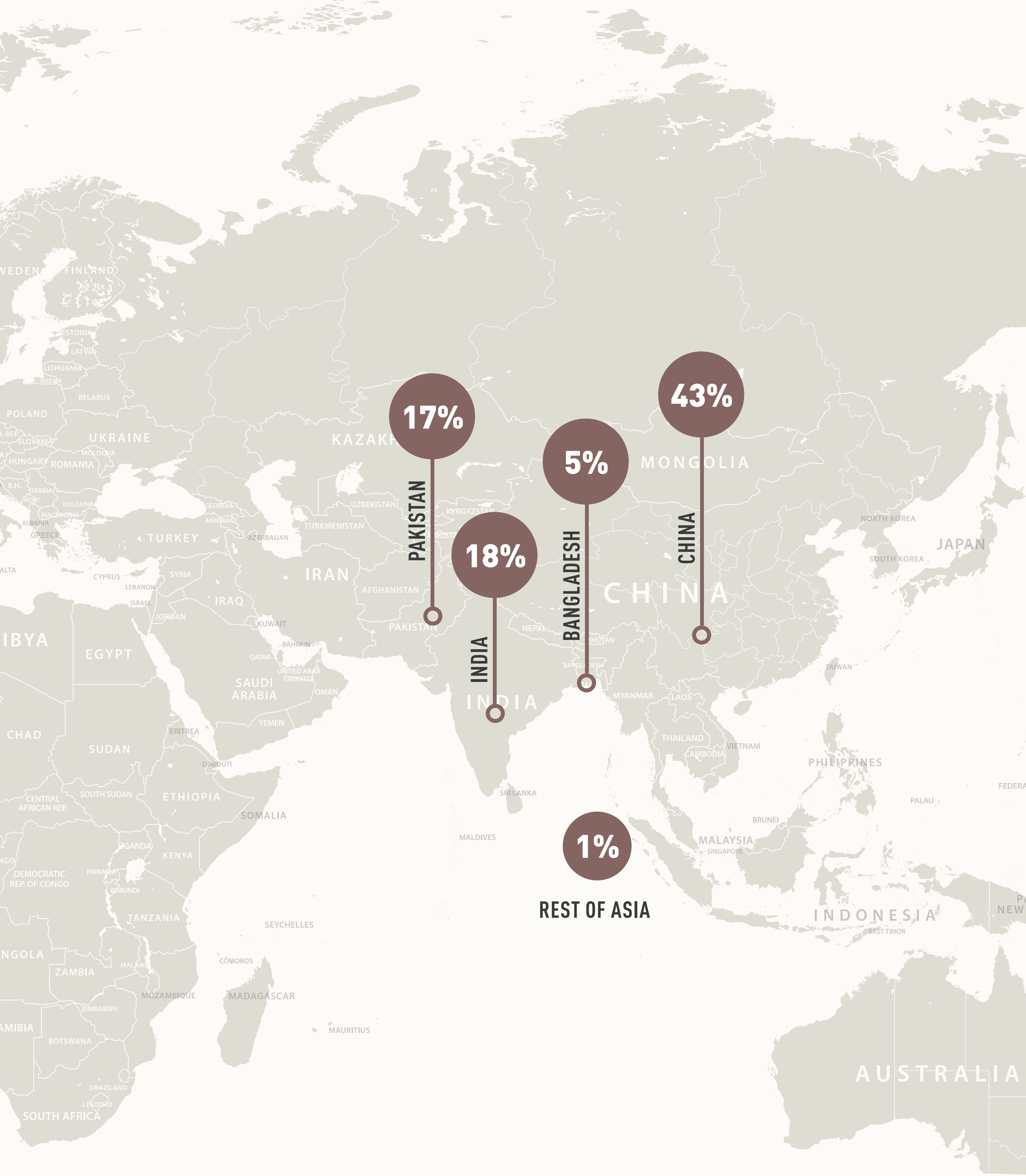
In 2024 the company had 237 suppliers* in 22 different countries: Bangladesh (7), China (108), Europe (19), India (52), Pakistan (35), Rest of Asia (6).



70%
of The Kid Group's total sourcing value were directly from the suppliers.

30%
are sourced through agents.

*with suppliers we are referring to the company issuing invoice to the Kid Group. One supplier can have several factories. In 2023 and onwards the Group has started to map the number of producers / factories per supplier.


17%
PAKISTAN
18%
INDIA
5%
BANGLADESH
43%
CHINA
1%
REST OF ASIA
FINLAND
ESTONIA
LATVIA
LITHUANIA
BELARUS
POLAND
UKRAINE
SLOVAKIA
HUNGARY
ROMANIA
MOLDOVA
BULGARIA
MACEDONIA
ALBANIA
GREECE
TURKEY
GEORGIA
ARMENIA
AZERBAIJAN
TURKMENISTAN
UZBEKISTAN
KYRGYZSTAN
MONGOLIA
IRAN
AFGHANISTAN
PAKISTAN
NEPAL
INDIA
CHINA
NORTH KOREA
SOUTH KOREA
JAPAN
TAIWAN
MYANMAR
LAOS
THAILAND
VIETNAM
CAMBODIA
PHILIPPINES
PALAU
BRUNEI
MALAYSIA
SINGAPORE
INDONESIA
EAST TIMOR
SRI LANKA
MALDIVES
CYPRUS
SYRIA
LEBANON
ISRAEL
JORDAN
IRAQ
KUWAIT
BAHRAIN
QATAR
UNITED ARAB EMIRATES
SAUDI ARABIA
OMAN
YEMEN
EGYPT
CHAD
SUDAN
ERITREA
DJIBOUTI
ETHIOPIA
SOMALIA
SOUTH SUDAN
CENTRAL AFRICAN REP.
UGANDA
KENYA
DEMOCRATIC REP. OF CONGO
RWANDA
BURUNDI
TANZANIA
SEYCHELLES
COMOROS
ZAMBIA
MALAWI
MOZAMBIQUE
MADAGASCAR
ZIMBABWE
BOTSWANA
MAURITIUS
SWAZILAND
LESOTHO
SOUTH AFRICA
AUSTRALIA

Interests and Views of Stakeholders
// SBM-2

The Kid Group categorizes its stakeholders into key groups – customers, suppliers, employees, local communities, government authorities and NGOs, and investors – reflecting the priorities and dynamics of the retail, textile, and home interior industry. To effectively address the interests and expectations of each group, we engage through multiple communication channels and maintain ongoing dialogue.

By actively integrating stakeholder insights into our business strategies and decision-making processes, we enhance transparency, accountability, and trust. Our commitment to meaningful stakeholder relationships is demonstrated through collaboration, knowledge sharing, and open communication, all of which support our mission to drive sustainable growth.

For ESG-related stakeholder engagement, the Sustainability team leads the dialogue and ensures follow-up on outcomes. The selection of relevant stakeholders is determined in collaboration with internal department representatives who have the closest day-to-day interactions with them. The results of these engagements are reported to the Management and the Board of Directors and, when needed, further incorporated into the Group's strategies and actions.

Stakeholder Participation Process

In 2024 the Kid Group conducted an updated stakeholder dialogue through interviews and surveys with help from 2050 Consulting. The outcome is included in the update of the double materiality assessment. In addition to the structured dialogue with external help, we have a continuous dialogue with our suppliers, NGO's, employees and customers through factory visits, participation at various industry forums as well as customer feedback. The stakeholders that are deemed to have the greatest impact on, and are most affected by, the company's business are as follows:

Customers

Kid Group's store staff and customer service are the most often-used channels of communication with customers, while other channels, such as Instagram and Facebook are becoming increasingly important. The Kid Group customer club has over 3.3 million members and is important for creating a stronger relationship with customers and we continuously monitor customer feedback. In 2024, a survey went out to a significant group of customers. This survey showed that our customers are interested in and concerned about sustainability in the upstream value chain with focus on climate action, good working conditions and reduced chemical use. They are also raising interest in circular economy and microplastics.

Suppliers and Workers in the Value Chain

The Kid Group aims to pursue long-term and transparent relationships with suppliers and, indirectly through our suppliers, the workers in our value chain. There is a well-developed system in place to monitor social, environmental, and quality aspects in the supply chain, and the performance of suppliers is critical for us to achieve our sustainability targets and the workers' rights to decent working conditions. The forum for dialogue is mainly through supplier meetings, factory visits and regular digital business contact. In 2024 we asked 35 suppliers, standing for approximately 65% of order value, and 15% of the number of suppliers, to complete a questionnaire related to the most important sustainability related areas connected to their own as well as the Group's business. Key topics for the suppliers mainly include responsible purchasing

and social responsibility for workers in the value chain. The outcome is used in the DMA. A key take-away is the suppliers wishes for additional training and knowledge-sharing forums to leverage the sustainability work.

Employees and potential employees

The Kid Group's ability to attract, recruit, develop and retain the right employees is crucial for the company's progress. The Kid Group wants to offer employees opportunities for development and a motivating, safe and healthy workplace environment. Employee surveys are conducted regularly to capture issues that are important for the employees. These primarily involve the working environment, the physical workplace, and the local and companywide leadership. The Group has three employee representatives on the board of Kid Interiør AS, which is 100% owned by Kid ASA, and the five board members of Kid ASA are also members of the board of Kid Interiør AS. This creates involvement of employees in the board decisions.

Owners and the financial market

The Kid Group's overall goal is long-term value creation for its shareholders by focusing on profitability, strategic sustainability work and responsible behavior in all situations. Information is provided to shareholders primarily via quarterly reports and presentations, the annual report, and the General Assembly. This stakeholder group is primarily a user of the sustainability statement. In 2024, an interview was conducted with a financial analyst covering Kid Group. It was highlighted that investors place a high priority on compliance and reduced greenhouse gas emissions.

Local communities

The Kid Group recognizes that our business activities impact local communities, particularly in the regions where our suppliers operate. While we do not own any factories, we collaborate with suppliers, primarily in Asia, to manufacture the products sold in the stores and online. Our strategy is informed by the understanding that safe and secure employment contributes not only to individual well-being but also to the broader socio-economic stability of surrounding communities.

In 2024 we talked to a representative from “The International Accord for Health and Safety in the Textile and Garment Industry”, with good understanding of the local communities in Pakistan and Bangladesh. The most material ESG-topics related to the development of the local community are reasonable wages and working conditions through local jobs, and to avoid pollution caused by production of goods.

Industry Associations, Academia & Science, Government Agencies and Other Stakeholders

The Kid Group participates continuously in various forums for dialogue with trade associations, government agencies, student associations and other interest organizations. Networking, workshops, lectures, and direct dialogue are common ways to communicate with these stakeholders. The issues that are of greatest interest in these contexts are primarily responsible purchasing, human rights, health and safety and climate impact.

> Our commitment to meaningful stakeholder relationships is demonstrated through collaboration, knowledge sharing, and open communication

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities // IRO-1

At Kid Group, we recognize the importance of a holistic sustainability perspective, encompassing the three pillars of Environmental, Social, and Governance (ESG). To effectively manage risks and opportunities, mitigate negative impacts, and drive meaningful positive change, we prioritize the most material ESG topics identified through our Double Materiality Assessments (DMA), which is updated annually and as a part of the Sustainability Strategy framework as presented on page 38. The outcome of the DMA process is communicated and approved by the BoD and subsequently integrated into Kid Group's overall risk profile and risk management processes. This approach enables us to comprehensively evaluate ESG impacts, risks, and opportunities (IROs) across diverse sustainability topics across the entire value chain, ensuring a balance between environmental and social responsibility and business resilience.

The assessment is following the principle of double materiality to identify and disclose key sustainability-related information. The outward impact assessment evaluates the Kid Group's effects on society and the environment, while the risk and opportunity assessment examine how external factors and stakeholders influence the Kid Group's financial performance and position.

To strengthen our sustainability governance, an internal reference group was established in 2024 to identify and assess the Group's sustainability-related IROs. This group consists of representatives from the departments of Sustainability and Regulatory Compliance, Buying & Procurement, Finance, and HR, along with two representatives from the Audit Committee, who are also members of the Board of Directors. The purpose of this group is to ensure a broad and competent evaluation of the Group's material IROs. To support the reference group, we engaged 2050 Consulting, a specialized consultancy in sustainability for the retail and textile industries, to lead the DMA project.

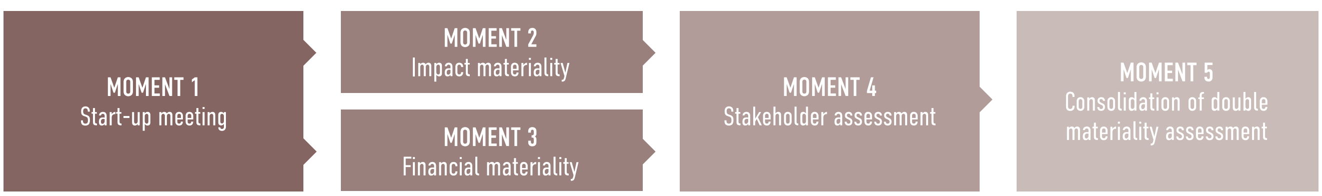
The impact on sustainability topics were described qualitatively and quantitatively. Data was provided by internal stakeholders and 2050 Consulting, based on current knowledge and results from previous due diligence processes. In many cases, especially for the value chain assessment, no quantitative data was available, which lead to a qualitative description being made. The qualitative description was based on industry reports from the textile sector as well as NGO reports and adapted to the Kid Group's context when possible.

To ensure a well-rounded assessment, we actively engage with external stakeholders to gather insights on how our activities and business relationships impact the value chain. This stakeholder input plays a crucial role in identifying material IROs and shaping our sustainability strategy.

The assessment includes all parts of Kid's value chain, to the greatest extent possible. Given that a significant portion of our supply chain operates in regions with heightened sustainability risks – particularly in parts of Asia – these geographical considerations were factored into our evaluation.

The following process, depicted in Figure 2, have been used in the 2024 double materiality assessment for the Kid Group.

Figure 2. Process description of Kid's DMA



Methodologies and Assumptions for Identification Process

We have considered assets and activities along our whole value chain, including upstream, own operations and downstream. Due to the complexity of our value chain, we have not been able to assess every location and supplier but have used proxy information to cover the need for information. Through these efforts we have been able to collect necessary information about impacts, risks and opportunities along our value chain. As part of the DMA process, Kid first identified and assessed both positive and negative impact areas. This was followed by an evaluation of financial risks and opportunities associated with those material impacts. Additionally, a further financial assessment was conducted for non-material impact areas to ensure a comprehensive analysis. The assessment of the Group's IROs on sustainability was made for all ten ESRS topics on a sub-topic level (37 sub-topics in total). If needed, the sub-sub-topics were considered.

The Group considers all sustainability topics that achieve a score above a certain threshold in the double materiality assessment to be material. A topic is designated as a final material issue if its score exceeds the threshold in either of the following two aspects: Either – materiality from the perspective of social and environmental impacts, or – materiality from a financial perspective. The level of management does not vary based on the score of each material issue.

Impact Identification and Assessment Process

To initiate the impact assessment a questionnaire was created based on the ESRS topics and sub-topics. The questionnaire was completed to identify and describe the Group's potential or actual positive or negative impacts across operations and the value chain. These impacts were then carefully assessed to evaluate their significance and alignment with the Group's sustainability objectives. To ensure the findings were accurate and actionable, the assessment was reviewed and validated during a workshop with the internal reference group, allowing for further discussion and refinement of the results. No positive impacts were identified in 2024.

Prioritization of Impacts and Materiality Determination

To determine and prioritize the identified negative impacts the assessment was summarized for the first three categories (scale, scope, and irremediable character) on a scale from 1 to 5, where 5 indicates significant impact. The score was then multiplied by the probability of the impact on a scale 1-5, where 5 indicates an actual impact. The maximum points can then be 15 x 5 =75.

Severity x Probability = Impact score

The threshold for impact materiality for the calculated score was set to 37,5. These thresholds were decided based on that it is half of the possible maximum points (75).

Results from Impact Materiality

When all identified sustainability objectives where assessed we could conclude that eight out of ten ESRS topics were material with either potential or actual negative impact. No positive impact was identified, hence not prioritized. The topics are all reflected in our previous and existing sustainability efforts.

FINANCIAL RISK AND OPPORTUNITY ASSESSMENT

Relevant risks (negative financial impact) and opportunities (positive financial impact) were identified, considering their nature, assumed consequences, and dependencies. Their relevance across short, medium, and long-term horizons were assessed. Risks and opportunities were determined for each ESRS sub-topic, based on industry-wide risks in the textile and interior retail sector and the Kid Group's specific business model. To identify material financial matters, the risks and opportunities were assessed based on the likelihood of occurrence and the potential magnitude of the financial effects.

The assessment was initiated with an online survey done individually by the internal reference group where they were required to qualitative assess the impact and likelihood for each risk and opportunity on the medium-term perspective.

Figure 3. Simplified process description of assessing the Kid Group's sustainability impact

List of topics and subtopics → Description of Kid ASA's impact on sustainability → Assessment of impact → Workshop → Result

Figure 4. Simplified process description of assessing the Kid Group's sustainability risks and opportunities.

Discussing financial thresholds → Identification of risks → Assessment of risks (mid-term) → Workshop → Setting threshold for magnitude → Assessment of risks (long-term)

The result from the survey was then compiled and calculated according to the following formula:

FINAL SCORE = MAGNITUDE SCORE * LIKELIHOOD SCORE					
		Magnitude			
		Low	Moderate	High	Very high
Likelihood	Very high	4	8	12	16
	High	3	6	9	12
	Moderate	2	4	6	8
	Low	1	2	3	4

To further assess risks and opportunities related to the financial impact, four levels of thresholds were set for magnitude and likelihood. The magnitude was assessed by a mix of quantitative and qualitative factors. In cases where quantitative magnitude was assessed, it was based on assumed events, not calculated business cases. The thresholds were based on the Group's previous financial risk framework, and the sustainability topics with a material financial risk are included in the Group's general financial risk assessment, see page 27 in this report. In prioritizing risks, the Group does not differentiate between sustainability related risk and other risks.. The thresholds for the financial magnitude were updated after the workshop to more accurately reflect the Group's current financial standpoint. A *very high* final score is considered a material financial risk.

The outcome was then presented in a workshop with the internal reference group, and the result was in some cases adjusted based on the discussions had. Five new risks were also added and assessed during the workshop. The initial result was assessed based on the medium-term perspective, and afterwards both short term and long-term outcomes were discussed in the workshop. Finally, to get the best result, it was decided that the Group's long-term outcomes were to be assessed in a new online survey with the reference group.

Results from Financial Impact Materiality

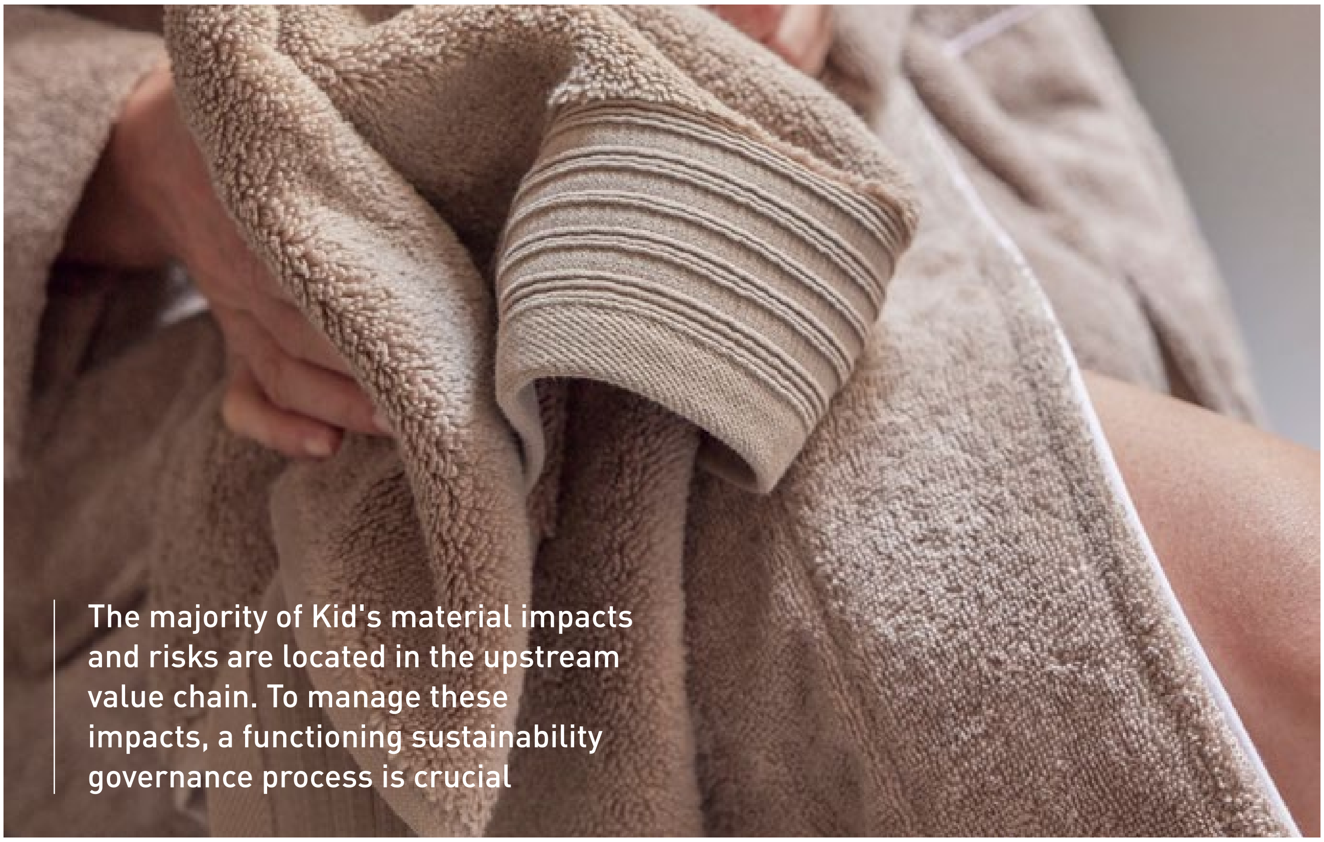
In total, 27 risks were presented and assessed. One risk was assessed to be material in the long-term perspective, related to combined effects of climate change. No risks were assessed to be material in medium or short-term perspective. Furthermore, six opportunities were assessed, but none were deemed to have a material financial impact for the Group.

Description of the Processes to Identify and Assess Material Impact, Risk and Opportunity per Environmental and Governance Topics

Climate Change

The Group is assessing the climate change impacts based on both our historical GHG-emission data as well as proxy data from industry reports and stakeholder inputs. In this assessment, we consider both our current activities and potential future developments outlined in our business planning. The methodology is the same as described in the rest of the DMA process, where impact on all parts of the value chain is assessed.

In 2023 the Kid Group had multiple workshops with ESG consultants to map the climate risks and opportunities at that time in the short (2024), medium (2025-2030), and long term



(2031-2045) perspectives. The long-term horizon stretches longer than the lifetime of our assets, strategic planning horizons and capital allocation plans.

The risks and opportunities were assessed based on likelihood and magnitude. The magnitude was related to the operating profit into four different risk scores, from < 1,5 % (low) to > 5,5 % (very high), and the likelihood was rated in four levels, from < 10 % (unlikely) to > 51 % (very likely). Duration and geospatial coordinates were accounted for in the valuation of the risks and opportunities.

The analyses are built under high emission scenario (physical risks), based on IPCC's SSP5-8.5 climate scenario and low emission (transition events) scenario based on IEA's Net Zero Emissions by 2050 climate scenario.

In the high emission scenario the global economy growth relies on fossil fuels and energy-intensive lifestyles. This leads to an average global temperature of 2.4 °C higher than pre-industrial levels that causes more extreme weather events, rising water levels and other acute and chronic physical climate risks. The financial report describes the long term risk of shortages of raw material and stability in production that potentially could be a risk based on this scenario.

In the low emission scenario, the emissions trajectory keeps global warming below 1.5°C by 2100 (with at least a 50% probability) with limited overshoot. This requires societal changes, such as increased pricing of GHG emissions, changing customer behavior, phase in of renewable energy together with low emission transports at the time as fossil fuels are phased out. This scenario requires changes in both habits and new policies which lead to so-called transitional risks.

Our climate assessment covers the entire value chain, helping us understand both our climate impact and our transition risks. We have screened all operational activities and emission sources during a workshop, using the GHG protocol as a framework. To mitigate future GHG emission sources, we have set climate targets validated by SBTi to forecast potential future emissions.

During 2024 the Group did a new impact, risk and opportunity assessment for the short (2025), medium (2026-2030) and long term (2031-2045) based on a new increased threshold for material financial risk. The complexity and risk of the 2024 update was therefore less than the 2023 version. The Group did not identify any short- or medium-term risks. But the Group identified long term financial risks related to combined effects of climate change adaptations. The assessment included a screening of climate related risk and opportunities on the Group's assets and business activities by evaluating the potential impact on the activities in own operations (no assets in upstream or downstream value chain). There was no material transition risks or opportunities related to the Group's business activities that affects the assets.

The Group's upstream supply chain is concentrated in East Asia (China) and South Asia (India, Pakistan and Bangladesh), and direct operations and downstream sales markets are in Northern Europe. The Group's primary exposure to physical risks may be more heavily concentrated in its upstream supply chain, including relation to agriculture and logistics.

The Group's cotton consumption is almost 40% of the total material consumption and it is normally consistent for each year. Studies show that when air temperature increased by 1 °C, cotton yield decreased by 7.79%. The potential consequences of a decreased or unstable supply of cotton fibers due to climate change could significantly impact the Kid Group. A reduction in cotton yield might lead to higher prices and make it more challenging to mitigate social and physical risks in our sourcing efforts. Increase in floods could damage crops and if it happens locally stores and inventory could be damaged. Harsh weather could delay and make transport more costly and non-sustainable. Climate change could be a cost driver for us and our customers, these are the reasons why we are starting now to locate potential risks and opportunities of climate change. During 2024 the Kid Group had 50 orders delayed because of extreme weather in the supply chain. These delays are not big enough to create short term issues. The Kid Group are seeing long-term challenges because of climate related changes.

The potential consequences of a decreased or unstable supply of cotton fibers due to climate change could significantly impact the Kid Group

Pollution

The methodology and assumptions used for screening our operations and activities in the value chain for IRO identification follow the same approach as previously outlined for the (DMA) process.

We have not been in direct consultation with affected communities. We have collected relevant data from industry reports, insights from Textile Exchange (tier 4 processes for textiles), and Oeko-Tex (tiers 3-1 for textiles) concerning polluting activities. Additionally, information from the Swedish Chemical Agency has been incorporated to assess pollution-related impacts.

Water

Same as for pollution, the methodology and assumptions used for screening our operations and activities in the value chain for IRO identification follow the same approach as previously outlined for the DMA process.

We have not been in direct consultation with affected communities. We have collected relevant data from Water Risk Atlas from Aqueduct (provided via 2050 Consulting), the Better Cotton framework, and the Material Impact Explorer.

Biodiversity

The methodology and assumptions used for screening and identifying IRO factors related to biodiversity and ecosystems follow the same approach as outlined in the Due Diligence and Materiality Assessment (DMA) process.

The Kid Group's own operations, including offices, stores, and warehouses, are not located in or near biodiversity-sensitive areas. However, the company's business model is highly dependent on biological materials, with more than 50% of the assortment consisting of fibers and materials sourced from nature. This dependency highlights both a reliance on and a potential risk to natural ecosystems.

The primary negative impact on biodiversity arises from various environmental pressures, including climate change, pollution, land use change and degradation, soil exhaustion, and freshwater use – factors commonly associated with the production of natural materials. These impacts may contribute to biodiversity loss, which can in turn affect local communities that depend on ecosystem services for their livelihoods and well-being. While we have not directly consulted affected communities, our assessment underscores the need for mitigation measures to minimize negative impacts on biodiversity and ecosystems.

As of 2024, The Kid Group has not yet identified and assessed specific transition and physical risks, nor opportunities, related to biodiversity and ecosystems. However, systemic risk has been considered, particularly in relation to the broader consequences of biodiversity loss.

Resource Use and Circular Economy

The identification of IRO factors related to resource use and circular economy follows the same methodology as outlined in the DMA process. However, initial assessments of resource-related impacts were partly captured under other environmental topics, such as biodiversity and water pollution, highlighting the interconnected nature of these issues.

External input was gathered from 2050 Consulting, which leveraged insights from the SDG Knowledge Hub and articles from the European Parliament to assess the environmental impact of resource use.

Business Conduct

The Kid Group conducts ongoing assessments of IROs related to business practices, activities through the value chain, sourcing countries, and customer markets for the retail sector. Given our role as a retailer with a complex supply chain and broad product assortment, we recognize that business conduct risks – such as corruption, regulatory non-compliance, and ethical sourcing – require continuous evaluation and proactive management.

The identification and mapping process integrates stakeholder input, industry benchmarks, and regulatory frameworks to determine material governance topics. The Group applies a risk-based approach, evaluating the likelihood and severity of governance-related impacts, ensuring alignment with legal requirements and best practices. The results of this assessment guide internal governance policies, supplier engagement, and compliance strategies to strengthen ethical business conduct and corporate responsibility.

Validation with external stakeholders and subject matter experts

The identified IROs were validated through engagement with relevant stakeholder groups, as described on pages 42-43. Since eight out of ten ESRS topics had already been identified as having negative impacts and risks, the stakeholder engagement did not result in additional material topics. On the contrary, stakeholder input confirmed that the two remaining topics were below the materiality threshold.

Results and Outcome of the Double Materiality Assessment

The compilation of the internal impact assessment and financial assessment, together with the external stakeholder dialog resulted in 8 material topics and 18 material sub-topics. No financial risks or opportunities were identified for non-material impact topics. The project was finalized in a closing-meeting with the reference group, where the total DMA was screened and confirmed. The finalized DMA was presented and approved by the Board of Directors in late 2024.

Material Impacts, Risks and Opportunities, and Their Interaction with Strategy and Business Model // SBM-3

Material impacts, risks and opportunities

Through our double materiality assessment, we identified material impacts and risks within our own operations as well as throughout our upstream and downstream value chain. The majority of Kid's material impacts and risks are located in the upstream value chain, where the nature of the activities related to the production and manufacturing of goods are causing a variety of negative impacts on the environment and society. To manage these impacts, a functioning sustainability governance process is crucial.

These IROs are summarized in the table on the following page and organized into eight material topics. Each topic is described in detail in the corresponding sections in this statement, including explanations of how these IROs interact with our strategy and business model, as well as how we manage them.

Currently, we do not anticipate any financial effects from material IROs that would result in significant adjustments to the carrying value of our assets and liabilities in the upcoming annual reporting period.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES							
Topic	Sub-topic	Location in value chain	IRO*	Positive/ Negative Impact	Description of material impacts, risks and opportunities identified in our materiality assessment	Actual/ Potential	Expected time horizon
E1 – Climate Change	Climate change adaptation	Upstream, own operations and downstream	I+R	Negative	Impact on properties, land or local communities in own operations and in the value chain due to the failure to adapt to climate change. Risk that climate change leads to several effects taking place at the same time, such as extreme heat waves which forces factories to temporarily close, drought which affects cotton prices and less material accessible overall.	Potential	Short-, medium- and long-term impact, long-term risk
	Climate change mitigation	Upstream, own operations	I	Negative	Release of greenhouse gas emissions due to the production, transportation and sales operations of goods leads to climate change.	Actual	Short-, medium- and long-term
	Energy	Upstream, own operations and downstream	I	Negative	Energy consumption is a contributor to greenhouse gas emissions. Energy efficiency and access to renewable energy is critical.	Actual	Short-, medium- and long-term
E2 – Pollution	Pollution of air	Upstream	I	Negative	Pollution to air, water and soil due to use and release of substances of concern and microplastics during raw material extraction and manufacturing of goods.	Potential	Short-, medium- and long-term
	Pollution of water						
	Pollution of soil						
	Substances of concern	Upstream	I	Negative	The need for various substances to produce raw materials and manufacturing of goods can cause negative impact for people and the environment.	Potential	Short-, medium- and long-term
	Microplastics	Upstream, Downstream	I	Negative	Release of microplastics during production, transportation and use of products cause negative effects on impact for people and the environment.	Actual	Short-, medium- and long-term
E3 – Water and marine resources	Water	Upstream	I	Negative	Textile manufacturing, including raw material production and dyeing, and finishing processes, is water-intensive, contributing to water scarcity and pollution. Most of Kid's suppliers operate in high water-stress regions.	Potential	Short-, medium- and long-term
E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Upstream	I	Negative	Impact on the biosphere, e.g. through climate emissions, pollution, land-use change, exploitation, etc., in the value chain by raw material extraction and manufacturing of goods.	Potential	Short-, medium- and long-term
E5 – Resource Use and Circular Economy	Resource inflows, including resource use	Upstream	I	Negative	The business model is depending on access to raw materials to manufacture goods. Responsible use of resources is critical to mitigate negative impact on the environment.	Actual	Short-, medium- and long-term
S2 – Workers in the value chain	Working conditions	Upstream	I	Negative	Inadequate working conditions that lead to worsened well-being (e.g. through stress, workplace accidents, inadequate wages), etc., for workers in the upstream value chain.	Potential	Short-, medium- and long-term
	Equal treatment and opportunities for all	Upstream	I	Negative	Unequal treatment and unequal opportunities for workers in the value chain regarding e.g. payment and development as well as diversity among employees (age, gender etc.)	Potential	Short-, medium- and long-term
	Other work-related rights	Upstream	I	Negative	Inherent risks for violations of work-related right such as child labor, forced labor, adequate housing for workers, employees' privacy, etc., in the value chain.	Potential	Short-, medium- and long-term

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES							
Topic	Sub-topic	Location in value chain	IRO*	Positive/ Negative Impact	Description of material impacts, risks and opportunities identified in our materiality assessment	Actual/ Potential	Expected time horizon
S3 – Affected communities	Communities economic, social and cultural rights	Upstream	I	Negative	Impact on local communities by operation or activity in the upstream value chain. Pollution from suppliers' textile production impacts communities' economic, social and cultural perspective, such as health, through contaminated water and air, causing illness or water shortages.	Potential	Short-, medium- and long-term
G1 – Business conduct	Corporate culture and business conduct	Upstream, own operations	I	Negative	Weak corporate culture and poor business ethics increase the risk of negative impacts on the environment and human rights.	Potential	Short-, medium- and long-term
	Corruption and bribery	Upstream, own operations	I	Negative	High corruption risks in countries and activities within the Group's upstream value chain negatively impact business relations, audit results, worker safety, and the protection of ecosystems.	Potential	Short-, medium- and long-term
	Management of relationships with suppliers	Upstream, own operations	I	Negative	Irresponsible or dysfunctional supplier relationships negatively impact the Group's ability to achieve responsible production of goods and sustainability targets.	Potential	Short-, medium- and long-term

*Impact = I, Risk = R, Opportunity = O

Disclosure Requirements Covered by the Sustainability Statements // IRO-2

The material topics and detailed descriptions of their associated IROs are presented in the following sections under the categories of *Environmental, Social, and Governance.*

List of ESRS Disclosure Requirements Complied with Following Materiality Assessment

A comprehensive list of the ESRS disclosure requirements we adhere to is found in the Reference table, starting on page 116. The table present all data points derived from other EU legislation, as outlined in ESRS 2, Appendix B. Disclosure information is deemed material if it is relevant to our business activities and offers insights into our policies, actions, metrics and targets related to the respective material IROs.

Topics Considered but Deemed Not Material

As part of our double materiality assessment and due diligence processes this year, we evaluated our impact on working conditions, equal opportunities, human rights, and labor rights for our own workforce. While our employees are critical to the Group's performance, our 2024 assessment determined that the impacts – both positive and negative – do not reach the threshold for materiality. We have concluded that existing safeguards, such as our Code of Conduct, due diligence procedures, incident monitoring, and ongoing review of employee satisfaction, are adequate. This assessment is further supported by the fact that our own operations are in countries with typically stronger governance and regulations related to workers' rights and human rights. Nonetheless, we remain committed to continuously ensuring our business practices respect workers' rights and actively seek to minimize any potential adverse impacts from our operations.

Similarly, impacts on our customers and end-users are critical for maintaining trust and achieving customer satisfaction. However, given the nature of our product assortment and business model, these potential and actual impacts, risks, and opportunities do not meet the threshold for materiality.

Determination of Material Information in Relation to Material Impacts, Risks, and Opportunities

Information included in these Sustainability Statements is considered material if it addresses the mandatory requirements of the applicable ESRS standards, offers insights into our material impacts, risks, and opportunities (IROs), describes how we manage these IROs through policies and actions, details the indicators we use to measure progress toward our targets, or provides additional context that helps users understand our sustainability disclosures.

ENVIRONMENT

As a retailer with a diverse assortment of goods, the Kid Group depends on raw materials and natural resource extraction, which can impact land, water and ecosystems. From sourcing to production, these processes contribute to biodiversity loss, climate risks, and pollution, affecting both the environment and local communities.

Water management is a key focus, given its critical role in our supply chain. However, its usage varies widely, making measurement complex. We aim to minimize consumption and reduce dependency where possible. Additionally, we are working to mitigate pollution throughout our value chain and transition towards more responsibly sourced materials by increasing recycled content and reducing reliance on virgin fibers.

In the following sections, we will disclose our sustainability efforts related to these environmental topics, outlining the actions we are taking to reduce our impact and promote responsible resource management.

E1 – CLIMATE CHANGE

2024 set a new record as the hottest year ever recorded, surpassing the previous high in 2023, emphasizing the growing urgency of climate action. Meanwhile, Kid Group achieved its highest revenue to date, illustrating how environmental challenges and economic progress unfolds simultaneously.

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model // ESRS 2 SBM-3

Acknowledging the environmental impact of our business model and operations as well as the financial risks associated with climate change, the Kid Group continues to integrate climate-related actions into our business strategy. With a supply chain that both negatively impacts climate change, but also depends on stable conditions.

In 2024, the Group's emissions increased compared to 2023, primarily due to an increase in purchased goods. However, despite this rise in absolute emissions, Kid Group implemented key mitigation efforts, such as increasing the percentage of recycled materials in its assortment and reducing emissions from business travel and transportation. These measures have helped stabilize the Group's emission intensity.

Kid Group sources the majority of its goods from Asia, which are then transported to Norway and Sweden before being distributed to stores across Norway, Sweden, Finland, and Estonia. While production in Asia offers cost advantages compared to local manufacturing, it also contributes significantly to the Group's climate impact. Purchased goods and their transportation (Scope 3) represent the largest share of Kid Group's total emissions footprint.

The Group is highly dependent on raw materials such as cotton, polyester, and various other fibers. Climate change poses a threat to the production of natural materials like cotton, potentially reducing supply and driving up prices. As raw material costs rise, the affordability of lower-priced products within Kid Group's assortment could be affected, leading to long-term financial risks related to material availability and potential customer loss.

A formal resilience analysis has not been conducted. However, the Group's diverse product range inherently provides some resilience. While climate change may impact the availability of natural fibers, polyester and other synthetic materials remain a key part of the assortment and are less susceptible to these challenges.

E1 – CLIMATE CHANGE			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Climate change adaptation	**IMPACT** **Upstream:** Impact on properties, land or local communities in the value chain due to the failure to adapt to climate change. **Own operations:** Impact on own properties or land due to the failure to adapt to climate change. **RISK** Climate change leads to several effects taking place at the same time, such as extreme heat waves which forces factories to temporarily close, drought which affects cotton prices and less material accessible overall.	**Upstream:** A significant share of raw material and textile production occurs in Asia, a region highly vulnerable to climate change, including floods, droughts, and extreme weather. Weak infrastructure and high exposure to climate risks further increase vulnerabilities. The industry is energy, water, and land-intensive, often reliant on fossil fuels and chemicals, which degrades ecosystems and reduces climate resilience. Examples include cotton farming that depletes water, degrades soil, and promotes monocultures, as well as high greenhouse gas emissions. Around 80% of Kid ASA's production is based in China, India, Pakistan and Bangladesh. **Own operations:** Small impact, for example through emissions from transports or land-use change where stores are established.	Actual negative impact in all time horizons Financial risk in long term perspective due to adaptions related to the combined effects of climate change
Climate change mitigation	**IMPACT** **Upstream:** Emissions (Scope 2 and 3) from purchased energy, purchased goods and materials, transportation, etc. **Own operations:** Emissions (Sope 1) from own vehicles and facilities, etc.	**Upstream:** Scope 3 covers purchased goods and services, business travel and upstream transportation and distribution. 98,8% of the Group's emissions are in Scope 3. Land-related emissions (FLAG emissions) are not included in the calculations. Scope 2 stands for approx. 1.2% of emissions. **Own operations:** Scope 1 emissions represent approx. 0.05%.	Actual negative impact in all time horizons
Energy	**IMPACT** **Upstream:** Electricity or fuel consumption for transportation, production, etc., in the supply chain. **Own operations:** Electricity and fuel consumption from own vehicles, facilities, production, etc. **Downstream:** Electricity and fuel consumption from transportation, energy consumption for use of products, etc.	**Upstream:** Textile manufacturing is one of the most energy-intensive industries, primarily due to wet processes and finishing, which require heating large amounts of water and using steam, pressure, and chemicals. Energy access can be unstable in some regions, especially for renewables, impacting communities and industries. Additionally, materials like aluminum, steel, zinc, and plastic require energy-intensive extraction and refining. **Own operations:** The share of renewable energy use in own operations is close to 60%. **Downstream:** Customer use phase (e.g., transport and laundry) is not included in emission calculations but accounts for ~25% of a product's emissions, according to Mistra Future Fashion. Kid ASA has not estimated this for its product groups.	Actual negative impact in all time horizons

Plan for Climate Change Mitigation // E1-1

In 2023, Kid Group successfully completed a rigorous application process to have its Science-Based Targets (SBT) validated and accepted. By setting these targets and developing a comprehensive greenhouse gas (GHG) reduction roadmap, the Group is taking concrete steps to address its climate impact and has a clear strategy for achieving its sustainability goals. Climate emissions and mitigation efforts are reported annually to the Board of Directors and management team. However, no written transition plan has been introduced in the Group as of 2024, hence the plan has not formally been approved by the administrative, management, and supervisory bodies. The sustainability department plans to introduce a comprehensive transition plan in 2025, to create a better overview of the strategy, actions and targets The work with a transition plan is started but not finalized.

The Group's direct GHG emissions from Scope 1 and 2 primarily stem from company-leased vehicles, as well as electricity and heating for stores, offices and warehouses. While these emissions represent a relatively small share of the total footprint, Kid Group remains committed to reducing them. Improving energy efficiency across Scope 2 and 3 not only contributes to emission reductions but also enhances financial performance by lowering electricity demand from the power grid. The Group continuously works on optimizing energy consumption and increasing the use of renewable energy. In 2024, Kid Group began collaborating with suppliers to better understand their energy mix, laying the groundwork for further reduction initiatives. Additional details on the Group's climate mitigation efforts can be found in the *Actions and Resources in Relation to Climate Change Policies chapter* on page 57.

As of 2024, Kid Group has not yet implemented specific climate adaptation measures within its own operations. However, the Group has begun to observe localized impacts of extreme weather events, signaling the need for increased climate resilience in the future.

PROGRESS

The reported increase in emissions is primarily driven by a higher volume of sourced goods and increased electricity consumption in stores. In 2024, the number of purchased goods increased by 23% compared to 2023, and a significant increase in GHG-intensive materials such as soap and ceramics.

For more details on our progress, refer to the *Carbon Accounting chapter* below.

OVERALL NET-ZERO TARGET

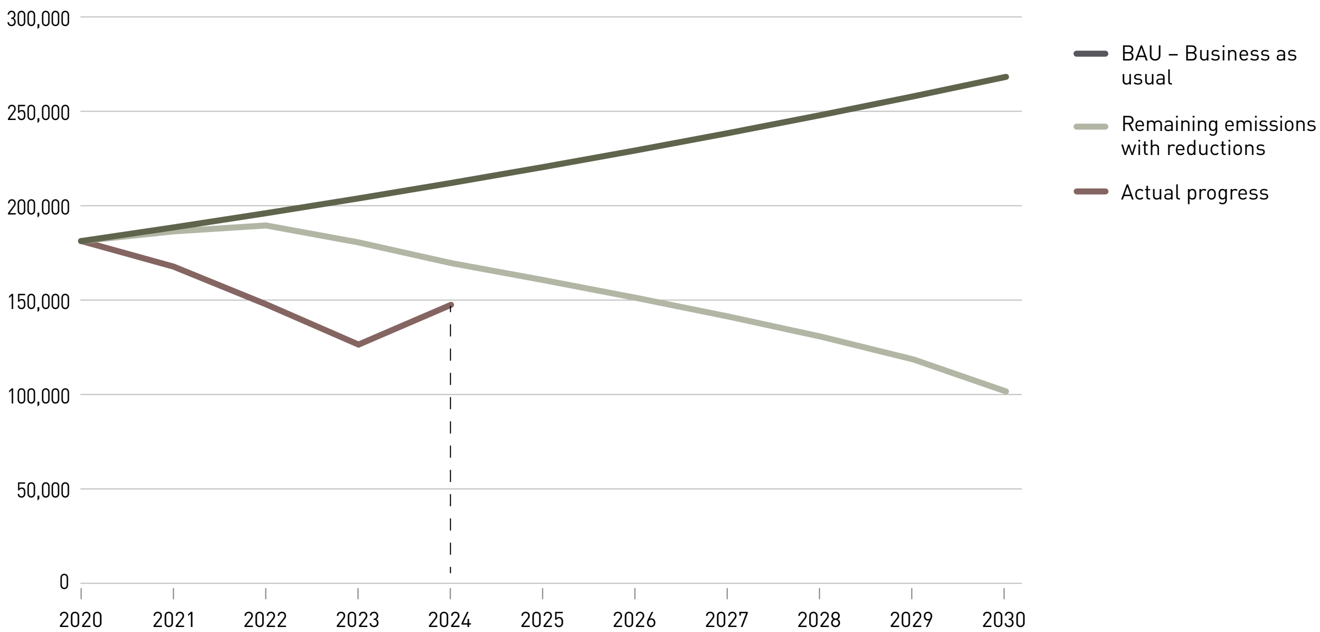
Kid Group commits to reach net-zero greenhouse gas emissions across the value chain by 2045 from a 2020 base year.

Near-term targets Kid Group commits to reduce absolute scope 1 and 2 greenhouse gas emissions 50% by 2030 from a 2020 base year.* Kid Group also commits to reduce absolute scope 3 greenhouse gas emissions from purchased goods and services, fuel and energy related activities, and upstream transportation and distribution 50% within the same timeframe.*

Long-term targets Kid Group commits to reduce absolute scope 1 and 2 greenhouse gas emissions 90% by 2045 from a 2020 base year.* Kid Group also commits to reduce absolute scope 3 greenhouse gas emissions from purchased goods and services, fuel and energy related activities and upstream transportation and distribution 90% within the same timeframe.*

*The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

Reduction roadmap



Policies related to climate change mitigation and adaptation // E1-2

As addressed in the Group's Purchase Agreement and Requirements (PAR), all suppliers are required to engage in environmental initiatives and track their progress. Suppliers within the Kid Group are required to regularly monitor and assess the environmental impact of their operations as part of this commitment. However the policy is not explixity addressing the energy efficiency or renewable energy. For more details on the PAR, refer to the *Governance chapter* on page 110.

In addition, Kid Group has implemented a Policy for Responsible Business Conduct, which includes guidelines aimed at reducing negative environmental impacts within the Groups operations. However, as of 2024, the policy is not scope-specific, does not include defined targets for GHG emissions reduction and do not account for energy efficiency. More information on this policy can be found in the *Governance chapter* on page 108.

The PAR is provided to and signed by every new supplier before commencing business with Kid Group. The Policy for Responsible Business Conduct is formally approved by the KID ASA Board, and all employees within the Group are required to adhere to it. The policy is made accessible to all employees of the Kid Group.

Actions and Resources in Relation to Climate Change Policies // E1-3

The actions outlined in Kid Group's reduction plan are being implemented throughout the supply chain, with the overarching Science-Based Target (SBT) integrated into the business development plan from 2023 onward. The reduction roadmap has been approved by the Board of Directors as part of the SBTi validation process and was developed with input from management and supervisory bodies.

To identify realistic and efficient improvements and understand how to meet our reduction targets the Kid Group has developed a CO2e reduction roadmap. The actions are based on data from the 2020 (base year) carbon accounting and are set to reduce carbon emissions year by year until 2030. The goal is to halve the GHG-emissions in ten years, by mitigating annual emissions from 181,145 ton CO2e in year 2020 to 90.573 ton CO2e in year 2030. If the group were to continue with business as usual (BAU) the emissions would increase to 268,139 ton CO2e by 2030. The roadmap considers both actual and potential changes, at the same time as it includes an annual growth of revenue with 4%. As of 2024, the group have identified actions to potentially reduce 44% of the emissions by 2030, landing on 101,525 ton. Therefore, the Group still needs to identify further reductions to mitigate the additional 6%, or 10.953-ton CO2e, by 2030.

The Kid Group is also heavily dependent on transports, and CO2e reductions is also a crucial factor in the roadmap reductions. The emissions from transports will be reduced by 39,4% from 7,286 Ton CO2e BAU emissions to 4,417-ton CO2e.

For scope 2 the Group will keep the origin of guarantees on all sites paid for directly. The remaining sites will be converted to green electricity before 2030. 100% of sites paid for directly has hydro power in 2024.

During 2024 the Group found an error in calculation of the roadmap. The error was in the inital dataset for the roadmap and it increased the polyester weight. The reduction roadmap will be updated with new base year emissions during 2025. This will be at the same time as the actual data project will finalize in 2025.

The Kid Group is striving to reduce climate emissions and have multiple key actions to reduce the emissions. Scope 3 is and will always be the most significant scope for the Group. So, the biggest reductions will be done with the suppliers and the supply chain. But some actions will be done when setting orders for new products.

The Group will source recycled, and less energy intense products to reduce emissions. The Group aim to reduce emissions from fibers with 58,8% by 2030. The roadmap aims to reduce emissions with 42,028-ton CO2e from the business-as-usual path. The type of fibers and materials are selected by the Group's assortment teams; hence we have a direct impact on the changes in the fiber and material segment. In the fibers and materials section of our reduction roadmap, the most significant impact will come from transitioning from virgin to recycled polyester. This will be followed by a shift towards preferred types of cotton and a complete avoidance of conventional cotton. We had projected that recycled polyester should account for approximately 34% in 2024 to align with our goal of reaching 50% by 2025 and 95% by 2030. With a share of 33% recycled polyester in 2024 – a notable increase from 28% in 2023 – we are firmly on track to meet our 2025 target. For 2024 the Kid Group also did a massive change in polypropylene plastic in the outdoor furniture category. In 2022, and 2023 the recycled content was 0%. In 2024 the recycled content was over 56%, this also helps the total shift to recycled content in the total assortment weight.

See section *Resource use and Circular Economy* on page 86 for more information about our use of raw materials.

The biggest contributor to emissions reduction is suppliers and their country electricity mixes and data quality. As stated in the PAR the suppliers must track emissions, electricity and other emitters. The data from the suppliers will be used in an actual data project in 2025. The suppliers have to reduce their emissions for manufacturing of goods by 57% against the BAU path. This results in a 104,258.1-ton CO_2e reduction. The Group currently rely on standard average data to estimate energy use in our supply chain. This is due to the complexity, size, and limited data maturity of our upstream supply chain. However, our goal is to transition to actual energy consumption data for our key suppliers in the 2025 reporting cycle. Without precise data, it is challenging to track and report meaningful emission reductions.

The Kid Group has done reductions in line with the Paris Agreement from the 2020 base year. 2024 was a set-back compared to 2023. But even though we increased products bought there were reductions compared to 2020. For suppliers and fibers, the Group did a 19% reduction compared to 2020 base year. For transport the Group did a 18.1% reduction compared to the base year.

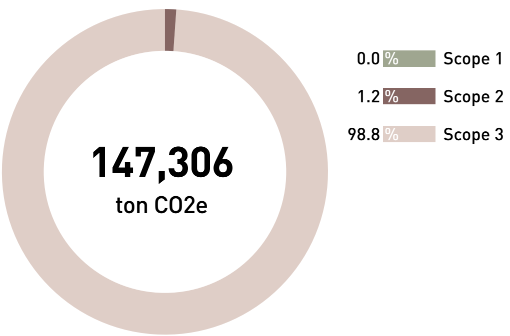
The Group has also reduced scope 1+2 emissions by 43.6% compared to the base year. This has been done through green electricity and electrification of company cars.

The Kid Group's resources to follow up and implement all targets is limited. Most of the emissions happen outside the organization in scope 3, and in scope 3 the Group do not have allocated resources to reduce emissions. Systems to track and validate data from suppliers are not in place. Other resources that are limited is good quality recycled material. The Group is struggling to find recycled cotton in big enough volumes to generate a difference in emissions.

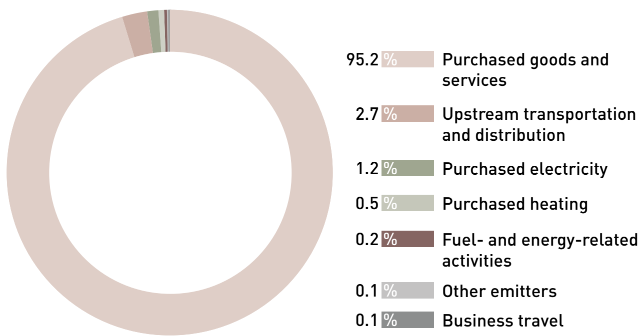
In 2024, we launched a project to collect actual energy use data from our suppliers. We started with ten suppliers, representing approximately 44% of the tier 2-4 emissions in scope 3. Variations in data quality led us to repeat the process in 2025 for further validation. The Group's initial findings showed that suppliers used less energy than the standard factors applied by HIGG, confirming that actual data will be a valuable tool in identifying and reducing energy-intensive production sites. By leveraging these insights, we aim to collaborate more effectively with our suppliers, share best practices, and support them in lowering emissions.

CARBON ACCOUNTING

Emissions per scope



Share of emissions per category



Alternative Business Models

The Kid Group's Business Development team has identified potential alternative business models which the Group will be scoping and trying out within the next one to three years. The goal is to create revenue without the need of raw material consumption. In 2024 the Group did not find any alternative business models that created revenue. More information about the project can be found on page 87.

Targets Related to Climate Change Mitigation and Adaptation // E1-4

The Kid Group's Science-Based Target goals to reduce the GHG emissions by 50% by 2030 and 90% by 2045 across all scopes are validated. This is a necessity to have approved Science-Based Target goals. These targets align with the Paris Agreement objective of limiting global warming to 1.5°C.

The base year for measurement is 2020, with baseline emissions recorded at 181,145 tons CO2e. By 2030, emissions should be reduced to 90,572.5 tons CO2e, ensuring progress is measured and reported annually. The targets have been approved by SBTi and include 97.6% of Scope 3 emissions, excluding only minor categories. The SBTi targets are approved by the board of directors as part of the validation process. More details on the Scope 3 SBTi boundary can be found in the *Carbon Accounting chapter* on page 64.

Stakeholder Involvement in Target Setting

Target-setting was carried out internally, involving key departments responsible for product development and material selection, ensuring that purchased materials contribute to emission reductions. Transporters were not directly involved, but they are informed about the Group's reduction targets. Suppliers were not included in the initial target-setting process.

Target Restatement and Consistency

The reduction targets remain unchanged from 2020, even if adjustments to the base year become necessary. Kid Group has adopted absolute reduction targets, meaning the 50% and 90% reduction goals for 2030 and 2045 will remain constant regardless of recalculations. While data quality continues to improve, the underlying methodology remains consistent with the base year approach.

Monitoring and Progress Against Targets

Kid Group measures progress annually, a requirement for maintaining SBTi validation. As of 2024, the Group has experienced a setback in overall GHG emission reductions compared to targets. However, Scope 1 and 2 emissions remain on track, and Scope 3 emissions, while still below 2020 levels, are not yet aligned with the reduction as of yet. Eventhough the total emissions increased in 2024, the group saw a reduction in intensity emission per piece, due to product- and raw materials mix. The Group reduced emissions to -37% from the base year pr piece received, this is an improvement from -34% in 2023.

Climate Change Impact on Business and Supply Chain

Staying on track with 1.5°C targets is essential, not only for emission reductions but also for supply chain stability. Cotton, which makes up approximately 40% of Kid Group's total material weight, is particularly vulnerable to climate change. Maintaining global temperatures below 1.5°C would support stable cotton production, ensuring long-term sourcing viability.

Additionally, climate change is increasing extreme weather events, which directly impact Kid Group's operations:

- Supply Chain Delays: Rising temperatures and extreme weather events, such as heatwaves and floods, are disrupting supply chains, leading to shipment delays.
- Store and Inventory Risks: More frequent and severe floods are affecting store locations and inventory, increasing the risk of damage.
- Infrastructure Disruptions: Flood-related infrastructure damage is slowing the downstream flow of goods, further impacting business operations.

Achieving climate targets is crucial not only for Kid Group's sustainability commitments but also for business continuity and resilience in an increasingly unpredictable climate landscape.

Emission per MNOK	2024	2023	2022	Base year 2020
Annual revenue (MNOK)	3,785	3,414	3,178	2,995
Annual ton CO2e	147,306	128,355	149,624	181,236
Ton CO2e/MNOK	39	37	46	61
Reduction since base year	-36%	-39%	-25%	-

Emission per item	2024	2023	2022	Base year 2020
Number of purchased (delivered) goods	27,564,535	22,428,486	26,375,359	21,253,551
Annual ton CO2e	147,306	128,355	149,624	181,236
Ton CO2e/piece	0.005344	0.005723	0.005673	0.008527
Reduction since base year	-37%	-33%	-33%	-

GHG Reduction Baseline and Key Decarbonization Levers

Kid Group's GHG reduction baseline is established in accordance with SBTi guidelines, ensuring consistency in reporting. The baseline year is considered representative as there are no identified external factors that could impact comparability. The baseline year is the first year with a complete set of emissions from all material sources. The Group continues to measure emissions against the 2020 base year, covering 100% of Scope 1 and 2 emissions and 97.6% of Scope 3 emissions. The remaining 2.4% of Scope 3 emissions are excluded due to data limitations, though their overall impact is minimal. The long-term target of a 90% reduction by 2045 aligns with efforts to limit global warming in accordance with the Paris Agreement.

Supplier Decarbonization and Material Transition

The largest contributor to emission reductions will come from supplier decarbonization. However, the Group acknowledges that achieving the GHG reduction target is highly dependent on suppliers and their respective countries' energy transitions. This external dependency presents a challenge in ensuring timely progress.

Additionally, shifting from virgin raw materials to preferred sustainable alternatives is a critical internal lever for emission reductions. Since material sourcing decisions are made at HQ, this aspect is easier to track and implement. However, challenges remain in identifying the right suppliers and securing consistent availability of sustainable materials.

Ultimately, fiber selection and supplier engagement will be the most significant levers in achieving Kid Group's GHG reduction targets. From the reduction roadmap the Group has identified key levers to reduce GHG emissions from the BAU trajectory in 2030. The reductions below are the estimated reduction against the total business as usual CO2e emissions. Suppliers and fibers will be the main drivers for emission reduction for the Group:

- Suppliers – 38.9%
- Fibers – 15.7%
- Transports – 1.1%
- Scope 1 & 2 – 1.6%
- Alternative business model – 4.9%

Energy Consumption and Mix – E1-5

Sources for energy, by supply	Energy use [MWh] 2024	Category	Renewable	Energy use [MWh] 2023	Energy use [MWh] 2022
Hydro power, guarantees of origin	9,327	Electricity	Yes	8,954	8,136
Nuclear power, guarantees of origin	0	Electricity	No	29	0
Renewable mix, guarantees of origin	67	Electricity	Yes	114	0
Wind power, guarantees of origin	26	Electricity	Yes	0	29
Solar power, guarantees of origin	29	Electricity	Yes	0	0
Residual mix, Estonia	83	Electricity	No	74	125
Residual mix, Finland	137	Electricity	No	165	91
Residual mix, Norway	1,257	Electricity	No	1,366	1,526
Residual mix, Sweden	1,844	Electricity	No	1,766	1,458
Residual mix, Estonia	176	Heating	No	176	122
Residual mix, Norway	677	Heating	No	600	483
Bio oil, Norway	0	Heating	Yes	0	137
District heating - Borås	849	Heating	Yes	649	0
District heating - Norway	702	Heating	No	861	700
District heating - Sweden	3,366	Heating	No	2,914	3,225
District heating - Finland	268	Heating	No	226	226
District cooling - Norway	89	Cooling	No	85	73
Total energy	**18,896**			**17,978**	**16,329**
Total area (m2)	**164,861**			**151,616**	**190,003**

Energy consumption in our operations (Scope 2) increased due to the expansion of our store network. Although the share of square meter area using residual mix remains small, it has contributed to a slight rise in CO2e emissions. However, the overall reduction in emissions from energy use compared to the 2020 base year is largely attributed to our transition to renewable energy sources, supported by guarantees of origin for hydroelectric power.

Sources for energy, scope 1&2 [mwh]	Share of renewable	Renewable	Non-renewable
Electricity	50%	9,449	3,321
Heating	4%	849	5,188
Fuel use for own heat or electricity production	0%	-	-
District cooling	0%	-	89
Steam	0%	-	-
Total energy	**54%**	**10,298**	**8,598**

Scope 2 Emissions and Energy Use Across Operations

The emissions from energy consumption in Hemtex stores in Sweden have been restated for 2022 and 2023, with corrected data applied for 2024. Previously, electricity data was collected for only 50% of the total area, yet the entire energy consumption was accounted for as 100% hydroelectric power. Since guarantees of origin were not secured for electricity not paid directly by the Group, these figures have now been corrected. The total impact of this restatement on Scope 2 emissions for 2022 and 2023 amounts to 476 tons CO2e in 2023 and 491 tons in 2022.

Currently, more than 50% of the energy used across Kid Group's stores and warehouses comes from renewable sources, with the goal of reaching 100% by 2030.

Electricity Data Collection and Scope 2 Impact

For Norwegian stores, Kid Group collects data for all locations where electricity is paid directly. For remaining stores, an average energy consumption per square meter is applied. Additionally, a distinction is made between mall-based stores and free-standing stores, as the latter typically consume more electricity but do not include common area energy use.

A similar methodology is used for Swedish stores – collected data serves as the average benchmark for unmeasured locations. However, since some stores operate without guarantees of origin, these locations are assigned a residual mix factor, which increased Scope 2 emissions in 2024.

For Finland and Estonia, energy data is collected from all stores, with emissions calculated based on the actual electricity mix at each location. The energy sources in these markets vary, but more than 50% of the electricity used is renewable.

Warehouse Energy Consumption and Sustainability Initiatives

Kid Group operates two major warehouses in 2024 – one in Norway and one in Sweden:

- Norwegian Warehouse: This facility has high electricity consumption as it is heated by electricity rather than district heating. However, since it runs on renewable electricity, its emissions remain low.

- Swedish Warehouse: This newly built facility features solar panels on the roof, generating electricity that is sold back to the grid, as the Group already uses renewable electricity. Additionally, its district heating system operates under a low-emission program, further reducing its carbon footprint.

External Warehouses and Energy Data Validation

Between 2023 and 2024, Kid Group transitioned to using two external warehouses – one in Norway and one in Estonia. Emissions from these facilities are calculated using actual electricity data provided by each location. The square meter footprint is determined based on the average pallet size used in the warehouses.

For locations without guarantees of origin, emission factors are assigned by an independent third party, not by the Group. Additionally, 2050 Consulting, a third-party consultant, validates all electricity data to ensure accuracy and compliance with reporting standards.

Gross scopes 1, 2, 3 and Total GHG emissions // E1-6

While 2024 saw an increase in emissions for Kid Group, this was entirely due to a higher volume of purchased goods. Despite the rise in CO_2e emissions, the Group also made significant progress in sourcing more recycled materials.

The "Purchased Goods and Services" category within Scope 3 remains the largest contributor to emissions in Kid Group's value chain. In 2024, pieces of goods increased by 16% compared to 2023, making this the primary driver of higher emissions. However, at the same time, the Group expanded its use of preferred materials, increasing the share of recycled polyester weight weight from 27% in 2023 to 33% in 2024. The combined growth of recycled polyester and polypropylene helped increase total recycled material consumption from 7% to 10%.

Scope 3 Reporting and SBTi Compliance

Under SBTi-approved targets, 97.6% of Scope 3 emissions are included in Kid Group's boundary. However, the Group reports beyond this requirement for greater transparency. While business travel is not included in the SBTi target, it is still tracked since the necessary data is available.

Several Scope 3 categories remain excluded from SBTi targets, including:

- Capital goods
- Employee commuting
- Upstream leased assets
- Processing, use, and end-of-life treatment of sold products
- Downstream leased assets, franchises, and investments

The reason for the exclusions of Scope 3 categories is that the emissions are low, less than 3%, and the data quality is not good enough. The Group do not have capacity to track above excluded categories of Scope 3 emissions per 2024.

As required by the SBTi framework, Kid Group continues to report annually on emissions to monitor progress. While 2024 presented a challenge in terms of overall emissions, the Group remains focused on increasing sustainable materials and improving the long-term trajectory of emissions reductions.

Scope 3 and Scope 1 Emission Reductions

Kid Group continues to reduce Scope 3 emissions from transport and distribution despite an increase in the total number of pieces delivered compared to 2023. Some shipments now travel shorter distances, contributing to lower emissions. Additionally, long-haul transport providers are actively working to reduce their emissions, which is essential for Kid Group to meet its overall reduction targets.

Progress in Scope 1 Emissions

Scope 1 emissions have decreased compared to 2023, primarily due to the transition to hybrid and electric company cars. In Norway, all company-operated vehicles are now fully electric, with the last remaining non-electric cars replaced in early 2024. In Sweden, all company cars are fully electric or hybrids, and the Group is gradually shifting toward a fully electric fleet there as well.

Emissions from company cars are calculated based on:

- Liters of fuel purchased using company fuel cards (Norway).
- Type of fuel and distance driven (Sweden).

The final component of Scope 1 emissions comes from refrigerant leakage, which is estimated using a fixed emission factor of 0.206 kg CO_2e per square meter. This factor is applied to the total area utilized by the Group in Finland, Estonia, and Sweden to account for emissions from cooling systems.

By continuing to improve transport efficiency and fleet electrification, Kid Group is making steady progress in lowering emissions across both Scope 1 and Scope 3.

GREENHOUSE GAS EMISSIONS ACCORDING TO THE ESRS REQUIREMENT								
	RETROSPECTIVE				MILESTONES AND TARGET YEARS			
	2020	2023	2024	% Change 2024-2023	2025	2030	2045	Annual % target/ base year*
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO2eq)	55.8	65.0	38.6	-40%	39.1	14.8	2.8	-13%
Percentage of Scope 1 GHG emissions from regulated emissions tradeing schemes (%)	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO2eq)	2,408.2	1,229.9**	1,193.9	6%	N.Q.	N.Q.	120.4	-13%
Gross market-based Scope 2 GHG emissions (tCO2eq)	3,785.0	1,988.2**	2,436.5	28%	1,235.0	1,354.0	189.3	-13%
Significant scope 3 GHG emissions**								
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	179,709.8	126,301.8***	144,824.2	15%	158,561.0	99,362.0	9,195.3	-13%
1 Purchase goods and services	173,794.0	121,390.6***	140,284.4	16%	153,726.0	95,459.0	8,689.7	-13%
Optional sub-category: Cloud computing and data centre services	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
2 Capital goods	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	418.9	179.3	308.0	68%	509.7	620.2	20.9	-13%
4 Upstream transportation and distribution	5,398.4	4,479.7	4,035.9	-8%	4,835.0	3,903.0	269.9	-13%
5 Waste generated in operations	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
6 Business traveling	98.5	187.1	109.8	-41%	-	-	4.9	-13%
7 Employee commuting	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
8 Upstream leased assets	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
9 Downstream transportation	N.Q.	65.1	92.7	43%	N.Q.	N.Q.	N.Q.	
10 Processing of sold products	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
11 Use of sold products	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
12 End-of-life tratment of sold products	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
13 Downstream leased assets	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
14 Franchises	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
15 Investments	N.Q.	N.Q.	N.Q.		N.Q.	N.Q.	N.Q.	
Total GHG emissions								
Total GHG emissions (location-based) (tCO2eq)	182,173.8	127,648.6	146,037.3	15%			9,318.8	-13%
Total GHG emissions (marked-based) (tCO2eq)	183,550.6	128,355.0	147,305.9	15%	160,489.0	101,525.0	9,387.6	-13%

*Annual % target/base year is our annual reduction percentage target. This is the percentage by which the Kid Group must reduce its emissions annually to achieve a 90% reduction in emissions by the year 2045.
** Re-stated scope 2 numbers. For more information see page 63.
*** Re-stated scope 3 emissions, for more information see page 66.

DESCRIPTION OF METHODOLOGY AND ASSUMPTIONS OF CARBON ACCOUNTING

Kid Group measures and reports Scope 1, 2, and 3 emissions in line with the Greenhouse Gas (GHG) Protocol, using a combination of actual data, standardized emission factors (HIGG MSI), and assumptions where necessary. Since the majority of emissions come from the value chain, over 98% of total emissions fall under Scope 3, with Scope 1 and 2 contributing only marginally.

SCOPE 1: DIRECT EMISSIONS FROM OPERATIONS

Scope 1 emissions primarily include company-operated vehicles and refrigerant leakage. The Group tracks emissions from its fleet by monitoring fuel purchases and distance traveled, with most of this data extracted automatically from internal tracking systems. In Norway, all company cars are now fully electric, while in Sweden, the transition is ongoing, with all vehicles at least hybrid.

Refrigerant leakage, on the other hand, is estimated rather than directly measured. The Group applies a fixed emission factor of 0.206 kg CO_2e per square meter to its facilities in Estonia, Finland, and Sweden. While refrigerants are not a major emissions source for Kid Group, they are still included in reporting to ensure a comprehensive climate impact assessment. The refrigerant leakage is the only fugitive emissions the Kid group is accounting for in scope 1.

SCOPE 2: ELECTRICITY USE AND RESTATEMENTS

Scope 2 emissions stem from electricity consumption in stores, offices, and warehouses. In 2024, the Group identified errors in previously reported emissions for Hemtex Sweden, where all electricity had been classified as 100% renewable. However, following a change in electricity providers, almost half of the stores were missing data from the energy portal, a situation that had existed in prior years as well. This correction resulted in higher reported emissions, as locations without renewable energy certificates were reassigned a residual mix factor, which carries a significantly higher emission value than hydroelectric power.

To account for all facilities, stores without actual energy data are assigned an estimated electricity consumption per square meter, based on averages from comparable stores. Since mall-based stores generally consume less electricity than standalone locations, the Group differentiates these categories to ensure more accurate estimations.

> By continuing to improve transport efficiency and fleet electrification, Kid Group is making steady progress in lowering emissions across both Scope 1 and Scope 3

SCOPE 3: THE LARGEST CONTRIBUTOR TO EMISSIONS

With Scope 3 making up over 98% of total emissions, it remains the most significant focus area for reduction efforts. The largest category within Scope 3 is Purchased Goods and Services, which accounts for over 96% of Scope 3 emissions. Other reported sources include:

- Business travel
- Transport and distribution
- Waste from headquarters and warehouses
- Airfreight emissions
- Tier 1–4 supplier emissions

Purchased Goods and Services: Increased Data Accuracy and Impact

Kid Group tracks emissions from all imported products and services, including IT licenses and packaging. Recent improvements in data collection provided a more accurate picture of packaging emissions, revealing that more materials were used than previously estimated. This resulted in increased reported emissions for prior years, specifically:

- An increase of 1,986 tons CO_2e in 2023
- An increase of 2,051 tons CO_2e in 2022

All packaging materials – including those used at warehouses, stores, and for direct customer shipments – are now accounted for in emissions calculations.

Material-Based Emissions and HIGG MSI Factors

To calculate emissions from sourced products, the Group extracts data from its ERP system, which is then processed through a material matrix (detailed in the *Resource Inflow chapter* on page 88). After verification, each material is assigned an emission factor from HIGG MSI, the industry standard for textile emissions.

While HIGG MSI provides a cradle-to-gate calculation, meaning it does not include use-phase and end-of-life emissions, the Group relies on this methodology for climate accounting and material selection decisions. However, since the system does not track full lifecycle emissions (cradle-to-grave), individual product emission values are not used for marketing purposes.

Transport and Business Travel

Business Travel

Business travel emissions are partly spend-based, as employees often book their own trips and request reimbursement. To improve accuracy, Kid Group:

- Inflation-adjusted historical travel spend for 2024 and prior years.
- Implemented a new system in 2024 to enhance categorization and separation of different travel types.

- Receives reports from Hemtex and Kid travel agencies, enabling tracking of person-kilometers, CO_2 emissions, and travel spend, leading to more precise emissions calculations.

Transport and Freight Emissions
Kid Group's transport emissions are based on data provided by freight carriers, ensuring accurate Scope 3 reporting. Freight carriers report emissions in tonne-kilometers, which are either:

- Calculated based on distance traveled, or
- Reported directly as CO_2e WTW (Well-To-Wheel).

All transport-related emissions, including airfreight, are accounted for in GHG calculations, which have been validated using the GHG Protocol methodology with support from 2050 Consulting.

Continuous Improvements in GHG Accounting

Kid Group continues to refine its GHG accounting methodology, improving data accuracy and transparency. The expanded Scope 3 reporting provides better insights into material emissions, enabling more effective reduction strategies over time. With a strong focus on supplier engagement, material efficiency, and logistics optimization, the Group remains committed to reducing emissions across all scopes.

Anticipated Financial Effects from Material Physical and Transition Risks and Potential Climate-Related Opportunities // E1-9

The Kid Group has not measured the financial effects from material physical and transitional risks. Per 2024 the Group has not the data to measure the effects in a quantitative way. This is something that will be in place during the next years as a system need to be implemented to report this on a reasonable and correct set. But the group has done qualitative assumptions regarding the issue.

STATEMENT ON EU TAXONOMY FOR SUSTAINABLE ECONOMIC ACTIVITIES

Kid ASA reports on revenue (turnover), capital expenditure and operating expenses that are associated with Taxonomy-eligible and Taxonomy-aligned economic activities, in accordance with regulation EU (2020/852) and the supplementing delegated acts. In the following, we describe the way our economic activities regulated under the EU taxonomy have been identified and how their alignment has been assessed. There is currently no industry standard for Retail. The EU taxonomy aims to bring additional economic activities gradually within its scope. We will therefore continue to pay close attention to the development of the taxonomy and conduct new eligibility screenings once new activities are introduced. Furthermore, new eligibility screenings will be conducted when and if we initiate additional economic activities

Eligibility screening of economic activities

Retail is not yet in scope for the EU taxonomy, however some of our minor economic activities fall within other sectors which are included in the EU taxonomy, such as transport and construction and real estate activities.

Transport
Our main transport activities are related to sourcing and distribution of goods. This activity is conducted by third-party players and therefore do not apply as an eligible economic activity. Our leasing of company cars is an eligible economic activity covered by the taxonomy, however, this is considered as a minor activity and considered immaterial for reporting purposes. These vehicles are used in our sales organisation and other administration. The eligibility screening has found that the following economic activities are eligible:

- CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Construction and real estate
During 2024 we owned 50% of the company developing and constructing the central warehouse in Borås, Sweden, through Prognosgatan Holding AS. The ownership to the property company is owned through a JV not fully consolidated in the financial statements (the equity method) and is therefore not considered relevant for this screening. All stores, head offices and warehouses are leased and defined as IFRS 16 lease contracts, in scope for the EU-taxonomy. The eligibility screening has found the following economic activities eligible:

- CCM 7.7 Acquisition and ownership of buildings

Alignment assessment of eligible economic activities

The Taxonomy regulation (TR) establishes criteria to determine whether an economic activity substantially contributes to one or more of the environmental objectives set out in this Regulation. However, an economic activity should not qualify as environmentally sustainable if it causes more harm to the environment than the benefits it brings.

Transport CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
Several of our leased cars are electric vehicles which is considered to have a positive impact / substantial contribution to the environmental objectives climate change mitigation (no use of fossil fuel). The transport costs for own cars is however considered immaterial for further assessment, and consequently we have not performed a DNSH assesment. These costs are reported as “non-aligned”.

Construction and real estate CCM 7.7 Acquisition and ownership of buildings
Some of our lease contracts are related to locations on shopping malls that are BREEAM-certified or class A-energy marked which is considered to have a positive impact / substantial contribution to the environmental objectives climate change mitigation. However, we do not have sufficient information to perform a full DNSH assessment with regards to a physical climate risk assessment on our lease contracts. We will continue to gather more information on our lease agreements during 2025 in order to be able to appropriately perform an alignment assessment.

We have conducted an eligibility screening covering our main business activities. However, the EU taxonomy requires a TSC- and DNSH assessment to be conducted for each eligible economic activity subject to the EU taxonomy regulation. The activities identified as taxonomy-eligible is considered either difficult to assess due to lack of data, or immaterial for the Group. Therefore, this assessment, including the minimum safeguards with regards to human rights, corruption, taxation and fair competition, has not been performed, and none of our eligible economic activities are reported as aligned.

Allocation of financial KPIs to economic activities and reconciliation of turnover and CapEx

Total turnover is related to total revenue and total other operating income from the Consolidated statement of comprehensive income. Revenue from entities under the equity method is not included.

Total CapEx is defined as additions in Right of Use Assets (note 24), Property, Plant and Equipment (note 11) and Software (note 12). The additions to Right of Use Assets is considered Eligible CapEx.

Total OPEX is defined as direct non-capitalised costs related to short-term leases as well as maintenance and repair and other direct costs necessary to ensure functioning on assets of property, plant and equipment. The costs recognised as Eligible OPEX is related to the costs of the short term lease contracts on our Company cars.

TURNOVER

FINANCIAL YEAR 2024				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		TNOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACITIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities)																			
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		3,789,781	100%																
TOTAL		**3,789,781**	**100%**																

CAPITAL EXPENDITURE

FINANCIAL YEAR 2024				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		TNOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities)																			
Acquisition and ownership of buildings	CCM 7.7	494,534	71.69%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy eligible but not environ-mentally sustainable activities (not Taxonomy-aligned activities) (A.2)		494,534	71.69%	71.69%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		494,534	71.69%	71.69%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		195,336	28.31%																
TOTAL		**689,870**	**100%**																

OPERATING EXPENDITURE

FINANCIAL YEAR 2024				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		TNOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taconomy-aligned activities)																			
Transport by motor-bikes, passenger cars and light com-mercial vehicles	CCM 6.5	955.19	8.77%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		955	8.77%	8.77%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		955	8.77%	8.77%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		9,931	91.23%																
TOTAL		**10,886**	**100%**																

STANDARD TEMPLATES FOR THE DISCLOSURE REFERRED TO IN ARTICLE 8(6) AND (7)

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES		
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

E2 – POLLUTION

The Kid Group acknowledges its responsibility in addressing pollution-related impacts across its operations and supply chain, aiming to mitigate negative environmental consequences.

The Kid Group operates within a complex upstream value chain, encompassing a wide range of activities from raw material processing to production and finishing. Recognizing the environmental impacts associated with these outsourced processes, pollution has been identified as a material topic with potential negative impact in the company's double materiality assessment. The Kid Group acknowledges its responsibility in addressing pollution-related impacts across its operations and supply chain, aiming to mitigate negative environmental consequences.

Through continuous work with our suppliers and audits we conduct qualitative analyses of the resilience of these relationships and our business model. We are dependent on our suppliers' producing goods, and this may lead to pollution upstream in the value chain. We have found that we can avoid certain processes, materials and goods that causes significant pollution without it challenging our business. Due to this adaptability, we consider our business model to be resilient in the face of potential negative impacts from pollution.

A large part of the materials we use come from land-based ecosystems, impacting soil health and requiring water and chemicals to grow. Additionally, with most of our products being textiles, we rely on manufacturing processes that require large volumes of water in the dyeing and finishing, as well as chemicals throughout manufacturing.

E2 – POLLUTION			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Pollution of air	**Upstream:** Air pollution (e.g., NOx, particles) from upstream transport, production, combustion, etc.	The Kid Group's upstream value chain heavily relies on fossil fuels, particularly in textile production across Asia, where renewable energy access is low. Energy-intensive processes such as raw material production, agriculture, and chemical manufacturing contribute to air pollution through greenhouse gas emissions, volatile organic compounds (VOCs), and particulate matter. The widespread use of steam, often generated from fuel combustion, further exacerbates pollution, posing health risks to workers and nearby communities. Additionally, raw material extraction and refining for materials like aluminum, steel, zinc, and plastic contribute to significant air pollution.	Potential negative impact in all time horizons
Pollution of water	**Upstream:** Water pollution from agriculture, production, etc.	The Kid Group's upstream value chain significantly impacts water pollution, primarily due to cotton production, which can lead to overfertilization and harm aquatic ecosystems. Textile manufacturing involves extensive chemical use, and insufficient wastewater treatment can result in severe contamination of water bodies, affecting ecosystems and downstream water quality. Given the widespread nature of these activities, water pollution is a highly likely and long-lasting issue in the value chain.	Potential negative impact in all time horizons
Pollution of soil	**Upstream:** Soil pollution from production, agriculture, mining, etc.	A potential negative impact in the Kid Group's upstream value chain is soil pollution from cotton cultivation and synthetic fiber production, where pesticides, chemicals, and heavy metals can degrade soil health and biodiversity. Additionally, textile manufacturing may contribute through wastewater discharge, dye residues, and improper waste disposal.	Potential negative impact in all time horizons
Substances of concern (SoC) and Substances of Very High Concern (SVHC)	**Upstream:** Use of substances of concern (Reach definition) in products or processes within the supply chain e.g. production, etc.	A potential negative impact in the Kid Group's upstream value chain is the presence of substances of concern (SoC) in textile production, particularly during fiber extrusion, dyeing, and printing. As one of the most chemically intensive industries, textile manufacturing relies on various chemicals that may persist in the environment. Additionally, aluminum and steel production also involve SoC, though in smaller quantities. While Kid ASA has a Restricted Substance List (RSL) for products, the absence of a Manufacturing Restricted Substance List (MRSL) increases the risk of hazardous chemicals being used in production. Given the widespread use of SoC in textiles, the likelihood of their presence in the value chain is high, with some pollutants persisting for 5-10 years.	Potential negative impact in all time horizons
Micro-plastics	**Upstream:** Release of microplastics due to use or handling of plastics in the supply chain. E.g. related to transportation, production, etc. **Downstream:** Release of microplastics due to use of or handling of plastics. E.g. transports, use of product, waste management of superannuated products, etc.	A potential negative impact in the Kid Group's value chain is microplastic pollution, with textiles contributing an estimated 35% of global microplastic emissions. Upstream, polyester – Kid ASA's second most used fiber – releases microplastics during manufacturing, posing health risks to workers and contaminating waterways, soil, and the food chain. Plastic packaging and production materials may also degrade, shedding microplastic particles into the environment. Downstream, laundering synthetic textiles further releases microplastics into wastewater, contributing to long-term pollution of aquatic ecosystems. As microplastics do not break down in nature, their impact is considered irreversible, with a definitive likelihood of occurrence.	Potential negative impact in all time horizons

Policies Related to Pollution // E2-1

The Group's Policy for Responsible Business Conduct[1] is based on the precautionary principle and aims to minimize negative environmental impact throughout the value chain. The Policy reflects all material sub-topics of the ESRS to some extent. The requirements under the policy are implemented in the upstream value chain through the Purchase Agreement and Requirements (PAR) including the Group's Restricted Substance List (RSL). To further avoid polluting activities, we will continue to investigate additional requirements specific to pollution to air, water and soil. These activities are not material in our own operations but can cause significant impact in the upstream value chain.

Suppliers are required, upon request, to demonstrate current internal environmental initiatives, including an environmental policy, environmental goals, and plans to reduce the environmental impact of their production and/or other operations. As part of their environmental management efforts, suppliers are required to regularly monitor and evaluate their environmental impact. This includes strategies to reduce greenhouse gas emissions and local pollution, minimize the use of harmful chemicals and pesticides, and ensure sustainable resource extraction and responsible management of water, oceans, forests, and land, as well as biodiversity conservation. The RSL includes restrictions on substances listed in REACH, Water Framework Directive, Persistent Organic Pollutants (POPs) regulation, The EU regulation on ozone-depleting substances and, the CLP regulation and more.

Additionally, the PAR stipulates that products supplied to the Group must not contain intentionally added microplastics. However, this policy in the PAR was initially intended for cosmetic items and did not apply to glitter. This clarification will be explicitly outlined in the 2025 policy update.

[1] See page 108 for more information about the governance of the Policy.

The Group mandates compliance with national and international environmental laws and regulations, including obtaining all relevant discharge permits. The Group encourages the certification or registration of environmental management systems according to third-party standards, with a preference for ISO 14001 and the Eco-Management and Audit Scheme (EMAS). To follow up on environmental performance in the supply chain, SMETA 4-pillar audits and a third party provider, Amfori BEPI, are accepted and used by the Company as environmental performance audits.

Targets Related to Pollution // E2-3

Pollution is an area in which we have not developed outcome-oriented targets yet. This is due to a lack of data and insight into which targets would lead to the most impactful change.

To achieve change, and implement efficient targets, we will need to assess the baseline and get access to relevant KPIs in our supply chain. In late 2024, Sedex[2] introduced an "Environmental Self-Assessment Questionnaire" (ESAQ) to start collecting information and measure improvements. The ESAQ addresses the critical need for standardized and structured environmental assessments, ensuring consistent and comparable data across the supplier base. No confirmed target is set as of 2024, but we will start focusing on our biggest and most important suppliers to complete the ESAQ in 2025 to get valuable insights into the suppliers' environmental practices, helping us identify areas for improvement and track our progress towards environmental targets. It will equip us with the data needed to make informed decisions and drive our sustainability initiatives forward. When this is in place, we will be able to update our policies with more targeted actions.

Although the Group has not set any outcome-oriented targets related to pollution yet, we indirectly measure the outcome of pollution-related policies through emission reductions and decrease of pesticide use. Reduced GHG emissions also lead to reduced air pollution (see the *Climate Change* section in this report for more information). By reducing pesticide use we also reduce pollution to soil and water. Based on our sourcing of Better Cotton in 2024, the Kid group made contributions to support farmers to decrease their pesticide active ingredient use. With our ambitions of 100% preferred cotton latest by 2030, together with Better Cotton's ambition of further reductions of pesticides, we will progress to limit negative impact.

> The Group's Policy for Responsible Business Conduct is based on the precautionary principle and aims to minimize negative environmental impact throughout the value chain

Actions Related to Pollution of Air, Water and Soil // E2-2

The Kid group operates in the home textiles and interior sector, which is not classified among the most polluting industries under Regulation (EC) No 166/2006, the European Pollutant Release and Transfer Register (E-PRTR). However, we may still be indirectly impacted through our supply chain, materials, and production processes. Annex II of this regulation provides a list of pollutants that are subject to reporting requirements when emissions exceed specified thresholds. These include heavy metals, volatile organic compounds (VOCs), hazardous chemicals, microplastics, and greenhouse gases. None of the Group's own operations exceed the reporting thresholds.

Since most of our tier 1 suppliers are producing the goods outside of the European Union where the directive is not applicable, we do not have access to the reporting data under the directive. For the remaining tier 1 suppliers in the EU, we have no information about the potential activities that might fall under the directive.

Key actions to avoid pollution:

- Total ban of PFAS in production and products due to the negative effects of these persistent organic pollutants (POPs)
- Strict requirements on biocidal treatment in the final product, such as anti-mold finishes, with a general ban. Biocides used in production, storage or transport shall meet requirements in biocide regulation 528/2012
- No textiles are produced with flame retardants, limiting the use and release of POPs
- Supporting improved cotton farming practices through Better Cotton

Our ambition is to understand more about the direct and indirect material negative impact we have in the value chain during 2025 and onwards based on the information in the newly introduced ESAQ as described in the previous section, and additional environmental audits. The work will be continuous with no fixed target year established yet.

[2] Sedex is an online platform that the Group is using for social compliance tracking. See "S2 - Workers in the Value Chain" for further details about the system.

Microplastics
The Kid Group together with its stakeholders and industry partners are collaborating to determine an effective, science-based approach to reducing microplastic pollution in its textile value chain.

According to the European Environment Agency's (EEA) 2022 report[3] on microplastic pollution from textile consumption, microplastic release occurs throughout the textile value chain. Thus, Kid Group's textile value chain may unintentionally release microplastics in the environment from the production, wearing, washing, and end-of-life phases of its synthetic textile products. Materials and accessories used in Kid Group's products, like certain plastic-based coatings or mechanical surface treatments, plastic press- or zip-fasteners, plastic decor, and plastic packaging that deteriorates over time to microplastic sizes, can also be a source of microplastic pollution.

The EEA acknowledges this challenge in measuring the nature and extent of microplastic release and dispersion, which complicates efforts to develop standardized methodologies and results comparisons that would support a single solution approach. Instead, policy makers, scientists, and the textile industry see opportunities to collaborate on multiple types of solutions. Current industry initiatives include developing standardized test methods, conducting initial assessments, engaging with industry partners and suppliers to share knowledge, and creating consumer-focused solutions. In alignment with these efforts, the Kid Group is actively implementing strategies to reduce microplastic pollution, as described below.

Determining an effective approach with initial assessments using standardised test methods
Kid Group has an express policy in its PAR that prohibits microplastics from being intentionally added in its products and does not allow single use products made from plastic material in its product assortment. To add to this, Kid Group is working towards setting an approved test method and specific requirements to be met based on an evaluation of microplastic release during the consumer use phase of certain synthetic textile products. Kid Group is at the start of its journey in this regard. Although Kid Group does not yet have a list of strict requirements set forth in the PAR or significant data collection to date, it has begun to take steps to determine production processes and available standards that would best support the reduction of microplastic pollution in its supply chain and plastic microfiber release from its synthetic products.

The Microfiber Consortium (TMC) released a public report in March 2025 with a statistical root cause analysis of its microplastic testing data, including production variables. Kid Group aims to use this TMC report to provide support for best practices in synthetic textile production and textile fiber and fabric sourcing, which Kid Group can apply. In addition, the TMC contributed to a standard test method to quantify fiber loss from fabrics during the initial domestic washing cycle. The TMC test method and similar ISO and AATCC test methods provide Kid Group with standard methods to gather data on fiber release during washing with and without detergent, as well as dry state testing. Test results allow comparisons to be made to determine what material characteristics contribute to plastic microfiber shedding and what techniques result in a net reduction of plastic microfiber shedding.

Kid Group further requires that textiles used in direct contact to skin are certified to OEKO-TEX® STANDARD 100 and is evaluating the potential to require certain synthetic textile products to be certified to a revised 2024 OEKO-TEX® STeP standard, read more about STeP on page 80, intending to address microplastic pollution at every stage of production. The updated OEKO-TEX® STeP standard requires that certified production facilities mitigate and prevent the release of microplastics from manufacturing processes through active risk identification and management.

Additionally, Kid Group participates in several industry associations, including the RISE Chemicals Group, which provides insight on chemical and environmental issues related to textiles. The RISE Chemicals Group meets several times during the year so that brands have a forum to share knowledge. RISE also provides expert services for members related to training/education and has experts that can support analysis of microplastic release during textile washing (both lab and in-house methods), the development of filter solutions, and comparative testing.

Consumer solutions
Kid Group's product assortment includes the Guppyfriend Washing Bag, which is a filter solution intended to stop microplastic pollution from synthetic textiles during washing. Guppyfriend is marketed to consumers for use with washing machines and hand washing. Guppyfriend is strategically merchandised and marketed in Kid Group physical stores and online to draw attention to the benefits of proper care for Kid Group's synthetic textile products.

Kid Group participates in several industry associations, including the RISE Chemicals Group, which provides insight on chemical and environmental issues related to textiles

[3] EEA Report, ETC/CE 2022/1

Actions Related to Substances of Concern (SoC) and Substances of Very High Concern (SVHC) // E2-2

Substances of Concern are frequently used in the production of raw materials and goods. To mitigate the potential negative impact of concerning substances, the PAR outlines requirements for the safe handling of chemicals, mandating that suppliers establish and maintain a comprehensive list of all chemicals used in production or other operations. All personnel involved in handling chemicals are required to possess adequate competence, and the use of appropriate Personal Protective Equipment (PPE) is required while working with chemicals.

Additionally, the PAR includes a Restricted Substance List and general requirements for compliance with relevant directives and regulations, including Substances of Very High Concern (SVHC) and Substances of Concern (SoC). The regulatory updates of various substances are closely monitored by the Group's regulatory compliance team, and updates are done to the PAR on an annual basis. SVHCs must be phased out completely within 12 months from their publication in the candidate list, even in levels below the legal limit. When exemptions for SVHCs are granted under “Restriction of Hazardous Substances” (RoHS) for electrical and electronic products, a risk assessment is conducted, and a phase-out plan shall be developed in collaboration with the supplier.

The primary objective of the PAR is to limit the presence of harmful and regulated substances (SoC and SVHC) in final products to comply with consumer safety laws and regulations. However, the Kid Group does not provide suppliers with a specific Manufacturing Restricted Substance List (MRSL), which could further mitigate the potential release of SoCs into air, soil or water. As of 2024, the company does not have a plan in place to implement restrictions on the use of SoC or the production processes of goods and materials.

As a member of the RISE Chemicals Group, we receive up-to-date information on bans, regulations, substitution strategies, and safer alternatives, while adhering to the precautionary principle. "Substances of Concern" as a term, is a relatively new concept in EU regulations and we collaborate with industry peers to better understand its implications. By exchanging insights, assessing potential risks, and exploring mitigation strategies, we aim to develop responsible practices in this area.

E3 – WATER

Water plays a crucial role across the Kid Group's upstream value chain, with varying impacts depending on usage patterns. Given its frequent and individual application, measurement complexities arise. Our goal is to manage water responsibly, minimizing consumption and reducing dependency where possible.

WATER AND ITS IMPACT

The responsible use of water has been identified as a material topic in the Kid Group's upstream value chain. When talking about water we must consider different aspects, such as water use efficiency, consumption, discharge, recycling/reuse and potential pollution in the various processes of production. The two main identified material negative impact areas in the value chain are cotton cultivation and dyeing- and finishing of textiles. Stakeholders are involved in the identification and assessment of impacts related to the water, where some of our suppliers (tier 1-2) are indicating recent shifts in the access to water, where they for example have had to shift from groundwater to surface water in the dyeing processes due to water scarcity. Several suppliers are also mentioning water conservation as important topics in their own operations because of this. Based on dialogues with suppliers during factory visits we have learned that water discharges in production countries are increasingly regulated by authorities. While risks of pollution from textile dyeing mills (tier 2) persist due to potentially inadequate wastewater treatment, stricter regulations and enhanced oversight are driving improvements in water management and reducing negative impact on local communities.

For the farming and cultivation of cotton, the Group's largest fiber category with its 38% share of raw material used, the freshwater impact and dependency are the highest environmental concerns[4]. Access to water, and to use it responsibly is of great importance when growing cotton, now and in the future.

Changed weather patterns related to climate change will also likely impact the countries of our suppliers and therefore also the Kid Group. Global warming is leading to draughts and/or flooding in some areas. Increasing sea levels are also threatening low level countries like Bangladesh, where previously healthy land for farming and living most likely will be under water in the future. This affects the local communities we operate in, and consequently the workers making the goods for the Kid Group.

E3 - WATER AND MARINE RESOURCES			
Sub-topic	**Description of impact in the value chain**	**Quantification and/or detailed description**	**Outcome of Assessment**
Water	**Upstream:** Water usage and discharge in production, processing, raw material extraction, electricity production, etc.	**Upstream:** Processes such as raw material production and chemical manufacturing in textile production involve significant water consumption, exacerbating water scarcity concerns, with activities like cotton cultivation relying heavily on irrigation. Water discharges from these processes, along with water-intensive stages like treatment and dyeing, contribute to pollution and ecosystem degradation, highlighting the extensive water usage throughout textile manufacturing. A majority of Kid ASA's order value come from suppliers in China, India, Pakistan, Bangladesh which are countries with high risk of water stress and deficiency.	Actual negative impact in all time horizons. Scale could be higher in the future

[4] According to the Textile Exchange "Materials Impact Explorer"-tool.

Policies Related to Water // E3-1

Water has been identified to have negative impact in the upstream value chain, primarily in the cotton crop production, and the dyeing, washing and finishing processes of textile manufacturing with both high dependency of water, and potential pollution of water from wastewater. The Group's Policy for Responsible Business Conduct, governed by the Board of Directors, is covering water issues in several areas. Due to the interlinked impact on other topics, it is included in the sections about environment, chemicals, cotton crop production, health and safety, as well as in the section about marginalized populations and local communities. Even though the Group's policy covers the topic in a holistic way, the Group needs to conduct a more careful assessment of the relationship between the negative impact on water and the long-term sourcing strategy and business model. The Policy does not explicitly reference third-party standards or initiatives related to water management. However, it does emphasize due diligence for responsible business conduct, requiring risk assessments to identify and mitigate environmental impacts, including water-related risks, and the requirements of preferred cotton-standards such as Better Cotton Initiative, Organic cotton and Recycled cotton. The policy does not cover own operations nor downstream value chain due to its immaterial impact related to water.

The PAR states that if water is a significant sustainability aspect in the production, suppliers should measure and record use of water for all its operations, and that targets for reducing the environmental impact from the use of water should be in place and reviewed regularly. However, these data are not systematically shared by the suppliers nor collected by the Group to specifically measure water consumption, discharges and improvements among the suppliers as of 2024. Before updating the policy to include water-specific actions and targets, as described in the coming sections, we need to discuss the impact areas with our relevant stakeholders and suppliers, to understand how we can most effectively tackle the negatve impact.

Actions and Resources Related to Water // E3-2

Cotton production is a cornerstone of our business model, and we have implemented several mitigating actions to minimize the negative impact of high water consumption. However, these actions focus on reducing adverse effects rather than directly remediating existing environmental damage.

Textile dyeing processes

The dyeing and finishing stages for cotton and polyester textiles have significantly different water consumption profiles. Cotton, due to its high absorbency, requires large amounts of water, including multiple rinsing and washing cycles during traditional dyeing processes. In contrast, polyester, a hydrophobic fiber, requires less water, as it is dyed with disperse dyes under high heat and pressure, resulting in lower water use.

More than 50% of the Group's cotton products (by weight) are sourced from factories in Pakistan and Bangladesh, both major textile-producing countries, face high water stress, particularly in regions where cotton dyeing and finishing processes are concentrated. This exacerbates existing water scarcity challenges, driven by climate change, over-extraction, and pollution. The Kid Group's suppliers in these countries operate with vertically integrated facilities across Tier 1, Tier 2, and, in some cases, Tier 3. These factories have implemented OEKO-TEX® STeP (Sustainable Textile & Leather Production), which mandates environmental performance tracking, including energy and water consumption. The certification also enforces environmental management systems for continuous improvement.

The Kid Group utilizes OEKO-TEX® STEP as a third-party verification tool to assess supplier commitments. However, the system does not provide a single confirmed result of sustainable practices, making further KPI development essential. Moving forward, the Group plans to establish a robust KPI to accurately measure progress in water consumption reduction and discharge management. While the timeline for this KPI is not yet finalized, the goal is to begin development in 2025 to create change parallel to the GHG-reduction targets for 2030, as these two topics and improvement actions interact and harmonize with each other.

Preferred Cotton

A key mitigating action the Kid Group takes to reduce water consumption upstream is supporting the Better Cotton Initiative. Kid supports Better Cotton to promote more sustainable cotton sourcing with a focus on water efficiency. As a Retailer and Brand Member, we help drive demand for responsibly grown cotton and support initiatives that improve water management in cotton farming through a mass-balance system. Better Cotton farmers (tier 4) implement Water Management Plans to optimize water use in irrigated and rain-fed farming, ensuring sustainable practices through water resource assessment, soil moisture monitoring, irrigation improvements, and water quality management. The initiative also emphasizes shared water risk assessment, governance challenges, and sustainable water stewardship.

Targets related to water // E3-3

The Group has not yet established structured water-related targets, but existing initiatives are already reducing negative impacts. The 2024 Double Materiality Analysis (DMA) highlighted the need for efficient KPIs and measurable targets to mitigate water-related environmental impacts in the upstream value chain. As a result, the Group plans to draft water targets in 2025, with KPIs following based on relevant and accessible data collection from ongoing environmental initiatives as previously described.

Preferred Cotton Production Targets

The Group has long pursued a goal of 100% preferred cotton, with Better Cotton comprising the majority. While the 2024 targets were not fully achieved (see page 88-89), the commitment to the Better Cotton Initiative (BCI) remains strong, with 78% of total sourced cotton volumes from Better Cotton and 82% from preferred cotton overall.

Water Efficiency Targets in Polyester Dyeing

As part of the Group's GHG emission reduction roadmap, the initiative "Improved coloration for polyester" aims to reduce both energy and freshwater use in the dyeing process. The target is for 15% of polyester textiles to be dyed using dope dyeing technology by 2030, a method that significantly reduces water consumption. However, as of 2024, no products have been produced using this technique.

> The Group has long pursued a goal of 100% preferred cotton, with Better Cotton comprising the majority

E4 – BIODIVERSITY AND ECOSYSTEMS

As a retailer with a wide assortment of goods, the Kid Group is dependent on raw materials and extraction of natural resources. Sourcing these materials and goods contributes to impact on land, water, and other ecosystems through a variety of operations.

Transition Plan and Consideration of Biodiversity and Ecosystems in Strategy and Business Model // E4-1

The Kid Group's business plan, as described on page 37, depends on reliable access to raw materials, both natural and synthetic, used for manufacturing home textiles, interior products, and furniture. These sourcing activities occur in the upstream value chain, beyond the Group's direct operations. While Kid has not developed a specific resilience or transition plan for biodiversity and ecosystems in the current business model, the recent double materiality assessment identified climate change adaptation as a material topic due to the potential risk of reduced access to affordable raw materials. This risk is closely linked to biodiversity loss driven by factors such as water scarcity, pollution, and temperature fluctuations, all of which affect cotton cultivation which is the most used material in the assortment. The upstream activities can potentially contribute to land-use change, pollution, and climate impacts are anticipated to occur across all time horizons. However, the broad range of products and diverse supplier base mitigate the risk associated with reliance on specific raw materials, regions, or suppliers. During the stakeholder engagement conducted in 2024 (see pages 42-43), none of the stakeholders explicitly mentioned biodiversity or ecosystems, but most stakeholders highlighted "sustainability in the supply chain" and several related biodiversity sub-topics as significant concerns for Kid.

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model // SBM-3

The Kid Group recognizes that our activities can have negative impacts on biodiversity and ecosystems. The material impacts are located in the upstream value chain, particularly in the raw material production (tier 4), but also in the water and chemical intense activities in tier 2 of the textile manufacturing processes. A large part of the materials we use come from land-based ecosystems, see pages 88-89 for resource inflows, and impacts soil health as well as they require water and chemicals to grow. These are processes where land degradation can occur. Kid has not identified any operations that affects threatened species. The effects on land-based ecosystems caused by negative impacts from the Group's activities might challenge future access to fibers and materials sourced from nature.

E4 – BIODIVERSITY AND ECOSYSTEMS			
Sub-topic	**Description of impact in the value chain**	**Quantification and/or detailed description**	**Outcome of Assessment**
Direct impact drivers of biodiversity loss	**Upstream:** Direct impact on the biosphere, e.g. through climate emissions, pollution, land-use change, exploitation, etc., in the upstream value chain.	**Upstream:** Kid Group's need for extraction of raw materials and manufacturing activities may negatively impact biodiversity in various interconnected ways. Greenhouse gas emissions from these operations could contribute to climate change, potentially causing habitat shifts and disruptions to ecosystems. Manufacturing processes, such as textile dyeing and finishing, might introduce pollutants into water, soil, and air, which could affect aquatic and terrestrial species. Additionally, the conversion of natural habitats for activities like cotton farming may result in deforestation and habitat fragmentation, possibly reducing biodiversity. Intensive irrigation practices for raw materials, notably cotton, might lead to freshwater depletion, potentially impacting surrounding aquatic ecosystems. Furthermore, unsustainable harvesting of resources, such as timber for paper and furniture, could disturb ecosystems and lead to declines in species populations.	Actual negative impact in the upstream value chain in all time horizons.

Policies Related to Biodiversity and Ecosystems // E4-2

Our Policy for Responsible Business Conduct (see page 108) outlines our commitment to reducing negative environmental impacts throughout the value chain. Our Policy addresses several environmental topics and states that we shall reduce climate change, land-use change, pollution and deforestation. The Policy does not include invasive species or direct exploitation as these topics are not deemed material. Based on the identified material negative impacts, and in accordance with the precautionary principle, we aim to continuously implement measures to minimize greenhouse gas emissions, prevent local pollution, reduce the use of harmful chemicals and pesticides. The ambition is to ensure sustainable extraction and management of resources – including water, oceans, forests, and land – to conserve biodiversity. The Policy will indirectly protect local communities, but does not address specific social consequences of biodiversity and ecosystem related impacts.

Key policy actions include ensuring that all paper and wood products originate from responsible, certified sources to avoid deforestation, and mandating that all cotton used in our products is sourced through certified and preferred cotton farming programs to reduce pollution and water use.

This Policy is operationalized through specific biodiversity-related guidelines within our Purchase Agreement and Requirements (PAR), particularly in the sections covering *Agriculture & Forestry and Preferred Cotton* where third-party industry certification schemes, such as FSC and Better Cotton play an important role. Both FSC certificates and preferred cotton-claims credits are collected and controlled to monitor adherence to the standard protocols through the value chain.

Actions and Resources Related to Biodiversity and Ecosystems // E4-3

Our business development plan for the coming years includes working for “a sustainable value chain” – a large and ambitious plan which is implemented through *Act with the Heart*. We have for several years already worked with a variety of positive changes in our raw material sourcing, but biodiversity as a topic has not been clearly presented with a separate strategy within the Kid Group. Therefore, the *Biodiversity and Ecosystems topic* is now under development, and we are planning to investigate The Taskforce on Nature-related Financial Disclosures (TNFD) and Science Based Targets Network (SBTN) to set efficient and relevant actions and targets. No timeline has been set as of 2024 to when these initiatives can be implemented into an action plan. Based on this, no current financial resources are allocated to the action plan, nor any biodiversity offsets are done.

As of 2024, the ongoing work to shift to FSC certified wood and paper, and the sourcing of preferred cotton are the main actions for biodiversity and ecosystems. These actions are intended to mitigate negative impact, but are not providing remedy. In both those standards local and indigenous knowledge and nature-based solutions are incorporated as part of the standards' criteria.

In 2024, the sustainability team started to use the Textile Exchange's The Materials Impact Explorer (MIE), which examines the location-specific impacts of raw materials. To provide a holistic and detailed view of risk, the MIE draws from over 160 datasets. These include country-level and sector-specific datasets, as well as global indices. The risk ratings provided in the tool are framed around potential impacts and dependencies as outlined by the TNFD and SBTN. The insights from the MIE will be used to further develop action plans for biodiversity and ecosystems and continuously monitor impact areas.

Preferred Cotton

During the year we assessed the biodiversity impacts and dependencies related to Better Cotton in the different countries we source from. We began by investigating the country of origin of the cotton used in our purchased products. All suppliers providing cotton-based goods were asked to disclose the country of origin – and, if possible, the specific region – through a self-assessment questionnaire. We received responses from suppliers representing 88% of our sourced value in 2023, and the results show that more than 70% of the cotton originates from India, Pakistan, and China, in that order. Although the data is based on unverified self-reporting and estimations based on value rather than volume, it provides a clearer understanding of the cotton's country of origin. India and Pakistan exhibit the highest levels of impact and dependency in the Materiality Exposure Index (MEI), underscoring the importance of responsible farming initiatives for cotton. Our most significant step in addressing these challenges is our commitment to sourcing 100% preferred cotton. In addition, we are planning to start sourcing traceable Better Cotton in 2025 and onwards to create traceability in the supply chain.

Deforestation Free Supply Chain

The Kid Group's ambition is to have a deforestation free supply chain, and our Purchase Agreement and Requirements (PAR) set out requirements to meet our expectations. By doing due diligence of a variety of land-based materials and related extraction processes per region and/or country in our upstream operations, we seek to identify the most salient impacts related to deforestation. This work is challenging due to the lack of traceability and in some cases transparency within the supply chain. We believe that education of both our employees and our suppliers will lead to a positive shift in raw material sourcing that can mitigate the risk of deforestation. All wood and paper products within the assortment shall be certified to FSC or similar certification schemes by the end of 2025. With the implementation of a new ERP system in 2025 and based on the requirements in EU's Regulation on Deforestation-free Products, we will strengthen the actual data and significantly improve the due diligence process for wood and paper.

Targets Related to Biodiversity and Ecosystems // E4-4

Biodiversity and ecosystems were only recently identified as material topics. We have implemented two land-based raw material targets to help reduce negative impacts on biodiversity and ecosystems in our upstream value chain. Additionally, our Science-Based Target (SBT) for greenhouse gas emissions contributes to biodiversity protection by addressing climate-related ecosystem impacts. For more details on our SBT, see the *Climate Change* section, starting on page 53

Sourcing preferred cotton and FSC-certified materials can help mitigate biodiversity risks by preventing deforestation, reducing pesticide use, and protecting soil health. However, a key challenge with these standards is the lack of a reliable Chain of Custody, making it difficult to trace materials from the raw source to the final product. Given the complexity of these supply chains, achieving meaningful impact requires strong supplier relationships and a commitment to ongoing due diligence for wood, paper, and cotton.

- **100% preferred cotton by 2030:** Initially, the target was set for the period from 2016 to 2020. This was later extended to 2020-2030 as part of the climate change reduction roadmap. "Preferred" cotton is organic, recycled or Better Cotton.
  - **Status 2024:** 82% preferred cotton

- **100% FSC-certified or recycled paper and wood materials by 2025.**
  - **Status 2024:** 60%* FSC-certified wood and paper

*Due to lack of verified data, we can only estimate the share of FSC in the assortment, which in 2024, same as in 2023 is estimated to be approximately 60% for paper and wood combined

We aim to set more biodiversity targets in the coming years, following an assessment of the Taskforce on Nature-related Financial Disclosures (TNFD) and Science-Based Targets for Nature (SBTN) frameworks.


The Kid Group's ambition is to have a deforestation free supply chain, and our Purchase Agreement and Requirements (PAR) set out requirements to meet our expectations

E5 – RESOURCE USE AND CIRCULAR ECONOMY

The Kid Group relies heavily on raw materials, posing risks to biodiversity, climate, and local communities. To address this, the Group is increasing recycled material use and reducing reliance on virgin fibers, reinforcing its focus on responsible resource management.

E5 - RESOURCE USE AND CIRCULAR ECONOMY			
Sub-topic	**Description of impact in the value chain**	**Quantification and/or detailed description**	**Outcome of Assessment**
Resource inflows, including resource use	**Upstream:** The consumption of resources entering the supply chain, such as raw materials and production inputs, contributes to environmental degradation, resource depletion, and increased ecological footprint.	Kid ASA operates within a resource-intensive industry with a supply chain spanning Europe and Asia, making the environmental impact significant. The company remains dependent on virgin materials, with only limited use of recycled materials. This reliance on virgin fibers potentially contributes to deforestation, water depletion, and greenhouse gas emissions, while the extensive use of chemicals and energy in textile production further exacerbates pollution and biodiversity loss.	Actual negative impact in all time horizons

The Kid Group is a significant user of raw material and other natural resources in its supply chain. The production of raw materials and use of natural resources, a key part of the Group's upstream operations, poses environmental risks, including negative impacts on biodiversity and climate. Moreover, excessive resource extraction for the Group's assortment can have long-term detrimental effects on local communities and economies.

Further on, the group faces operational challenges associated with upcoming EU regulations and directives such as EU's Circular Economy Action Plan (CEAP) and related strategies, which may necessitate changes in our operations to ensure compliance. Additionally, the potential future scarcity of virgin resources due to changes related to negative impact areas on the nature and environment could lead to price increases due to supply-demand dynamics.

The company's climate emissions calculation shows that 97% of all emissions come from the products purchased from suppliers and sold to customers. Note that these emissions include tier 1 to 4, so both raw material extraction and the following production processes to manufacture the final goods. This highlights the need to decouple revenue from the use of natural resources and to implement alternative business models to reduce virgin raw material dependencies. By finding better flows of material, increasing efficiency in the product life cycle, and prolonging the lifetime of each product, the group can lower its environmental impact and reduce its total CO2e emissions.

Policies Related to Resource Use and Circular Economy // E5-1

As of 2024, the Group's Policy for Responsible Business Conduct[5] does not adequately address resource use or actively promote circular business models in its current form. While the policy broadly states that “negative environmental impacts shall be reduced throughout the value chain” and includes requirements for certain certification schemes to

[5] See page 108 for more information about the policy.

support responsible resource use, it does not specifically address the sourcing and use of renewable resources or the transition away from virgin materials. Since circular economy is a relatively new topic for the Kid Group, we do not have a formalized policy. The plan is to introduce an internal policy for Resource Use and Circularity in 2025.

During our 2024 stakeholder engagement (pages 42-43), multiple stakeholder groups – including suppliers, customers, and investors – emphasized the importance of circular economy principles and responsible resource management. Recognizing this need, Kid is committed to developing a clear and structured policy on resource use and circularity to improve communication both internally and externally.

Despite the current gap in policy, key internal stakeholders already possess a strong understanding of sourcing strategies relevant to their product groups and materials. Several initiatives focused on sourcing, production and circularity are already in place. The Group has implemented actions and targets for recycled materials and actively supports recycling initiatives, including collecting used textiles in stores and partnering with Norsk Tekstilgjenvinning for textile-to-textile recycling.

Actions and Resources Related to Resource Use and Circular Economy // E5-2

As a retailer, the Kid Group's business model relies on raw materials and goods. To address the negative impact of resource consumption, we have implemented several mitigating actions. However, these measures aim to minimize adverse effects rather than directly remediate existing environmental damage.

The most significant action related to resource use and circularity has been the increased share of recycled materials and the ongoing transition away from conventional virgin fibers. As outlined in the Group's Greenhouse Gas (GHG) Reduction Roadmap (see page 57), key initiatives include sourcing recycled materials such as polyester and cotton by 2030. More details on our progress can be found in the next section.

In 2024, we made a significant breakthrough in recycled polypropylene, our fifth most-used material, increasing its recycled share from 0% in 2023 to 57% in 2024. This transformation was driven by a targeted project focused on the largest product group using polypropylene, combined with close collaboration with suppliers. Overall, the total share of recycled materials rose from 6.5% in 2023 to 10% in 2024, largely due to actions implemented through the GHG Reduction Roadmap.

Additionally, the GHG Reduction Roadmap includes initiatives for for alternative business models. A key target within the roadmap is for 5% of total revenue to come from "alternative business models" by 2030. In 2024 the Business Development department has explored alternative business models to enhance our offerings to our customers. The objective was to identify opportunities for providing value-added services that support long-term customer engagement. Through market research and stakeholder workshops, we assessed various concepts, including interior guidance services aimed at helping customers create well-planned interiors with lasting value.

However, insights from both market analysis and internal discussions indicated that the timing for such a service was not optimal, given the current economic climate and consumer demand. As a result, the concept has been put on hold and may be reconsidered in the future, with potential pilot testing in select stores when market conditions are more favorable.

> Group's Policy for Responsible Business Conduct broadly states that negative environmental impacts shall be reduced throughout the value chain

Targets related to resource use and circular economy // E5-3

Recycled Polyester Target

We have set outcome-oriented targets focused on increasing the share of recycled polyester compared to virgin polyester. According to the Higg MSI, recycled polyester has a lower CO2e emission factor, contributing to reduced climate impact in tier 4. This target primarily addresses raw material sourcing in the upstream value chain but also influences the product development team's sourcing activities.

Stakeholder engagement has reinforced expectations for increased use of recycled materials, and we are committed to reducing our reliance on virgin synthetic fibers. As part of this commitment, we have established a non-mandatory, relative target using 2020 as the base year, when recycled polyester accounted for 3.6% of our total polyester usage. Our goal is to achieve a 95% share of recycled polyester by 2030, with an interim milestone of 50% by 2025.

Progress Update

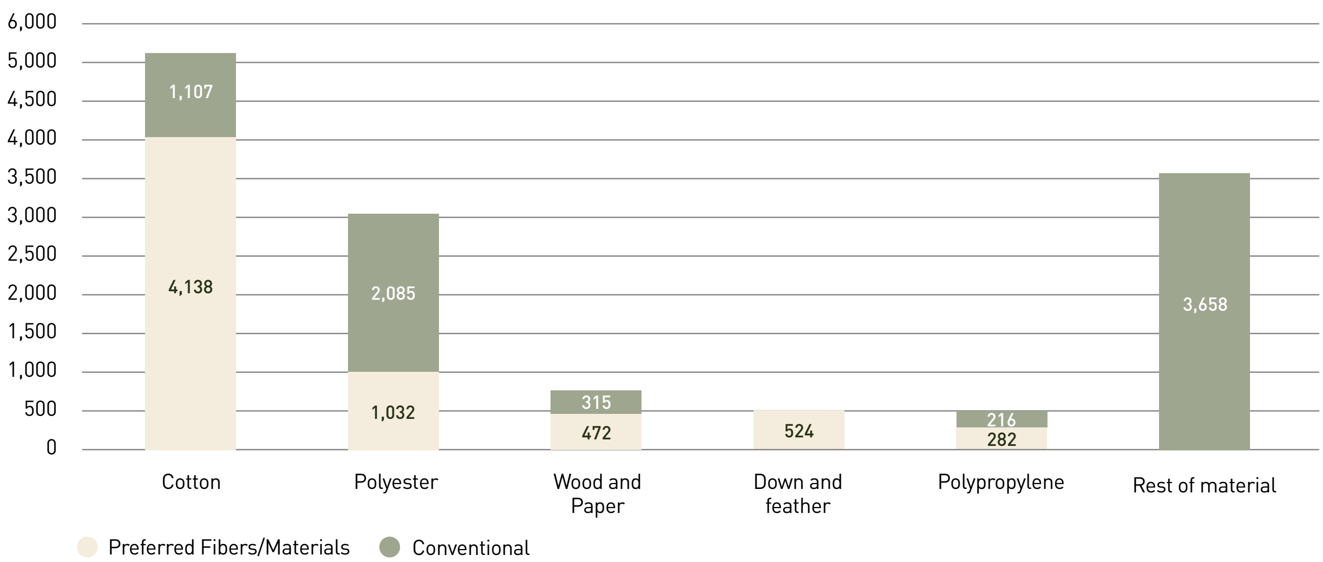
As of 2024, the share of recycled polyester in our materials has reached 33%, up from 28% in 2023. This progress remains on track with our initial plans and is continuously monitored.

Resource inflows // E5-4

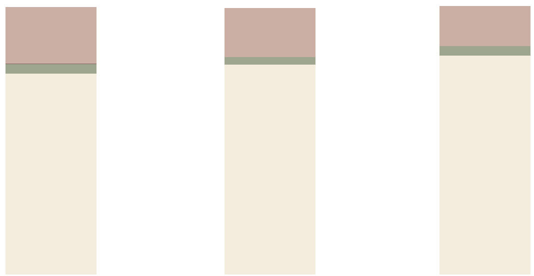
The Kid Group has a wide range of materials in the product assortment. During 2024, the Group used over 140 individual materials. This includes a detailed breakdown of different types of wood and plastics. In 2024, the Group increased the total volume of sourced goods, resulting in a 22% rise in total weight. The share of recycled materials within the assortment also increased, reinforcing the Group's commitment to sustainable sourcing.

Type of product	2024	2023	2022
Total weight of products (ton)	13,829,325	11,310,446	11,483,037
Technical products	-	-	-
Biological products (ton)	7,313,908	6,065,877	6,201,486
% of Biological products against total weight	53.0%	54.0%	54.0%
Recycled mass of products (ton)	1,330,925	733,129	87,141
% of recycled mass against total weight	10.0%	6.5%	0.8%

Top five matierials (ton)



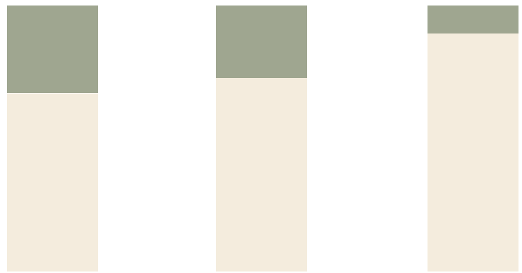
Cotton



	2024	2023	2022
	21.1%	18.3%	15.0%
	0.1%	0.0%	0.1%
	3.5%	2.8%	3.4%
	75.3%	78.8%	82.1%

Conventional Recycled Organic Better Cotton

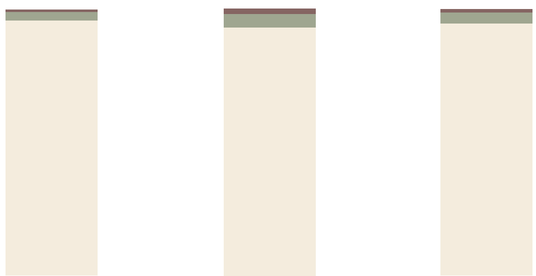
Polyester



	2024	2023	2022
	33.1%	27.4%	10.6%
	66.9%	72.6%	89.4%

Conventional Recycled

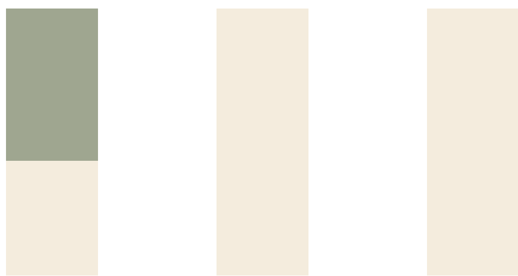
Down and Feather



	2024	2023	2022
	1.0%	1.8%	1.3%
	3.0%	4.9%	4.2%
	96.0%	93.2%	94.5%

Recycled (GRS) Downpass RDS

Polypropylene



	2024	2023	2022
	57.0%	0.0%	0.0%
	43.0%	100.0%	100.0%

Polypropylene Recycled Polypropylene

Cotton: The Kid Group sources several types of preferred cotton, with the largest share coming from Better Cotton, followed by organic and recycled cotton. However, in 2024, the total share of preferred cotton decreased due to specific challenges related to the Better Cotton program.

Better Cotton accounts for over 75% of the Group's cotton sourcing. As a mass balance program, it requires that the amount of Better Cotton sourced matches the cotton used in finished products. The conversion factor set by the program is 1.31, meaning the Group must source 31% more Better Cotton than the weight of the cotton in its products to account for waste throughout production.

However, the actual cotton transfer to the Group is typically only 16% above product weight, due to the use of carded yarn, which has a lower conversion factor than the required 1.31. This discrepancy has become much more noticeable from a group of suppliers providing large cotton programs to us, which contributed to the overall reduction in the share of preferred cotton usage in 2024. The sourced volume of cotton increased by 18% from 2023 to 2024, but the share of Better Cotton was just decreased by 3.5%

Polyester: Polyester has been our second largest fiber category for many years. We see a good progress in increasing the share of recycled polyester and are heading towards our target of 50% recycled polyester in 2025.

Wood and Paper: The use of wood has significantly increased in the last three years, since Kid started selling big furniture. Due to this, the historic figures are not in place, since its previously low share and less significancy. An estimated 60% of the wood and paper are FSC certified, with the goal of 100% by 2025. See page 84 for more information about our work on forestry.

Down and feather: 100% of the down and feather is traceable and certified with either Responsible Down Standard (RDS), Downpass or Global Recycled Standard (GRS). The volume of recycled (GRS) down and feather remains stable, while RDS volumes continue to grow, leading to a decrease in the overall share of GRS down and feather

Polypropylene: The volumes of polypropylene has steadily increased in the last three years, with the successful launch of outdoor furniture and large floor mats.

The Kid Group continues to expand its sourcing of recycled materials, with polyester remaining the primary driver. In 2024, a significant addition to this effort is polypropylene, both of which are man-made synthetic fibers.

The recycled polyester is currently produced from waste PET bottles, which are melted down and processed into recycled polyester chips. These chips are then melted again and extruded through a spinning machine to create new fibers. The long-term ambition is to shift this share to textile-to-textile recycled materials, but the availability of this type of recycled polyester is not commercially available in the current business model and supply chain.

Similarly, the process for recycled polypropylene follows a comparable method. Polypropylene waste is collected, shredded, and melted into recycled polypropylene pellets, which are then used primarily for outdoor furniture within the Kid Group. The pellets are melted and molded to create new outdoor furniture pieces, ensuring a more sustainable approach to material use without compromising quality- or safety aspects of the products.

Methodologies used to calculate data and key assumptions used

Each year, the Sustainability Controller, a member of the Sustainability Department, conducts a comprehensive review of the material composition of all sourced products. In 2024, the Group managed approximately 10,000 SKUs. While data quality varies across product groups, it continues to improve year by year.

The sustainability control process ensures that every SKU has a 100% material composition recorded. The team calculates the individual quantities of 140 different fibers and materials, multiplying them by the number of sourced products. If any fiber composition data is missing, the supplier is contacted for additional input.

The ambition is to achieve the highest possible data accuracy to fully understand environmental impacts, risks, and opportunities, allowing for targeted improvements where they are most needed. However, when suppliers do not provide detailed information – such as material density, accessory components, or other minor details – some assumptions must be made. Fortunately, most products in the assortment consist of mono-materials, simplifying resource calculations.

> The Kid Group continues to expand its sourcing of recycled materials, with polyester remaining the primary driver

To ensure accurate material tracking, the Group has implemented several measures to eliminate double counting in its material calculations. A key challenge in the material matrix is that products made from multiple materials could be counted more than once. This issue was resolved by integrating received goods data from the ERP system, effectively eliminating double counting in received products.

For products that contain fill weight, such as duvets, pillows, and beds, an additional counting adjustment was introduced in the material matrix. The approach ensures that fill weight is divided accordingly, preventing duplication. Previously, fill weight data was stored in a separate column from other material data, necessitating this correction. However, starting in 2024, all new products with filling will be directly incorporated into the initial material mix, meaning the dividing adjustment is expected to be phased out by 2025.

The Kid Group has taken multiple steps to eliminate double counting while ensuring that all materials remain accurately accounted for. All material usage calculations are based on ERP system data. In cases where detailed data is unavailable, the total product weight – adjusted for packaging and filling (where applicable) – has been used. This approach ensures that 100% of all imported products in 2024 are included in the calculations.

All material data is fed into an emissions calculation portal, where it undergoes validation and review by third-party consultants. A new development in 2024 is that the Group has directly applied the relevant emission factors, with subsequent validation by external consultants. This marks a change from 2023, when the consulting team handled the entire emissions calculation process. See more about climate related impacts of materials in the *Climate Change* section on page 53.

SOCIAL

At Kid Group, we are committed to upholding ethical labor practices, human rights and fair working conditions across our supply chain. Recognizing our responsibility beyond direct business operations, we actively work to identify and mitigate social risks while fostering long-term supplier relationships based on transparency and accountability.

Ensuring fair treatment of workers and minimizing negative impacts on communities are key priorities. Rather than disengaging from suppliers who fall short of our standards, we focus on collaboration and continuous improvement. We strive to assist suppliers with practical measures so they are able to continue to meet ethical and sustainability requirements. Through responsible purchasing, supplier engagement and proactive due diligence, we work to uphold social sustainability values and promote fair working conditions.

Beyond our direct partners, we acknowledge the broader social and environmental impact of production on local communities. The sourcing and manufacturing of goods can affect livelihoods, natural resources, and overall well-being, making social responsibility an integral part of our approach. By integrating ethical supply chain management and community engagement into our business practices, we aim to drive positive, lasting change for both workers and the communities impacted by our operations.

S2 – WORKERS IN THE VALUE CHAIN

The Kid Group sources goods from various parts of the world, which involves a large and complex supply chain. We recognize that our operations have a significant impact on the workers involved in the supply chain. As a result, we are committed to ensuring that our suppliers adhere to ethical and sustainable practices that prioritize human rights and decent working conditions.

Social Impact in the Value Chain
// ESRS 2 SBM-3

The Kid Group's business model is to design and source readymade home textiles, furniture and interior goods through strategic supplier relationships outside of our own operations. This leads to an inherent risk of negative social impact outside of our own operations, especially for the workers in the value chain. In our upstream value chain, spread across Europe and Asia, we encounter a wide variety of potential and actual negative impacts related to human rights, including child- and forced labor, and decent working conditions during the production of raw materials and goods. The negative social impacts associated with production of textiles and interior have been systematically assessed and mitigated for many years throughout the Group's supply chain. To understand our role and our impacts we are using a variety of tools to identify, assess and prioritize both potential and actual impacts. Through the involvement of stakeholders, we get insight into different perspectives of social impact, and through our membership in Sedex[6] (Supplier Ethical Data Exchange) we get access to screening tools which combining inherent country and sector risks with supplier-specific information to highlight potential issues.

The Kid Group recognizes the importance of collaboration with our suppliers to monitor and support their social sustainability initiatives, particularly in relation to human rights, labor conditions, environmental impact, and business conduct. To mitigate identified high-risk negative impacts, we implement specific requirements through policies when applicable, such as the Group's ban on cotton from Uzbekistan and Xinjiang to avoid the risk of systematic use of forced child or adult labor in the harvest of cotton.

We have identified a lower risk of severe human rights breaches with our tier 1 suppliers, while the risk is higher further upstream in tiers 2-4. This necessitates different strategies to mitigate negative impacts throughout the upstream value chain. We prioritise strong relationships and conduct social audits with tier 1 suppliers. For tiers 2-4, where direct dialogue and access to information are limited, we rely more on third-party certification schemes.

The set-up of the supply chain looks different depending on country. Our suppliers in Pakistan and Bangladesh are mainly working vertically, with tier 1-3 integrated in the same company, leading to a closer relationship and overview even further up the supply chain in these countries. In China and India, our two largest sourcing countries, the suppliers are usually split up in individual companies for each production process (horizontal production). This leads to a more challenging due diligence work for these countries. Since all sales are of final goods, and mostly sold directly to customers, we do not have any salient impact on workers in the downstream value chain.

[6] An online system that allows suppliers to maintain data on ethical & responsible practices and allows them to share this information with us.

S2 – WORKERS IN THE VALUE CHAIN			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Working conditions	**Upstream:** Inadequate working conditions that lead to worsened well-being (e.g. through stress, workplace accidents, inadequate wages), etc., for workers in the value chain.	The textile and interior sector employ millions of workers, many of whom are low-skilled and women. Due to complex and opaque supply chains, human rights violations are widespread, making due diligence challenging. Workers in the upstream value chain face significant (inherent) risks, including unsafe working conditions, excessive overtime, unfair wages, restricted union rights, and lack of job security. Many of Kid ASA's key sourcing markets, such as China, India, Pakistan, and Bangladesh, are classified as high-risk countries (Sedex Radar tool) with systemic labor rights concerns, including excessive overtime, low wages, and inadequate health and safety standards. Even in Eastern Europe, risks related to fair pay, working hours, and safety conditions persist.	Potential negative impact in all time horizons
Equal treatment and opportunities for all	**Upstream:** Unequal treatment and unequal opportunities for workers in the value chain regarding e.g. payment and development as well as diversity among employees (age, gender etc.)	The textile and apparel industry relies on a majority female workforce, many of whom have limited education and job security, making them highly vulnerable to exploitation, wage discrimination, and gender-based violence and harassment (GBVH). In high-risk sourcing regions like Bangladesh, reports show that 60% of garment workers have experienced or witnessed abuse, yet fear of retaliation and job loss often prevents them from speaking out. Without strong protections and grievance mechanisms, unsafe and hostile work environments persist, reinforcing cycles of abuse and impunity. Beyond workplace violence, gender inequality in the supply chain leads to precarious employment, particularly for women in home-based production, where short-term contracts, lack of social security, and exclusion from labor laws increase economic vulnerability. With limited access to training and career development, women remain trapped in low-wage positions with few opportunities for advancement.	Potential negative impact in all time horizons
Other work-related rights	**Upstream:** Violations of work-related right such as child labor, forced labor, adequate housing for own employees, employees' privacy, etc., in the value chain.	The textile industry has historically been a high-risk sector for child- and forced labor, and while conditions have improved, serious risks for negative impacts remain. Many migrant and refugee workers face unfair wages, informal contracts, and exploitative conditions, particularly in high-risk regions. In China's Xinjiang region, which supplies approximately 20% of the world's cotton, the risk of state-imposed forced labor is high, leading to Kid ASA's ban on Xinjiang cotton. Factory workers, often migrants, frequently live in employer-controlled housing, where poor conditions, lack of privacy, and restricted movement can lead to longer working hours and increased vulnerability to exploitation. Without effective oversight, these risks persist, exposing workers to severe human rights violations. With ongoing due diligence and strict supplier requirements, Kid ASA works to mitigate these risks, but continuous monitoring and enforcement are critical.	Potential negative impact in all time horizons

Policies Related to Value Chain Workers // S2-1

The Group's business model relies heavily on manpower for the production of goods. A significant portion of production takes place in countries with an inherently high risk of negative impacts on workers' rights. Given the varying challenges across different regions, it is crucial for the company to thoroughly understand and address these specific issues. Consequently, the company is required to implement independent policies and follow up with corrective action plans to mitigate identified negative impacts effectively.

The Kid Group has implemented the Policy for Responsible Business Conduct[7], which serves as the foundation for our approach to operating ethically and addressing social impact topics. This policy outlines the Group's commitment to ethical business practices and responsible supply chain management while embedding due diligence processes to assess, prevent, and mitigate negative social impacts in our operations and upstream supply chain.

The policy's requirements regarding human rights and decent working conditions are based on international frameworks, including the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises. It specifically addresses the material topics related to workers in the value chain, and covers all production countries. However, the Group's policy requirements on access to social audits differ depending on the overall country risk.

Our policy has been in place for several years, and through regular stakeholder dialogues, we continuously analyze and validate stakeholder input to ensure its relevance. No changes were made to the policy during the reporting period.

We are committed to actively engaging in due diligence, monitoring supplier practices, and implementing corrective actions to mitigate social risks while fostering positive impacts in the value chain.

The policy's requirements are implemented in the PAR (Policy for Responsible Business Conduct), which acts as the Supplier Code of Conduct. This document is distributed to all suppliers and is always accessible via the supplier website[8]. The Group requires its suppliers to comply with the Code of Conduct, which covers human rights, labor rights, anti-corruption and environmental responsibility. Suppliers must also conduct their own due diligence to ensure ethical practices throughout their operations and be able to provide documentation of compliance efforts.

Our approach is not to immediately terminate business relationships if suppliers fail to meet the required standards. Instead, we prioritize collaboration and expect suppliers to demonstrate a strong commitment to continuous improvement in social and labor standards. The suppliers are required to create Corrective Action Plans (CAP), including root cause analysis to mitigate the identified negative impacts related to workers' rights. The CAPs are shared with Kid and improvements are followed up in collaboration between the supplier and Kid.

As of 2024, the Group identified a few critical non-conformities related to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, specifically affecting workers in the upstream value chain. These issues were flagged through audits, which serve as a key tool for identifying compliance gaps in our supply chain. The non-conformities primarily involved concerns regarding health and safety conditions, excessive overtime, and fair wages.

[7] See page 108 for further information about governance of the policy.
[8] https://www.kid.no/supplier

APPROACH TO MANAGING SOCIAL IMPACTS IN THE SUPPLY CHAIN

Kid ASA acknowledges that its business operations can have both positive and negative social impacts within the supply chain. The Policy for Responsible Business Conduct includes specific measures to ensure human rights and decent working conditions.

Due Diligence Process

- Risk Assessments: Identify and evaluate potential negative social impacts on workers, communities and human rights in the supply chain.
- Prevention & Mitigation: Implement measures to stop, prevent and reduce identified risks.
- Remediation: If Kid ASA is responsible for harm, it commits to taking action; if the supplier is responsible, they are expected to provide remedy.

Responsible Purchasing Practices

- Kid ASA aims to support suppliers in improving social conditions rather than undermine them through unfair business practices.
- Prefers long-term partnerships with suppliers that demonstrate commitment to ethical conduct.

Social Rights & Labor Standards

The company sets minimum social standards for suppliers, based on ILO Conventions and UN Human Rights Frameworks, covering:

- Freedom of association and collective bargaining rights.
- Prohibition of forced labor and child labor.
- Fair wages, working hours, and employment conditions.
- Non-discrimination and equal treatment.
- Safe & healthy working conditions.

Processes for Engaging with Value Chain Workers about Impacts // S2-2

The Group believes that establishing strong dialogue and mutual understanding with factory management is a crucial part of its efforts to identify, mitigate and remediate irregularities in a systematic and sustainable manner.

Stakeholder engagement related to social impact in the upstream value chain is conducted through various initiatives on an ongoing basis. Factory audits are conducted regularly in accordance with SMETA or Amfori BSCI audit protocols, which align with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, including the right to collective bargaining. As part of the audit process, worker representatives – and, where applicable, union representatives – should be actively engaged and involved as legitimate stakeholders. The Sustainability Department is responsible for overseeing and collecting audit data, ensuring that findings are properly documented and addressed. To verify compliance and assess working conditions, auditors conduct anonymous worker interviews, allowing employees to freely express their experiences and knowledge of their rights. These interviews help cross-check whether the documented policies and procedures reflect the actual working conditions reported by employees.

The most significant supplier and workers in the value chain engagement takes place when representatives from the Sustainability team visit supplier factories. The goal is to foster honest and transparent dialogue to align on common expectations and understandings.

During some factory visits, we commission third-party audits to conduct SMETA assessments, evaluating social compliance within the factory. Through supplier meetings and site visits, the Sustainability team gains valuable insights into how suppliers and factories manage human rights and working conditions – both in general and, in some cases, at a detailed level.

We acknowledge that short and sporadic factory visits do not provide a complete perspective on workers' rights and involvement. However, these visits allow us to develop a holistic understanding of the supply chain structure, potential risks, and the level of cooperation and commitment from our suppliers.

Frequent stakeholder engagement also takes place when suppliers visit our offices for sales meetings, providing an opportunity to strengthen relationships and gain insights into their local challenges and opportunities.

The Sustainability Department serves as the operational team for stakeholder engagement related to social impact in the upstream value chain. The Board of Directors (BoD) is informed annually about risks through the Sustainability Report and the Transparency Report, as required by the Norwegian Transparency Act.The results and outcomes from stakeholder engagement are used as input in the operational work with social sustainability and due diligence processes.

Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns // S2-3

The Kid Group conducts Human Rights Due Diligence (HRDD) assessments in accordance with the OECD Guidelines for Multinational Enterprises, which also form the foundation of the Norwegian Transparency Act (Åpenhetsloven). Remediation is a critical part of this process, ensuring that any negative social impacts identified within our value chain are appropriately addressed. The full HRDD process is further described in the next section about actions. The annual Transparency Report is published at the Group's investor page and at Kid.no[10]

Providing and Contributing to Remediation

The Group is committed to taking responsibility when a material negative impact occurs within our value chain. If we are found to be responsible for or directly connected to such an impact due to lack or breach of requirements of the Policy, we take corrective action to address the harm and ensure meaningful resolution. However, if the supplier is responsible due to breaches of social requirements, they are required to provide appropriate remediation, ensuring that affected workers or communities receive fair and effective remedy.

Ensuring compliance with our Code of Conduct is fundamental to promoting decent work and safe working conditions throughout our supply chain. When a supplier violates the Code of Conduct or fails to meet audit standards, we take a structured approach to address the issue. The process begins with a root cause analysis, where we assess the underlying reason for the non-compliance. This analysis helps to identify systemic issues and determine the necessary steps for resolution.

Once the root cause is established, the supplier must develop a Corrective Action Plan report (CAPr), outlining the specific measures they will take to address and prevent the issue from recurring. This plan is then shared with Kid Group for review, ensuring a collaborative approach to implementation and follow-up.

The next step involves audit integration and follow-up, ensuring transparency and accountability in the remediation process. For suppliers undergoing SMETA (Sedex Members Ethical Trade Audit), the CAPr is uploaded directly to their digital member profile, alongside the audit report, making it accessible for continuous monitoring. For Amfori BSCI-audited suppliers, both the audit report and CAPr are shared via email with Kid Group's Sustainability Team, where they are assessed, discussed, and tracked for progress.

When a supplier gets identified findings, either minor, major or critical, on an audit for the first time, they are given the opportunity to correct the issue, demonstrating their commitment to compliance and ethical business practices. However, if a supplier fails to show willingness to address serious violations or if a major issue is repeated, Kid Group evaluates to terminate the business relationship. This approach reinforces our commitment to holding suppliers accountable, fostering a supply chain that prioritizes worker rights, ethical conduct, and continuous improvement.

This approach ensures that suppliers take responsibility for addressing non-compliance, while Kid Group maintains an active role in monitoring improvements and reinforcing ethical business practices across the supply chain.

Supplier and Workers' Whistleblower Mechanisms

An audit is a snapshot of a process, providing a moment-in-time assessment of compliance, practices, and performance within an organization or supply chain. Therefore, access to reliable and safe whistleblowing is important to secure that relevant non-compliances are reported and identified.

According to our supplier Code of Conduct in the PAR, it shall always be safe to raise a concern in our supply chain if a worker experiences unwanted events or any kind of breaches with the Code of Conduct. In case of such event, we will seek remediation for the involved part and assure that a corrective action plan in set into action to mitigate the risk of recurrence. There are three channels for a worker to raise a concern.

[9] https://investor.kid.no/corporate-governance/policy-for-responsible-business-conduct/
[10] https://www.kid.no/barekraft/vare-leverandorer

1. Kid Group has a whistleblower channel in place for external parties[11]. However, we understand that the workers in the upstream supply chain will struggle to find access to the procedure on our websites. Read more about this in the *Governance* section of this report, on page 108

2. The factory audit protocol includes a check for local whistleblower systems and raised concerns in the factories. Worker interviews are also held during audits to identify potential breaches of the Code of Conduct. The audit results are communicated with the Group.

3. The third channel is through our engagement with the International Accord on Health and Safety, a third-party stakeholder with relevant knowledge about building-, electrical-, and fire safety, give the workers in Pakistan and Bangladesh a chance to file complaints related to Health and Safety. As an Accord brand signatory, we contribute to provide workers at Accord-covered factories with a complaints mechanism[12] and protect them against retaliation for utilizing it. The complaints mechanism enables workers and their representatives to raise concerns about health and safety confidentially. Complaints are investigated by the Accord, and the findings and remediation requirements are announced to all workers in the factory. Once a complaint is closed, a summary protecting the complainants' identity is published on the Accord website in the interests of transparency regarding workplace safety. When non-OHS complaints are received in the factories we are partnering with in Bangladesh, the Accord is informing us and the other signatory brands with the complaints through email.

As of 2024, we do not have a clear overview or assessment of the effectiveness of these three channels. An analysis will be conducted in 2025, together with the whistleblower mechanisms described in the *Governance* section.

[11] Via https://www.kid.no/supplier and https://www.kid.no/barekraft/vare-leverandorer/varsling

[12] The Accord Complaints Mechanism is aligned with the criteria for effective grievance mechanisms provided in the United Nations Guiding Principles on Business and Human Rights

Taking Action on Material Impacts on Value Chain Workers // S2-4

Kid Group's approach ensures that material impacts on workers in the value chain are continuously assessed, mitigated, and addressed. Through due diligence processes, supplier engagement, corrective action plans, and tracking effectiveness, we are committed to building a responsible and ethical supply chain. This work is managed by the sustainability team.

The Kid Group's Human Rights Due Diligence (HRDD) process, aligned with the OECD Guidelines for Multinational Enterprises, is structured into six key steps:

1. Identification of Risks and Impacts – Mapping and assessing potential and actual negative impacts on workers in the value chain.
2. Supplier Screening and Onboarding – Evaluating suppliers before business relationships are established.
3. Ongoing Monitoring – Conducting factory audits, business reviews, and engaging with suppliers.
4. Preventive and Corrective Actions – Implementing corrective action plans (CAPs) where non-conformities are identified.
5. Tracking and Evaluating Effectiveness – Monitoring progress and assessing supplier performance over time.
6. Remediation and Worker Engagement – Ensuring appropriate measures are taken to mitigate and remedy negative impacts.

This process is continuous and proactive, ensuring that salient risks in the supply chain are addressed effectively.

Engagement with Suppliers and Corrective Action Plans (CAPs)

Before entering into business relationships, all new suppliers and factories are thoroughly screened based on a variety of environmental and social criteria. Relevant third-party certifications are collected and verified. Additionally, all suppliers must sign and comply with the Group's PAR (Purchasing Agreement Requirements) before any orders are placed.

To strengthen supplier screening, in 2023, Kid Group introduced an updated checklist in the purchasing and buying department to enhance supplier due diligence. In 2024, we further improved this process by integrating all producers and factory units into our ERP system, allowing for better tracking of production sites, origins of materials, and associated social risks.

For existing suppliers, HRDD assessments are conducted on an ongoing basis. As part of this, members from the Sustainability Department conduct regular supplier visits (twice per year) and, in some cases, attend factory audits across key sourcing markets, including China, India, Pakistan, and Bangladesh. These visits include discussions on working conditions, social compliance, climate mitigation, and continuous improvement initiatives.

In 2024, we conducted 10 supplier visits in Pakistan, covering 96% of our order value in the country, and 10 supplier visits in China, with a focus on hardgoods and tier 2 textile mills.

When non-conformities are identified during audits (based on SMETA 4-Pillar, Amfori BSCI, or SA 8000 standards), a Corrective Action Plan (CAP) is established by the supplier with clear timelines. CAPs include measures such as process improvements, training, and implementation of revised policies – depending on the severity and type of non-compliances. Auditors verify the implementation of these remedial actions through follow-up assessments. If a supplier fails to address serious or repeated violations, the business relationship may be reconsidered or terminated.

Tracking Effectiveness of Actions and Initiatives

To measure the effectiveness of sustainability initiatives, we track:

- Completion rates of audits and CAPs to assess supplier progress.
- Sedex Membership Validity as an indicator of supplier commitment to compliance.
- Supplier Self-Assessment Questionnaires (SAQs) as a qualitative measure of social risk awareness and improvement.

Due to the large volume of data we do not track individual worker-level data points but instead focus on holistic indicators of supplier performance.

Remediation of Negative Impacts and Worker Engagement

In cases of severe non-compliance, we work collaboratively with suppliers to remedy negative impacts. Common remediation efforts include:

- Improving health and safety conditions (e.g., providing adequate protective equipment, enhancing workplace safety protocols).
- Ensuring fair wages and working hours (e.g., reducing excessive overtime, ensuring compliance with minimum wage laws).
- Providing worker training on labor rights and grievance mechanisms.

To further strengthen worker engagement, factory audits include anonymous worker interviews, conducted by third-party auditors, to assess whether workers are aware of their rights and whether factory conditions align with documented policies.

Targets Related to Managing Social Impact // S2-5

As of 2024, the Kid Group has not set outcome oriented targets related to specific impact areas in the supply chain. In 2025, we will implement a new ERP system, which will enhance data quality and help us strengthen the metrics related to supply chain performance.

To get access to supplier specific data we are requiring all our suppliers and their factories to be registered on the Sedex platform and complete the SAQ. In addition, we have targets related to actual data and audit performance. To follow up on social impact and to reduce negative impacts on value chain workers, we have set targets related to data access. However, the access to comparative data on producer level is lacking, and the historic reporting on supplier level is not effective any longer.

ACCESS TO DATA TARGETS 2024:

Old target, ending in 2023, said: 100% of suppliers, based on sourced volume, to be scored on the Sedex platform by 2023. We reached 95% in 2023. This target was further developed during 2024, with a new target based on producers instead of suppliers to further access data.

- **Sedex Registration:** 100% of producers (tier 1 factories) to be registered and have a completed SAQ (scored) on the Sedex platform by 2025.
  - **2024:** 85% of the number of active producers have been scored on Sedex.

Old target, ending in 2023, said: Securing valid social audits for 80% of tier 1 suppliers based on volume by 2023. We reached 88% in 2023. This target has been further developed in 2024 to focus on the producers. However, our ERP-system is not giving us sourced value per producer, hence the value is split equally per producers of the suppliers.

- **Valid Social Audit:** 100% of the sourced value from high-risk countries, by producer, to have a valid social audit by 2025
  - **2024:** 92% of the sourced value from producers have valid social audit in 2024.
  - **2024:** 79% of number of producers have a valid social audit in 2024.

STATUS OF THE INTERNATIONAL ACCORD 2024:

The International Accord for Health and Safety in the Garment and Textile Industry (International Accord) is a legally binding agreement between garment/home textile brands and trade unions, designed to uphold worker health and safety within the textile and garment industry.

As a framework for action, the agreement supports the implementation of the Accord's Country-Specific Safety Programs (CSSPs), currently operating in Bangladesh and Pakistan, while also establishing a foundation for expanding similar programs to other garment-producing countries in the future.

We have targets related to the participation and progress of the CSSPs:

- **Bangladesh Accord:** 100% of textile factories shall be enrolled in the accord, with a progress rate above 80%.
  - **2024:** 100% of our active textile factories in Bangladesh are enrolled in the accord
  - **2024:** The progress rate is 87% for our two top suppliers (96% of sourced value)and 96% for our second supplier (4% of sourced value).

- **Pakistan Accord:** 100% of textile factories shall be enrolled in the accord. No progress rate available for the program as of 2024, due to the newly started initiative.
  - **2024:** 100% of our active textile factories in Pakistan are registered in the accord.
  - **2024:** 71% of the suppliers, based on sourced value, has initiated inspections during 2024.

S3 – AFFECTED COMMUNITIES

Kid Group's operations significantly impact communities near raw material production and manufacturing sites in the upstream value chain, exposing them to economic, social, and cultural risks. Committed to responsible business practices, the company continuously works to mitigate negative effects while fostering a responsible and ethical supply chain.

S3 - AFFECTED COMMUNITIES			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Communities' economic, social and cultural rights	**Upstream:** Impact on local communities by activities in value chain from a economic, social and cultural perspective, e.g. related to water quality, Land-related impacts and adequate housing etc.	The high reliance on water, energy, and chemicals throughout all production tiers heightens the risk of negative impacts on surrounding communities, especially in regions with weaker environmental regulations such as China, India, Pakistan, and Bangladesh. Limited traceability beyond Tier 1-2 further complicates efforts to monitor and mitigate pollution, increasing the potential harm to local populations.	Potential negative impact in all time horizons

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model // ESRS 2 SBM-3

Kid Group's business model and strategy rely on raw materials and the production of home textiles, interior goods, and furniture. These goods are primarily sourced from countries in the Asia-Pacific, where production methods are often less advanced and do not always follow best-practice standards.

The activities in Kid Group's upstream value chain significantly influence potential negative impacts on affected communities, particularly in regions where raw materials are produced, and textiles are manufactured. The extraction and processing of raw materials, alongside the production of home textiles, interior goods and furniture, are resource-intensive activities that can contribute to pollution, environmental degradation, and social challenges for surrounding communities affected by the operations of suppliers' facilities.

Communities near cotton farming and manufacturing sites often face air, water, and/or soil pollution, which can impact the nature and public health and disrupt traditional ways of life. Limited access to clean water remains a pressing concern for some communities, particularly in agricultural areas where water is essential for both daily needs and economic stability. Additionally, air emissions, including greenhouse gases (GHG), contribute to deteriorating air quality, increasing the risk of respiratory illnesses and further stressing local ecosystems.

Beyond pollution, climate change-related challenges are becoming more evident. Rising temperatures, prolonged droughts, and extreme weather events add new layers of vulnerability for affected communities, making access to natural resources increasingly difficult. In some cases, extreme heat has led to short-term factory closures, potentially leaving workers without income security or social protections, further exacerbating economic instability in these regions.

As part of the 2024 Double Materiality Analysis (DMA), Kid Group assessed its potential and actual impacts, as well as financial risks and opportunities related to affected communities. While material potential negative impact was identified under economic, social, and cultural rights, no material financial risks or opportunities were found.

While the textile industry can bring economic benefits by generating employment and fostering industrial growth, Kid Group does not directly invest in production facilities or local community development in these regions. Therefore, its activities do not generate a material positive impact in this regard.

Recognizing these complex challenges, Kid Group remains committed to responsible business practices, ethical sourcing, and improvement initiatives to reduce negative impacts and support the well-being of affected communities across its supply chain.

Policies Related to Affected Communities // S3-1

The Kid Group has established policies and due diligence practices to indirectly prevent negative impacts on affected communities, primarily through its Policy for Responsible Business Conduct, implemented via the Purchasing Agreement Requirements (PAR) (see Governance, page 110), and its human rights due diligence framework (see Workers in the Value Chain, page 99). These policies align with international frameworks, including the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Due Diligence Guidance for Responsible Business Conduct. We have not made any changes in the policies in 2024 applicable to affected communities.

As part of its due diligence efforts, Kid ASA conducts risk assessments to identify and mitigate potential negative impacts on people, society, and the environment throughout its supply chain. If the company is found to cause or contribute to such impacts, it is committed to taking corrective actions to stop, prevent, mitigate and remediate the issues through policy implementation and targeted interventions.

A key principle is ensuring that products are manufactured in accordance with UN and ILO conventions. The Policy explicitly states that production and resource use must not contribute to the destruction or degradation of livelihoods for marginalized communities, such as through large-scale land use, water consumption, or exploitation of other critical natural resources. This commitment is reflected in policies on Agriculture & Forestry, Cotton, Plastics, PVC, and PFAS, as well as social compliance requirements outlined in Workers in the Value Chain.

Kid ASA is also committed to minimizing its indirect impact on indigenous rights. In response to forced labor concerns in China's Xinjiang province, the company actively monitors the situation and follows industry recommendations. It has banned cotton sourcing from the region, aligning with Better Cotton's decision to halt its credentialing system there, reinforcing Kid ASA's commitment to ethical sourcing and human rights protection.

The Kid Group has not identified any cases of non-respect or breaches of human rights that involve affected communities in our upstream value chain.

Processes for Engaging with Affected Communities about Impacts // S3-2

Kid Group's access to firsthand engagement with affected communities in the upstream value chain is limited and can therefore not be considered to be effective. Kid's operations are governed from the headquarters in Norway, with no local offices in the production countries. Access to information regarding affected communities is primarily gathered through industry organizations, general international news, and via dialogue with our tier 1 suppliers on a ongoing basis. As of now, this is the most efficient approach to getting insights into the local and affected communities, but we aim to find better ways of insights in the future. It is primarily the sustainability department that handles community engagement with the upstream value chain, regarding ESG-topics. The information is shared internally and reported to the management team and the Board of Directors when new policies or initiatives are necessary.

In tier 1-3 of our supply chain, the sustainability team engages with suppliers and workers through ongoing digital conversations and social audits, as described in the section about *Workers in the Value Chain*. However, when doing social audits, the focus is to control labor standards and health & safety in the factories. In the SMETA 4-pillar audit protocol the business ethics and environmental aspects are controlled. This helps us gain an insight into the potential impact and risks on the surrounding communities, related to the factories' operations.

As part of the 2024 DMA process, Kid engaged with a variety of stakeholders to gain better insight into affected communities. The International Accord, with a strong local presence in Pakistan and Bangladesh, emphasized that to achieve change, it is crucial that brands take a critical approach to how their practices related to supplier engagement, commercial terms and purchasing practices affect suppliers' ability to secure good working conditions and invest in safe factories. More information about how we work on managing supplier relationships are found in the *Governance* section on pages 109-110.

For tier 4, which covers raw material production, the Group relies on industry standards to drive positive change and mitigate negative impact. Cotton, our largest fiber category, is the most critical raw material we work with. As part of our commitment to responsible sourcing, we support the Better Cotton initiative, which promotes improved farming practices. In cotton farming communities, more than 90% of farmers are smallholders, cultivating less than two hectares of land. Better Cotton focuses on building resilience and improving livelihoods for these farmers through sustainable agricultural practices. Without Better Cotton the Kid group would not be able to reach these farmers in an efficient manner.

Actions to Mitigate Negative Impacts and Channels for Affected Communities to Raise Concerns // S3-3 + S3-4

As of 2024, Kid does not have any actions focused solely on remediating negative impact on local communities. With the variety of negative impacts described throughout this report, and the relations between raw material production, manufacturing of goods, and release of pollutants effecting the local communities, it is a challenge to identify direct impact that can be remediated. However, we have actions related to other topics that indirectly mitigate negative impacts on local communities, such as Better Cotton.

The channels and policies for stakeholders in the value chain to raise concerns regarding affected communities are the same methods as described on pages 97-98 and 108. The channels for direct communication with Kid however, are not easily accessible by individuals in affected communities, if they are not aware of Kid specifically.

Targets Related to Managing Material Negative Impacts // S3-5

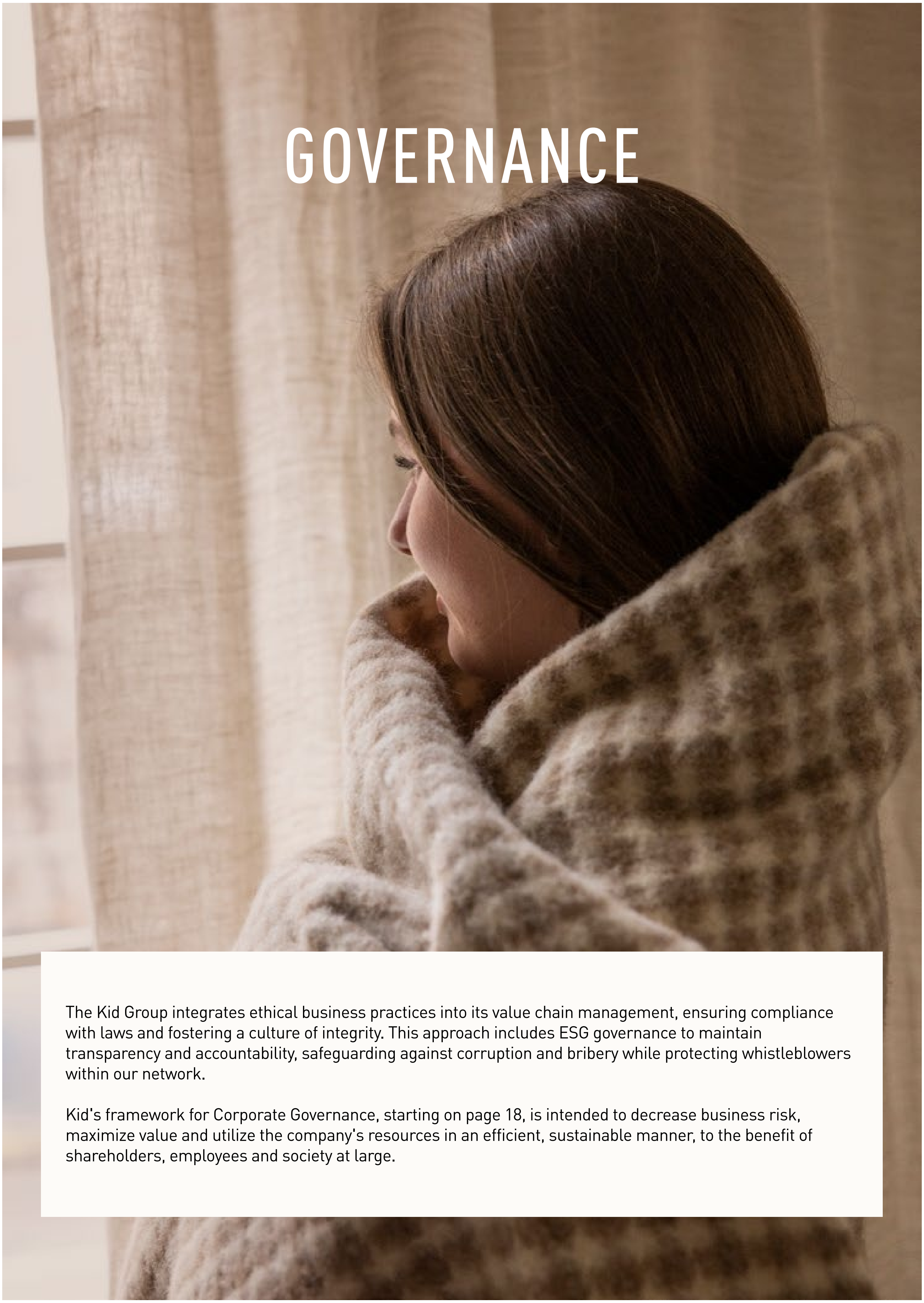
Currently, we have not set measurable outcome-oriented targets due to the complexity of our industry, which presents significant challenges in effectively implementing standardized goals for affected communities in countries and regions far away from our own operations. Given the dynamic nature of our operations and supply chain, defining a clear timeframe for setting such targets remains uncertain. However, other target areas described throughout this report shall help contribute to development and mitigate negative impacts on affected communities.

Despite the absence of formalized targets, we are dedicated to actively track the effectiveness of our policies and actions in relation to material sustainability impacts for affected communities. This is achieved through ongoing stakeholder engagement, and internal monitoring processes.

Our ambition is to continuously enhance sustainability performance through qualitative assessments and industry best practices, rather than predefined quantitative indicators. As such, no specific base year has been established for measuring progress at this stage.

> We are dedicated to actively track the effectiveness of our policies and actions in relation to material sustainability impacts for affected communities

GOVERNANCE



The Kid Group integrates ethical business practices into its value chain management, ensuring compliance with laws and fostering a culture of integrity. This approach includes ESG governance to maintain transparency and accountability, safeguarding against corruption and bribery while protecting whistleblowers within our network.

Kid's framework for Corporate Governance, starting on page 18, is intended to decrease business risk, maximize value and utilize the company's resources in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

Corporate culture and business conduct policies // G1-1

The Kid Group works in a manner that is consistent with international and national laws and regulations of the countries in which it operates and considers stakeholders interests. At Kid Group, our core values – Commercial Edge, Inspiration, and Dedication – define our culture and guide our actions, not only in customer and supplier interactions but also in our daily collaboration with colleagues. These values are shared across all legal entities within the Group and are actively promoted and reinforced through structured initiatives.

To ensure alignment and integration, our values are introduced during the onboarding program for new employees and continuously emphasized through annual kick-off meetings and key initiatives. These efforts strengthen our corporate culture, fostering a work environment where our values are not just principles, but a practical foundation for decision-making and professional growth. The Board of Directors (BoD) have implemented a Policy for Responsible Business Conduct (the Policy) to mitigate negative impact and reduce risks. The Policy outlines the company's commitment to ethical practices and sustainability throughout its operations and value chain. These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. When material changes occur in the business model, supply chain, stakeholder expectations or regulatory landscape, the sustainability department prepare amendments to the Policy to the BoD, who then assess and sign off on the required updates.

Since the business model relies on securing access to products that are produced in compliance with our requirements, supplier relationship management plays a crucial role in achieving our targets. We are committed to fostering supplier relationships built on trust and cooperation.

The Kid Group's identified material impacts originate from our business model operating in the textile and interior industry. There is an inherent risk connected to corruption and payment practices, which also leads to corporate culture and protection of whistle-blowers becoming material topics. To mitigate the risks, the Group has a dedicated sustainability team that follow up on supplier's sustainability compliance. The financial risks and opportunities related to governance has not exceeded the threshold for materiality, but the long-term aspects of sustainability governance may lead to increased need for resources.

Kid has policies related to all our material business conduct matters as outlined in the next section. Based on these policies, our conclusion is that we are able to mitigate the risk of potential negative impacts happening and remediate the impacts if they do occur.

G1 – BUSINESS CONDUCT			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Corporate culture	**Upstream:** A weak corporate culture can lead to poor labor practices, ethical risks, and weakened supplier relationships, impacting working conditions and accountability in the upstream value chain. **Own Operations:** Impact of the organization's corporate culture on business conduct and employee well-being within its own operations.	**Upstream:** Kid ASA has a Code of Conduct which applies to all their suppliers as well as their subcontractors. **Own operations:** Without a strong cultural framework, misalignment in norms and values can lead to inconsistent practices, low employee engagement, and weakened organizational integrity.	Potential negative impact in all time horizons
Communities' economic, social and cultural rights	**Upstream:** Risk of whistleblowers in the value chain facing consequences due to inadequate protection and processes. **Own Operations:** Risk of whistleblowers facing consequences due to insufficient policies and procedures within the company.	**Upstream:** Without proper whistleblower protection, workers in the value chain may fear retaliation, leading to unreported violations, unsafe conditions, and continued non-compliance with ethical standards.. **Own operations:** Without whistleblower protection, misconduct may go unreported, leading to lack of accountability, ethical breaches, and a culture of fear and distrust.	Potential negative impact in all time horizons

G1 – BUSINESS CONDUCT (CONTINUED)			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Management of relationships with suppliers, including payment practices	**Upstream:** Impact on business partners (especially small and medium-sized) due the assessed company's requirements and payment procedures, e.g., delayed payments, long payment terms, high demands with short notice or other unreasonably high demands, etc. Impacts from actors in the value chain, e.g. on people and the environment, etc., due to inadequate sustainability performance. **Own operations:** See upstream.	A brand's purchasing practices significantly impact a supplier's ability to ensure good working conditions, uphold human rights, and invest in sustainable development. The textile industry's fast cycles and short lead times have fostered an unhealthy norm, where supplier relationships have traditionally been one-sided, favoring buyers' demands. Poor planning, late changes, order cancellations, short lead times, and unfavorable payment terms create instability for suppliers, often resulting in excessive overtime, low wages, subcontracting, financial risks, and limited investments.	Potential negative impact in all time horizons
Corruption and bribery	**Upstream:** Impacts on suppliers if Kid is engaged in corrupt practices upstream **Own operations:** Impacts on employees if Kid is engaged in corrupt practices in own operations. **Downstream:** See own operations.	**Upstream:** Without proper whistleblower protection, workers in the value chain may fear retaliation, leading to unreported violations, unsafe conditions, and continued non-compliance with ethical standards.. **Own operations:** Without whistleblower protection, misconduct may go unreported, leawding to lack of accountability, ethical breaches, and a culture of fear and distrust.	Potential negative impact in all time horizons

POLICY FOR RESPONSIBLE BUSINESS CONDUCT

The Policy Responsible for Business Conduct has been distributed and implemented within Kid Group's own operations through local Codes of Conduct for our own workforce, ensuring alignment with ethical standards and practices. Internal introductions and training sessions on these ethical values are integrated into the onboarding programs for new employees, fostering awareness and commitment from the outset. In 2025 the HR departments will evaluate the effectiveness of the training program and decide if further internal implementation procedures of the ethical guidelines are necessary.

For the upstream value chain, the Policy is enforced through comprehensive Purchase Agreements and Requirements (PAR), which outline clear expectations related to social and environmental impact. When establishing new supplier relationships, a risk screening process is conducted to identify potential concerns. Suppliers are then onboarded with a tailored introduction to the Kid Group's PAR, as well as onboarding to fundamental systems and frameworks designed to ensure compliance and alignment with the Group's sustainability and ethical objectives. The onboarding communication is primarily done through email conversations.

WHISTLEBLOWING MECHANISM

Whistleblowing is a vital process for maintaining transparency and accountability within our company and the Group's value chain. We are committed to ensure that any unethical, illegal, or harmful practices within the organization or our subcontractors can be reported without fear of retaliation, and we assure all whistleblowers that their concerns are taken seriously.

The Group has one external and two internal reporting systems for concerns. The adaptions are made to secure the most effective outcome with the available resources.

For external whistleblowers, there are two ways of submitting a concern[13] – either through an online form or the possibility of sending a letter, both ways will lead to the whistleblower council. The council, consisting of CEO, Chief Safety Representative, HR Manager and Sales Director will start with a preliminary investigation. If the preliminary investigation identifies potential issues, the case will proceed to a deeper investigation, and all involved parties will be informed and given the opportunity to provide input. If the preliminary investigation concludes that there are no grounds for concern, the case will be closed without notifying the whistleblower.

For supplier specific whistleblower mechanisms for concerns in the upstream value chain, see section *Workers in the Value Chain* on pages 97-98.

For internal concerns, the Group has divided and adapted the whistleblower reporting system into the Kid Interior and Hemtex segments based on local regulations and requirements.

Kid Interior and Kid Logistikk have an internal report function, where concerns can be submitted anonymously via the intranet. The CEO and HR Manager will receive the concern and handle the incoming inquiries and together evaluate and solve the cases. This second-party function is an accepted solution for Norway, which is not covered by the EU whistleblowing directive. The policy and instructions on how to report a concern in Kid Interior is available on the intranet, which all employees in the Kid-segment have access too. As of 2024, no training on the whistleblower procedures were given to Kid-employees but will be further evaluated on how to inform and train employees in 2025.

Hemtex (all markets) and Kid International Logistic (KIL) AB, which operates in EU, is obliged to follow the EU whistleblowing directive, (EU) 2019/1937, since 2022 and protect whistleblowers according to set rules. Therefore, Hemtex has a third-party solution, Visslan[14], to secure the anonymity of the whistleblowers. The report is made via an external online channel, encrypted to ensure the anonymity of the whistleblower, linked from the intranet which all employess in Hemtex has access to The report is initially reviewed by external lawyers, who assess whether the case can be classified as whistleblowing in a legal sense. If the case is confirmed as a whistleblowing matter, 1) the HR manager is contacted, and if the HR manager is the subject of the report, 2) the CFO of Hemtex is contacted instead. External lawyers assist in handling the matter. If the issue is classified as an internal irregularity but does not meet the legal definition of a whistleblowing case, it is handled according to the standard procedure for internal incident reporting. Instructions and training on the whistleblower procedures are given through "Hemtex Academy" to the Hemtex employees.

In the Kid group, there have been no cases of whistleblowing (external or internal) during 2024, compared to two internal cases in 2023.

Management of relationships with suppliers // G1-2

The Group views responsible purchasing practices as one of the most vital tools for ensuring responsible business conduct in the upstream value chain. We are committed to adapting our purchasing practices to support – rather than hinder – our suppliers' ability to meet our requirements regarding people, society, and the environment. Our goal is to foster long-term relationships with suppliers who demonstrate a strong commitment and capability to drive positive developments within the supply chain. An important part of this work is the supplier engagement and dialogue. Read more about this work on page 42.

Key elements of the Policy for Responsible Business Conduct include:

- **Supply Chain Transparency and Safety:**
  - Kid ASA emphasizes the importance of a secure and transparent supply chain. The company conducts thorough due diligence assessments to identify, prevent, mitigate, and, if necessary, address and remediate significant risks within the supply chain.
- **Social Standards:**
  - Prohibition of forced and child labor, discrimination, and inhumane treatment.
  - Commitment to fair wages, safe working conditions, and respect for marginalized populations.
- **Environmental Standards:**
  - Reduction of negative environmental impacts across the value chain.
  - Emphasis on minimizing greenhouse gas emissions, pollution, and harmful chemical use.
- **Anti-Corruption and Protection of Whistleblowers:**
  - Strict prohibition of all forms of corruption.

The Policy is available on our investor page, supplier portal and customer websites.

[13] https://www.kid.no/barekraft/vare-leverandorer/varsling
[14] https://www.hemtex.se/info/kundservice/visselblasarlagen

The PAR includes a specific chapter just for payment and delivery terms. The inbound department in Kid handles all supplier sales contracts, freight- and custom documents. Kid ASA will pay for the goods in accordance with the stated terms in the purchase order, which are followed by a sales contract signed by both parties. Several control functions are in place to secure the payment of orders at the right time, to the right recipient. This avoids late payments, and provides a security for all our suppliers, and especially for small and medium-sized enterprises (SMEs).

To ensure that the Group's upstream production is undertaken in ethical conditions, all our suppliers are screened for environmental and social criteria before we enter business with them. A collaborative procedure between the buying- and product development department together with the sustainability department ensures that the principles outlined in the Policy are systematically integrated across the supply chain. This includes conducting due diligence to identify and mitigate risks, collaborating with suppliers to enhance their capacity for compliance, and monitoring adherence through audits and regular assessments. Suppliers are expected to perform risk assessments, implement preventive measures, and provide remedy in cases of non-compliance. As a member of Sedex we get access to the Radar risk screening tool, which combines country and sector risks with data from suppliers connected via the Sedex Advance platform. It helps to identify suppliers operating in high-risk environments or with workers more vulnerable to labor exploitation. More information about how we screen and take action on social impact is available in the section about *Workers in the Value Chain*, on page 99.

> The Group's Policy for Responsible Business Conduct and PAR sets the standard expected to be met by all our suppliers and partners during operation and manufacturing

Where necessary, Kid Group considers providing capacity-building support or allocating resources to help suppliers meet the company's requirements for responsible business practices. This collaborative approach emphasizes creating partnerships with suppliers who demonstrate a commitment to improving outcomes for people, society, and the environment within the supply chain. By working closely with these suppliers, Kid Group aims to build a foundation for shared progress and sustainable development.

The Group's Policy for Responsible Business Conduct and PAR sets the standard expected to be met by all our suppliers and partners during operation and manufacturing. We are fully aware that all expectations can't be met immediately, but these as well as non-compliances are to be settled by corrective actions by the supplier. If repeated violations are established without any effort by the supplier to take appropriate actions, it is our duty to terminate the cooperation with such suppliers. In 2024 no supplier relationship was terminated due to ESG-related non-compliances.

Purchase Agreement and Requirements

The Kid Group suppliers contractually commit to comply with the company's requirements for responsible business conduct, which is integrated to the Groups Purchase Agreement and Requirements (PAR), which acts as the Supplier Code of Conduct. The suppliers are obliged to sign and comply with our PAR before the first order is placed. These agreements are based on the Policy for Responsible Business Conduct, and impose, among other things, sound employee working conditions, that no child- or forced labor is in use, environmental considerations are taken into account when it comes to raw materials and good animal welfare practices. When it comes to payment and delivery terms, the policy and routines are governed in section 2 of the PAR. Suppliers are always paid in time according to the sales contracts. The PAR is revised annually, and the official version can always be found at www. kid.no/supplier.

CORRUPTION AND BRIBERY

In 2024 the Kid Group sourced 83% of the value of goods from countries in Asia. All these countries (see page 40) have a Corruption Perceptions Index below the global average, leading to an increased inherent risk in our upstream value chain. Our own operations and the downstream value chain are all located in the “top 12” countries of the world according to the same index, leading to a lower, but not neglectable risk. Counteracting corruption and bribery are an ongoing process which requires cooperation, consensus, and a joint strategy throughout the value chain. The Group's policy and routines follow the principles stated in the United Nations Convention against Corruption, but as of 2024 no clear reference to the convention is given in the policy documents.

Prevention and Detection of Corruption and Bribery // G1-3

We have a zero-tolerance policy for corruption. The Kid Group's ethics policy provides guidance on how parties should react to situations in which gifts, samples, trips, discounts, or other benefits are offered. To create a shared vision and clear basic rules for business relationships, we apply the same policy to our employees as to external contacts. To report suspected or confirmed incidents of corruption, the reporter can use the implemented whistleblowing system. As of 2024, no targeted training programs have been implemented to educate about corruption and bribery. The Group's Head of Sustainability sends out an annual reminder to all goods suppliers that no gifts are allowed to the members of the Group.

The risk screening of the entire supply chain and of individual suppliers are essential to create an understanding of potential corruption and bribery. The value of the Group's sourced goods is spread out on a diverse supply chain, located in different countries and sectors to mitigate the financial risks from individual suppliers. The members of the product development- and buying department are considered as the Group's functions that are most at risk in respect of corruption and bribery, as they are in closest dialogue with the suppliers. To prevent and detect corruption related to outgoing payments, the company has implemented an automized multi-level approval process for invoices to prevent fraud and ensure that the payment approval matrix is efficient.

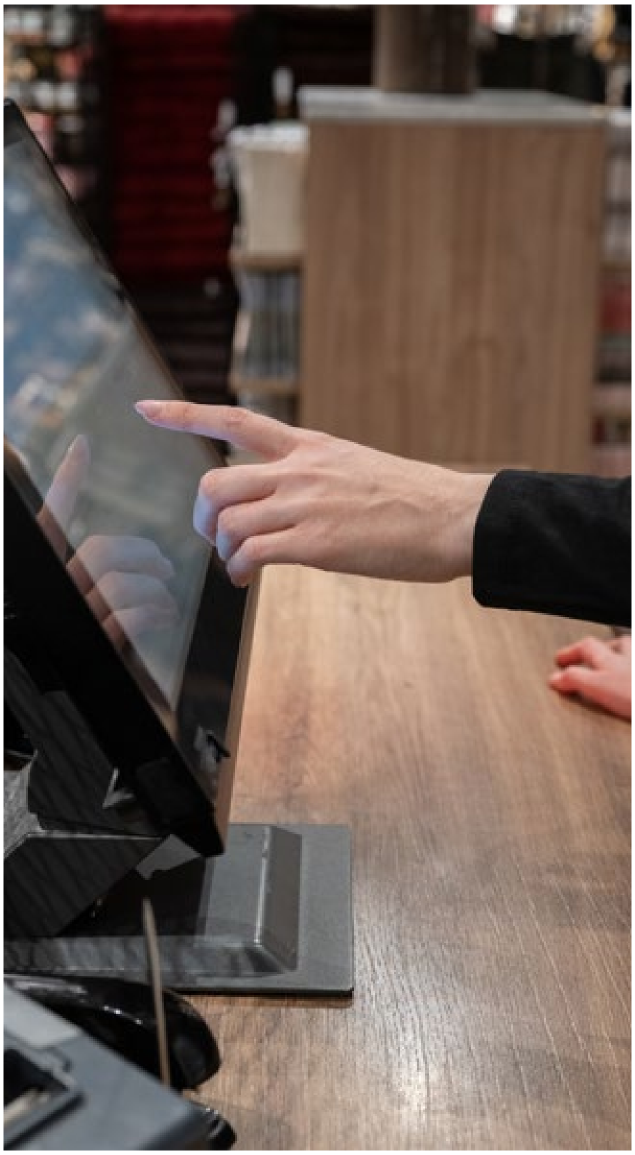
The negative impacts of corruption and bribery in the upstream value chain are not just related to financial risk to the Kid Group, but also the risk of negative impact on the environment and social aspects of workers and local communities.

The members of the Sustainability and Supply Chain team, who handles a variety of certificates, documents and reports from the supply chain, have systems in place to validate, and are trained to verify documentation obtained by the suppliers in the upstream value chain.

Confirmed Incidents of Corruption or Bribery // G1-4

There were no fines for violation of anti-corruption and anti-bribery laws in the reporting period, nor any reported or identified incidents involving actors in our value chain where our own employees are directly involved.

Upstream Value Chain: There was one report of incident due to suspicion of bribery and corruption in the upstream value chain in 2024. The incident concerns one of the Group's suppliers, where goods were delivered with a significantly reduced quality level, with an outcome of loss of sales for the Group. It is suspected that the issue may be the result of internal sabotage by workers on the production line, potentially involving corruption or bribery. However, there is no indication or evidence of corruption or bribery involving top management at this time. The supplier is still delivering a small quantity of goods to the Group to refund the cost of the goods delivered with reduced quality. However, actions have been taken to replace the vendor going forward. The case was identified through dialogue with the supplier and the supplier's agent. The case has been communicated to the Board of Directors during a board meeting. The negative financial impact of this case is assessed to medium, but non-material according to the Group's set financial threshold.



Own Operations: The Group has a self-reporting system where the employees report directly to their manager if they have been exposed to a bribery situation. Small gifts have been reported, but no indications of corruption due to gifts or potential bribes has been identified in 2024. In the event of identified bribery or corruption, this is reported to the Administration and the Board of Directors. However, a formal system to track and report such incidents is currently not in place. A plan to implement a new reporting system in 2025 is started, and the outcome of the system will lead to a cleared overview of bribery, and correlation to potential corruption in the Group's own operations.

Downstream value chain: The impact and risk of corruption and bribery in the downstream value chain are not identified as material, therefore no measures have been implemented.

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LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

INDICATOR NUMBER	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS 2 GOV-1	Board's gender diversity § 21 (d)	Indicator number 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		Material
ESRS 2 GOV-1	Percentage of board members who are independent § 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS 2 GOV-4	Statement on due diligence § 30	Indicator number 10 Table #3 of Annex 1				Material
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities § 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a. Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material. Kid ASA is not involved in activities related to fossil fuel
ESRS 2 SBM-1	Involvement in activities related to chemical production § 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material. Kid ASA is not in involved in activities related to chemical production
ESRS 2 SBM-1	Involvement in activities related to controversial weapons § 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco § 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1	Transition plan to reach climate neutrality by 2050 § 14				Regulation (EU) 2021/1119, Article 2(1)	Material
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks § 16 (g)		Article 449a. Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not material. Kid ASA is not in scope of the regulations
ESRS E1-4	GHG emission reduction targets § 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material

	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) § 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				Not material. Kid ASA is not in a high impact sector
ESRS E1-5	Energy consumption and mix § 37	Indicator number 5 Table #1 of Annex 1				Material
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors § 40 – 43	Indicator number 6 Table #1 of Annex 1				Not material. Kid ASA is not in a high impact sector
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions § 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material
ESRS E1-6	Gross GHG emissions intensity § 53 – 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material
ESRS E1-7	GHG removals and carbon credits § 56				Regulation (EU) 2021/1119, Article 2(1)	Not material. Kid ASA does not do GHG removals or carbon credits
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks § 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Kid is not reporting on this in 2024 since this is a phase in requirement
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk § 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Kid is not reporting on this in 2024 since this is a phase in requirement
ESRS E1-9	Location of significant assets at material physical risk § 66 (c).					
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes § 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Kid is not reporting on this in 2024 since this is a phase in requirement
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities § 69			Delegated Regulation (EU) 2020/1818, Annex II		Kid is not reporting on this in 2024 since this is a phase in requirement
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, § 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material. Kid is not in scope of E-PRTR

	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS E3-1	Water and marine resources § 9	Indicator number 7 Table #2 of Annex 1				Material
ESRS E3-1	Dedicated policy § 13	Indicator number 8 Table 2 of Annex 1				Material
ESRS E3-1	Sustainable oceans and seas § 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	Total water recycled and reused § 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4	Total water consumption in m 3 per net revenue on own operations § 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- SBM 3	E4 § 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- SBM 3	E4 § 16 (b)	Indicator number 10 Table #2 of Annex 1				Material
ESRS 2- SBM 3	E4 § 16 (c)	Indicator number 14 Table #2 of Annex 1				Material
ESRS E4-2	Sustainable land / agriculture practices or policies § 24 (b)	Indicator number 11 Table #2 of Annex				Material
ESRS E4-2	Sustainable oceans / seas practices or policies § 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2	Policies to address deforestation § 24 (d)	Indicator number 15 Table #2 of Annex 1				Material
ESRS E5-5	Non-recycled waste § 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5	Hazardous waste and radioactive waste § 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3	S1 Risk of incidents of forced labour § 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3	S1 Risk of incidents of child labour § 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1	Human rights policy commitments § 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, § 21			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-1	Processes and measures for preventing trafficking in human beings § 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1	Workplace accident prevention policy or management system § 23	Indicator number 1 Table #3 of Annex I				Not material
ESRS S1-3	Grievance/complaints handling mechanisms § 32 (c)	Indicator number 5 Table #3 of Annex I				Material

	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS S1-14	Number of fatalities and number and rate of work-related accidents § 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness § 88 (e)	Indicator number 3 Table #3 of Annex I				Not material
ESRS S1-16	Unadjusted gender pay gap § 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16	Excessive CEO pay ratio § 97 (b)	Indicator number 8 Table #3 of Annex I				Not material
ESRS S1-17	Incidents of discrimination § 103 (a)	Indicator number 7 Table #3 of Annex I				Not material
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines § 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS 2- SBM3	S2 Significant risk of child labour or forced labour in the value chain § 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I				Material
ESRS S2-1	Human rights policy commitments § 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material
ESRS S2-1	Policies related to value chain workers § 18	Indicator number 11 and number 4 Table #3 of Annex 1				Material
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines § 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, § 19			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain § 36	Indicator number 14 Table #3 of Annex 1				Material
ESRS S3-1	Human rights policy commitments § 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Material
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines § 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material
ESRS S3-4	Human rights issues and incidents § 36	Indicator number 14 Table #3 of Annex 1				Material

	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS S4-1	Policies related to consumers and end-users § 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines § 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4	Human rights issues and incidents § 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1	United Nations Convention against Corruption § 10 (b)	Indicator number 15 Table #3 of Annex 1				Material
ESRS G1-1	Protection of whistle- blowers § 10 (d)	Indicator number 6 Table #3 of Annex 1				Material
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws § 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material
ESRS G1-4	Standards of anti-corruption and anti-bribery § 24 (b)	Indicator number 16 Table #3 of Annex 1				Material

Lier, 9 April 2025

The board of directors, Kid ASA

Espen Gundersen Chairman (Sign.)	Liv Berstad Board member (Sign.)	Gyrid Skalleberg Ingerø Board member (Sign.)
Karin Bing Orgland Board member (Sign.)	Jon Brannsten Board Member (Sign.)	Anders Fjeld Chief Executive Officer (Sign.)

To the General Meeting of Kid ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Kid ASA (the «Company») included in Sustainability Statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in section Impact, Risk and Opportunity Management; and

- compliance of the disclosures in Statement on EU Taxonomy for Sustainable Economic Activities of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in section Impact, Risk and Opportunity Management of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in Statement on EU Taxonomy for Sustainable Economic Activities of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in section Impact, Risk and Opportunity Management.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in section Impact, Risk and Opportunity Management.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

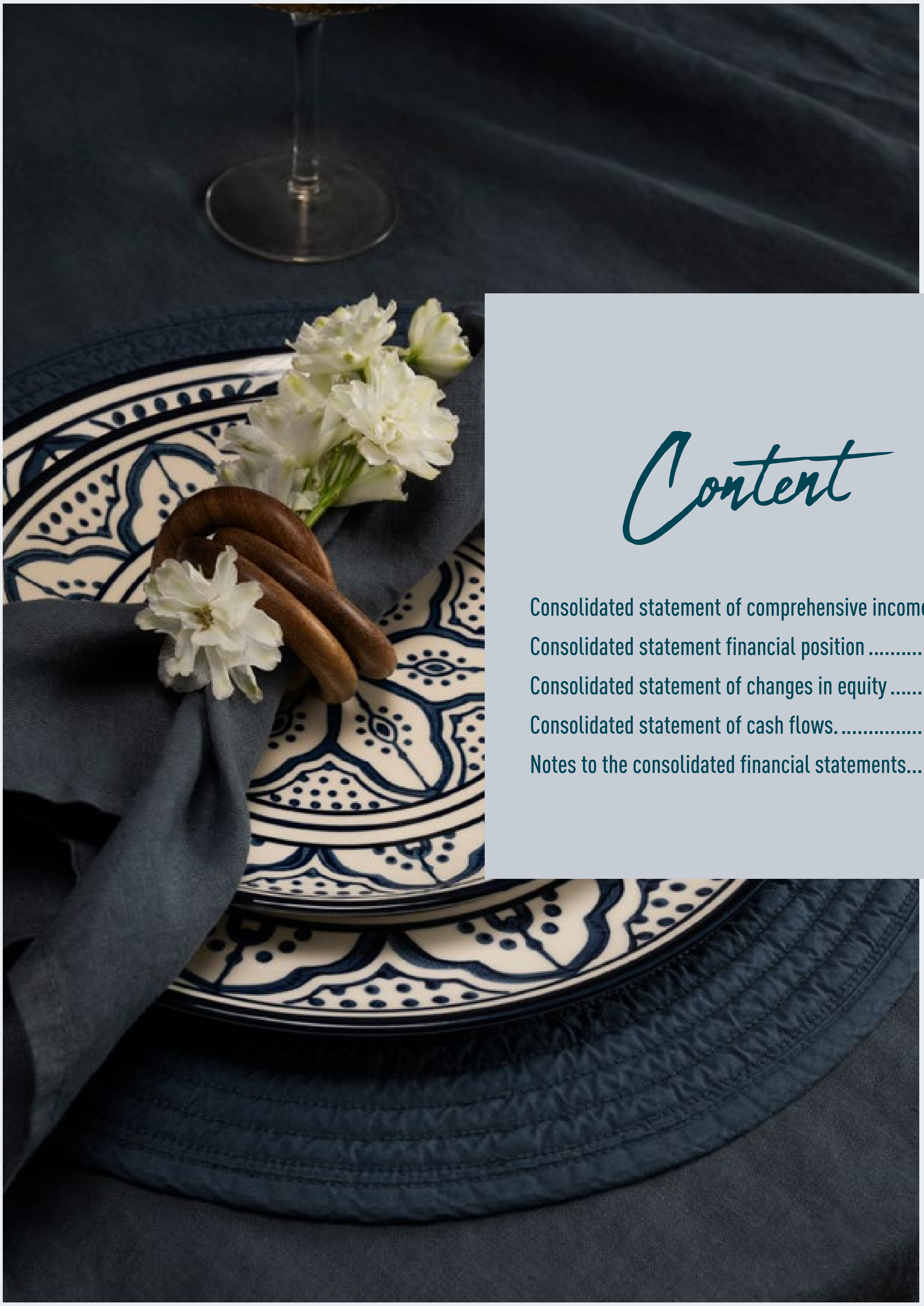
- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
    - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
    - Obtaining an understanding of the Group's risk assessment process;

- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 9 April 2025
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant – Sustainability Auditor
(This document is signed electronically)

CONSOLIDATED FINANCIAL STATEMENT 2024



Content

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.	Note	Group Year ended 31 December 2024	2023
Revenue	4	3,784,944	3,413,595
Other operating income		4,837	4,270
Total revenue		**3,789,781**	**3,417,866**
Purchased goods and change in inventory	15	1,443,224	1,314,280
Employee benefits expense	6, 20	783,001	704,722
Depreciation and amortisation expense	11,12, 24	471,662	404,136
Other operating expenses	19	536,595	514,371
Total operating expenses		**3,234,482**	**2,937,508**
Operating profit		**555,299**	**480,357**
Financial income	7	10,609	10,844
Financial expense	7	101,077	87,473
Net financial income (+) / expense (-)		**-90,468**	**-76,630**
Share of result from joint ventures	8	**33,317**	**-1,200**
Profit before tax		**498,149**	**402,528**
Income tax expense	9	99,558	88,701
Net profit		**398,591**	**313,827**
Attributable to the owners of the parent		**398,591**	**313,827**
Other comprehensive income			
Items that may be reclassified to P&L			
Cash flow hedges	22	97,031	38,307
Tax effect from cash flow hedges	22	-21,387	-8,506
Currency translation differences	22	7,022	24,559
Total other comprehensive income net of tax		**82,669**	**54,360**
Total comprehensive income		481,260	368,187
Attributable to the owners of the parent		**481,260**	**368,187**
Basic and diluted Earnings per share (EPS):	10	**9.81**	**7.72**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.		Group	
	Note	**31st December 2024**	31st December 2023
ASSETS			
Goodwill	5,12	71,298	70,169
Trademark	5,12	1,514,724	1,513,851
Other intangible assets	12	54,934	46,699
Deferred tax asset	9	0	6,593
Total intangible assets		**1,640,955**	**1,637,312**
Right of use asset	5,24	1,198,483	1,050,028
Property, plant and equipment	11	383,495	303,178
Total fixed assets		**1,581,977**	**1,353,206**
Investments in joint ventures	8	34,331	1,013
Loans to associated companies and joint ventures	21	0	50,702
Total financial fixed assets		**34,331**	**51,716**
TOTAL NON CURRENT ASSETS		**3,257,264**	**3,042,234**
Inventories	**15**	**775,911**	**576,279**
Trade receivables	13,14	31,511	32,640
Other receivables	9, 14	52,794	43,031
Derivative financial instruments	3,13, 22	76,057	29,337
Total receivables		**160,362**	**105,009**
Cash and cash equivalents	**13,16, 23**	**228,534**	**225,065**
TOTAL CURRENT ASSETS		**1,164,807**	**906,353**
TOTAL ASSETS		**4,422,070**	**3,948,587**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.	Note	Group 31st December 2024	Group 31st December 2023
EQUITY AND LIABILITIES			
Share capital	17	48,770	48,770
Share premium	17	321,050	321,050
Other paid-in equity		64,617	64,617
Total paid-in-equity		**434,440**	**434,436**
Other reserves	22	81,073	-7,573
Retained earnings		1,022,814	888,414
TOTAL EQUITY		**1,538,326**	**1,315,280**
Deferred tax liability	9	322,628	312,218
Long term lease liabilities	24	891,620	779,287
Long term liabilities to financial institutions	3, 13, 18, 23	461,668	491,661
Total long-term liabilities		**1,675,915**	**1,583,166**
Short term lease liabilities	24	354,093	305,640
Short term liabilities to financial institutions	3,13,18, 23	30,000	30,000
Trade creditors	13	235,910	203,375
Taxes payable	9	84,699	55,813
Public duties payable		228,109	209,941
Derivatives	3,13, 22	169	53,748
Other short-term liabilities	19	274,851	191,626
Total short-term liabilities		**1,207,831**	**1,050,144**
TOTAL LIABILITIES		**2,883,746**	**2,633,310**
TOTAL EQUITY AND LIABILITIES		**4,422,070**	**3,948,587**

Lier, 9 April 2025

The board of directors, Kid ASA

Espen Gundersen Chairman (Sign.)	Liv Berstad Board member (Sign.)	Gyrid Skalleberg Ingerø Board member (Sign.)
Karin Bing Orgland Board member (Sign.)	Jon Brannsten Board Member (Sign.)	Anders Fjeld Chief Executive Officer (Sign.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.	Group					
	As at 31st December					
	Share capital	**Share premium**	**Other paid - in equity**	**Other reserves**	**Retained earnings**	**Total equity**
Balance at 1 January 2023	48,770	321,050	64,617	30,641	808,298	1,273,380
Profit for the year					313,827	313,827
Other comprehensive income				54,360		54,360
Total comprehensive income for the year	-	-	-	54,360	313,827	368,187
Realized cash flow hedges				(92,575)		-92,575
Transactions with owners – Dividends	-	-	-	-	-233 710	-233 710
Balance as at 31 December 2023	**48,770**	**321,050**	**64,617**	**-7,573**	**888,414**	**1,315,280**
Balance at 1 January 2024	48,770	321,050	64,617	-7,574	888,415	1,315,280
Profit for the year					398,591	398,591
Other comprehensive income				82,669		82,669
Total comprehensive income for the year	-	-	-	82,669	398,591	481,260
Realized cash flow hedges				5,976		5,976
Transactions with owners – Dividends	-	-	-	-	-264,194	-264,194
Balance as at 31 December 2024	**48,770**	**321,050**	**64,617**	**81,073**	**1,022,814**	**1,538,326**

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in NOK 1000 unless otherwise stated)

The notes are an integral part of these financial statements.

		Group	
		Year ended 31st December	
	Note	**2024**	2023
Cash flow from operations			
Profit before income taxes		**498,149**	**402,528**
Taxes paid in the period	9	-107,865	-91,037
Depreciation & impairment	11,12, 24	471,662	404,136
Net interest expense		97,601	79,743
Effect of exchange fluctuations		-1,527	10,192
Change in working capital			
Change in inventory	15	-195,415	111,538
Change in trade receivables	14	1,498	-20,231
Change in trade creditors		29,869	76,510
Change in other short-term liabilities		68,967	-11,935
Net cash flow from operations		**862,939**	**961,444**
Cash flow from investments			
Purchase of fixed assets	11,12	-208,326	-163,697
Loans to associated companies and joint ventures	21	72,061	-17,785
Net cash flow from investments		**-136,265**	**-181,482**
Cash flow from financing			
Proceeds from revolving credit facility	18, 23	230,000	160,000
Repayment of revolving credit facility	18, 23	-230,000	-160,000
Repayment of Term loans	18, 23	-30,000	-30,000
Net interest paid	7	-97,052	-79,743
Lease payments for the principal portion of lease liability	24	-340,540	-296, 250
Dividend payments to shareholders		-264,194	-233,710
Net cash flow from financing		**-731,786**	**-639,703**
Cash and cash equivalents at the beginning of the period	**16**	**225,065**	**75,721**
Net change in cash and cash equivalents		-5,112	140,258
Exchange gains / (losses) on cash and cash equivalents		8,580	9,084
Cash and cash equivalents at the end of the period	**16**	**228,534**	**225,065**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 | GENERAL INFORMATION

Kid ASA and its subsidiaries (together, `the group') sell interior products through wholly owned stores. The group have 159 stores in Norway under the brand name Kid. Hemtex has 115 stores in Sweden, 7 in Finland and 7 in Estonia. Out of the 129 Hemtex stores, 118 is owned by Hemtex and 11 is operated through franchise. The group also have online stores, under both Kid and Hemtex. The domicile of the group is Lier, Norway.

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

NOTE 2 | SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

The accounts were approved and authorized for issue by the Board 9 April 2025.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or where the assumptions and estimates are significant for the consolidated financial statements are disclosed in note 5.

2.1.1 New and amended standards adopted by the Group

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

2.1.2 Standards issued but not yet effective

Several amended standards and interpretations are effective for annual periods beginning after January 1. The group has not early adopted any new or amended standards and they are not expected to have a significant impact on the Group's consolidated financial statements.

2.2 Consolidation and equity accounting

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Further information on entities included in the consolidated financial statements is presented in note 8.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group. The carrying amount of equity-accounted investments is tested for impairment. Further information on joint ventures is presented in note 8.

2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

NOTE 3 | FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

(a) Market risk

(i) Foreign exchange risk

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

At 31. December 2024, the Group had forward contracts for 100% of the anticipated USD cash flow for a period of 11 months. The Group has adopted IFRS 9 and uses hedge accounting, see note 22 for further information.

The following table illustrates the sensitivity on the company's financial instruments of a 10% change in USD against the Norwegian and Swedish kroner based on the year-end fair value of the instruments with all other variables (e.g. changes of prices on products sold) held constant. Due to the Groups hedging strategy, the change in fair value on unrealized forward contracts are recognised through OCI, and any gain/loss in P&L upon realization is offset against currency effects on the the hedged object. Se note 22 for more information.

At 31 December 2024	+10% change	-10% change
Effect on OCI (FX derivatives NOK/USD)	58,797	-58,797
Effect on OCI (FX derivatives SEK/USD)	12,152	-12,152

At 31 December 2023	+10% change	-10% change
Effect on OCI (FX derivatives NOK/USD)	41,196	-41,196
Effect on OCI (FX derivatives SEK/USD)	24,103	-24,103

(ii) Interest risk

The Group's interest rate risk arises from long-term borrowings and bank deposits. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates and hedging contracts. As NIBOR and STIBOR will not be replaced in the near future, we have considered that the Group is not effected by the IBOR-reform as per 31 December 2024. The company is also subject to interest rate risk related to short term bank overdraft drawn during the financial year. Borrowings at variable rates expose the Group to cash flow interest rate risk. Fixed-interest contracts are used to reduce this risk.

The following tables illustrate the sensitivity on the company's financial instruments of a +/- 1% change in interest based on the year-end fair value of the instruments with all other variables held constant with the effect over OCI. Due to the Groups hedging strategy, the change in fair value on unrealized interest contracts are recognised through OCI, and any gain/loss in P&L upon realization is offset against interest effects on the the hedged object. Se note 22 for more information.

The sensitivity of the unhedged part of the long term loan is presented illustrating a +/- 1% change in interest based on the floating interest rate at year end and the outstanding unhedged part of the loan.

	Interest SWAP	
At 31 December 2024	**+1% change**	**-1% change**
Effect on OCI	9,841	-9,841
At 31 December 2023	**+1% change**	**-1% change**
Effect on OCI	7,787	-7,787

	Cross currency interest swap	
At 31 December 2024	**+1% change**	**-1% change**
Effect on interest cost	0	0
At 31 December 2023	**+1% change**	**-1% change**
Effect on interest cost	226	-226

	Unhedged part of interest bearing loans	
At 31 December 2024	**+1% change**	**-1% change**
Effect on interest cost	967	-967
At 31 December 2023	**+1% change**	**-1% change**
Effect on interest cost	817	-817

(b) Credit risk

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

(c) Liquidity risk

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

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

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

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

At 31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex finance lease liabilities)	38,942	38,379	435,890	-	-
Lease liabilities	364,363	298,816	242,414	179,801	378,297
Trade and other payables	510,760	-	-	-	-
	914,065	**337,195**	**678,304**	**179,801**	**378,297**

At 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Over 4 years
Borrowings (ex finance lease liabilities)	39,505	38,942	466,171	-	-
Lease liabilities	315,610	256,375	202,199	147,874	358,319
Trade and other payables	395,001	-	-	-	-
	750,116	**295,317**	**668,370**	**147,874**	**358,319**

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

3.2 Capital management

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

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

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

The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024	2023
Total external borrowings (note 18)	491,668	521,661
Less: cash and cash equivalents (note 16)	(228,534)	(225,065)
Net interest bearing debt	263,134	296,596
EBITDA excl IFRS 16	630,701	544,910
Gearing ratio	**0.42**	**0.54**

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

The board of directors has proposed a dividend of NOK 5.00 per share to be paid in May 2025. Including the prepayment of NOK 3.0 per share paid in November 2024, the total dividend of NOK 8.00 represents 82 % of Group net income for 2024.

3.3 Fair value estimation

The Group has financial instruments carried at fair value. The different levels have been defined as follows:

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

The financial instruments carried at fair value relates to derivative instruments. These instruments are included in level 2. Refer to note 22 for further information on derivative instruments. Assets and liabilities carried at amortized cost is considered a fair estimate to fair value.

NOTE 4 | SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which is the group' Board of Directors (BoD). The operating segments are identified on the basis of the reports which Chief Operating Decision Maker uses to assess performance and profitability at a strategic level. The Group sells interior products mainly through wholly owned stores. Within the Group, Kid Interior relates to Norway and Hemtex relates to Sweden, Estonia and Finland. The Group also sells home interior products through the Group's online websites which is considered part of the operating segments Kid and Hemtex respectively. Over 99% of the products are sold under own brands.

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

Geographical information

Kid Group sells home interior products in 158 fully owned stores across Norway and 130 stores across EU, of which 115 were in Sweden, 8 in Finland and 7 in Estonia. Of the stores in EU, 119 are owned by Hemtex and 11 are franchises.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when control of a good or service transfers to a customer.

Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by debit/credit card. It is the Group's policy to sell its products to the retail customer with a right to return within 14 days in Kid and 30 days in Hemtex. Accumulated experience is used to estimate and provide for such returns at the time of sale. Revenue is adjusted for the value of expected returns. Kid/Hemtex does not operate any loyalty programmes.

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

Revenue

	2024	2023
Norway	2,337,460	2,122,925
Sweden	1,277,953	1,137,113
Finland	104,051	94,126
Estonia	65,481	59,431
Total	**3,784,944**	**3,413,595**

2024			
	KID Interior	Hemtex	Total
Revenue	2,337,460	1,447,485	3,784,944
Purchased goods and change in inventory	-892,349	-550,876	-1,443,224
Gross profit	1,445,111	896,609	2,341,720
Other operating revenue	279	4,558	4,837
Operating expense (OPEX)	-759,993	-559,604	-1,319,596
EBITDA	685,397	341,563	1,026,961
Operating profit	425,762	129,536	555,299
	-	-	-
Gross margin (%)	61.8%	61.9%	61.9%
OPEX to sales margin (%)	32.5%	38.7%	34.9%
EBITDA margin (%)	29.3%	23.6%	27.1%
	-	-	-
Inventory	497,849	278,062	775,911
Total assets	2,977,807	1,444,263	4,422,070

2023

	KID Interior	Hemtex	Total
Revenue	2,122,925	1,290,670	3,413,595
Purchased goods and change in inventory	-796,249	-518,031	-1,314,280
Gross profit	1,326,676	772,639	2 099,315
Other operating revenue	112	4,159	4,270
Operating expense (OPEX)	-711,275	-507,818	-1,219,093
EBITDA	615,513	268,980	884,493
Operating profit	390,763	89,591	480,357
	-	-	-
Gross margin (%)	62.5%	59.9%	61.5%
OPEX to sales margin (%)	33.5%	39.3%	35.7%
EBITDA margin (%)	29.0%	20.8%	25.9%
	-	-	-
Inventory	377,550	198,729	576,279
Total assets	2,627,588	1,320,999	3,948,587

NOTE 5 | CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

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

5.1 Critical accounting estimates and assumptions

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

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

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

5.1.2 Critical judgements in determining the lease term

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

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

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

5.2 Critical judgements in applying the entity's accounting policies

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

NOTE 6 | EMPLOYEE REMUNERATION AND AUDIT FEES

6a Employee benefit expense

	2024	2023
Wages and salaries	624,201	566,488
Social security costs	122,096	108,970
Pension costs – defined contribution plans (note 20)	22,110	17,653
Other benefits	14,594	11,611
Total employee benefit expense	**783,001**	**704,722**
Average number of full-time employees	1,018	1,004

There has not been any loans to employees or guarantees granted to employees for either 2023 or 2024.
Refer to note 19 for specification of salary-related accruals included in Other short term liabilities.

6b Benefits key management personnel and board of directors

			2024		
Key Management Personnel	**Salary**	**Pension**	**Accrued bonus**	**Other Benefits**	**Total**
CEO, CFO, VD Hemtex	9,916	528	4,281	394	**15,119**
Board of directors				2,913	**2,913**

			2023		
Key Management Personnel	**Salary**	**Pension**	**Accrued bonus**	**Other Benefits**	**Total**
CEO, CFO, VD Hemtex	9,227	545	6,557	410	**16,739**
Board of directors				2,840	**2,840**

There has not been any loans or guarantees granted to key management personnel for either 2023 or 2024.
CEO has 6 months salary as termination benefit.
There are no share based payments.

For more information on remuneration, please refer to Remuneration report 2024 as approved by the Board of Directors. The Remuneration report is subject to an advisory vote by the General Meeting in 2025, and published as part of the appendices to the Notice of Annual General Meeting at investor.kid.no

6c Audit fees

	2024	2023
Statutory audit	3,247	2,240
Other assurance services	282	231
Tax related services	0	0
Other assistance	0	0
Total fees	**3,529**	**2,471**

NOTE 7 | FINANCE INCOME AND COSTS

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

	2024	2023
Finance costs		
Bank interest cost	39,771	34,175
Bank charges	3,353	2,761
Other finance costs*	2,232	7,204
Interest on lease liability	55,720	43,333
Total finance costs	**101,076**	**87,473**
Finance income		
Interest income on short-term bank deposits	12,704	4,477
Other finance income*	-2,096	6,367
Total finance income	**10,609**	**10,844**
Net finance costs	**-90,468**	**-76,629**

*Realized and unrealized currency gain/loss and change in fair value of cross currency interest swap are included in other finance costs and other finance income.

NOTE 8 | INVESTMENTS IN JOINT VENTURES AND SUBSIDIARIES

The group had the following subsidiaries at 31 December 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
Kid Sourcing AS	Norway	Sourcing of goods	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 at 31 December 2024

Name	Place of business	Nature of relationship	Measurement method	Ownership share	Carrying amount
Prognosgatan Holding AS	Norway	Joint venture	Equity method	50%	34,331

As per year-end the the joint venture is reflected in the statement of financial position. Per 31 December 2024, the share of result from joint ventures is MNOK 33.3 (MNOK -1.2). The carrying amount is MNOK 34.3 (MNOK 1). Refer to note 21 for infomation for loans to JV.

Commitments and contingent liabilities in respect of joint ventures
A sales process of the warehouse property in Sweden through a sale of Prognosgatan Fastighets AB, a subsidiary of the joint venture, was completed by the end of the quarter. The profit from the sale was recognised in Q4-24, with the final settlement expected by the end of 2025.

The warehouse property is an expansion of the warehouse in Viared, Borås which is leased by Kid International Logistic AB. The operations for Hemtex will commence from the new facilities during Q1 2025, with the common warehouse expected to serve all markets for the Kid Group medio 2025.

NOTE 9 | TAXES

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

	2024	2023
Current tax		
Current tax on profits for the year Norway	84,699	74,958
Current tax on profits for the year Sweden*	20,794	13,624
Total current tax in income tax expense	**105,493**	**88,583**
*Of which is prepaid during the year. Refer to reconciliation of payable tax below		
Changes in deferred tax related to income tax expense	-5,935	119
Income tax expense	**99,557**	**88,702**

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

	2024	2023
Profit before tax	**498 149**	**402 528**
Tax calculated at domestic tax rate (22%) applicable to profits	109 593	88 556
Tax effects of:		
Expenses not deductible for tax purposes/(Income not subject to tax)	-7,667	-230
Effect of different tax rates	-2,368	375
Income tax expense	**99,558**	**88,702**
Tax charge in percent of profit before tax	20%	22%

Reconciliation of payable tax

	Norway	Sweden	Total
Payable tax 31.12.23	**75,342**	**-19,528**	**55,813**
Paid taxes during the year	-75,342	-32,523	**-107,865**
Payable tax on this years result	84,699	20,794	**105,493**
Payable tax classified as short term receivables		31,258	**31,258**
Payable tax 31.12.24	**84,699**	**0**	**84,699**

The movement in deferred income tax assets and liabilities during the year, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Specification of deferred tax/deferred tax asset

At 31 December 2024	PP&E	Trademark and other intangible assets	Right of use asset	Deriv- atives	Other	Sum
Deferred tax assets/Deferred tax liabilities (-) Norway	2,115	-321,109	10,417	-15,580	1,712	-322,445
Deferred tax assets/Deferred tax liabilities (-) Sweden	10,083	-11,800	8,192	-1,798	-4,860	-183
Net deferred tax	**12,198**	**-332,909**	**18,609**	**-17 378**	**-3,148**	**-322,628**

At 31 December 2023	PP&E	Trademark and other intangible assets	Right of use asset	Deriva- tives	Other	Sum
Deferred tax assets/Deferred tax liabilities (-) Norway	1,359	-321,109	8,517	-162	-823	-312,218
Deferred tax assets/Deferred tax liabilities (-) Sweden	8,669	-11,613	6,414	4,626	-1,503	6,593
Net deferred tax	**10,028**	**-332,722**	**14,931**	**4,464**	**-2 326**	**-305,625**

The change in net deferred tax was:

		2024	2023
Net deferred tax opening balance		-305,625	-320,865
Recognized in P&L		-5,935	119
Recognized in OCI	22	-21,387	-8,446
Recognized directly in equity		-1,608	25,895
Translation differences		11,927	-2,328
Net deferred tax closing balance		**-322,628**	**-305,625**

NOTE 10 | EARNINGS PER SHARE

There exists only one class of shares.

	2024	2023
Weighted average number of shares	40,645,162	40,645,162
Net profit for the year	**398,591**	**313,827**
Earnings per share (basic and diluted) (Expressed in NOK per share)	**9.81**	**7.72**
Dividends per share paid in May	**3.50**	**3.00**
Dividends per share paid in November	**3.00**	**2.75**

*See note 3.2 for proposed dividend at year end. Dividend distributions to the shareholders is recognised as a liability in the Group financial statements in the period in which the dividends are approved by the shareholders at the annual shareholder meeting.

NOTE 11 | PROPERTY, PLANT AND EQUIPMENT

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

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

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

	Assets under construction	Fixtures and fittings	Autostore	Total
Year ended 31 December 2024				
Opening net book amount	40,724	214,726	47,726	303,178
Additions	23,754	145,712	0	169,466
Reclassifications	0		0	-
Depreciation charge	0	-84,641	-12,372	-97,013
Currency translation differences	0	7,208	655	7,863
Closing net book amount	**64,478**	**283,005**	**36,009**	**383,495**
At 31 December 2024				
Cost or valuation	64,478	1,020,717	74,020	1,159,216
Accumulated depreciation	0	-738,951	-37,811	-776,761
Currency translation differences	0	1,239	-200	1,039
Net book amount	**64,478**	**283,006**	**36,009**	**383,495**
Year ended 31 December 2023				
Opening net book amount	29,596	192,222	15,426	237,245
Additions	11,128	89,704	42,843	143,676
Reclassifications	0		0	0
Depreciation charge	-	-74,659	-9,688	-84,347
Currency translation differences	-	7,459	-855	6,604
Closing net book amount	**40,724**	**214,726**	**47,726**	**303,178**
At 31 December 2023				
Cost or valuation	40,724	875,005	74,020	989,749
Accumulated depreciation	-	-654,310	-25,439	-679,748
Currency translation differences	-	-5,969	-855	-6,824
Net book amount	**40,724**	**214,726**	**47,726**	**303,178**

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Indicators of impairment of property, plant and equipment have been assessed and management concluded that there were no indicators as per 31 December 2024.

NOTE 12 | INTANGIBLE ASSETS

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

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

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

Cost	Software	Trademark	Goodwill	Total
At 1 January 2023	64,467	1,510,224	65,479	1,640,171
Additions	17,110			17,110
Currency translation differences	2,492	3,627	4,690	10,809
As at 31 December 2023	**84,069**	**1,513,851**	**70,169**	**1,668,090**
Additions	25,869			25,869
Currency translation differences	87	873	1,129	2,089
As at 31 December 2024	**110,025**	**1,514,724**	**71,298**	**1,696,050**
Accumulated amortisation and impairment				
At 1 January 2023	-29,138	-	-	-29,138
Amortisation charge	-8,229	-	-	-8,229
As at 31 December 2023	**-37,367**	**-**	**-**	**-37,367**
At 1 January 2024	-37,367	-	-	-37,367
Amortisation charge	-17,721	-	-	-17,721
As at 31 December 2024	**-55,088**	**-**	**-**	**-55,088**
Net book value				
Cost	84,069	1,513,851	70,169	1,668,089
Accumulated amortisation and impairment	-37,369	-	-	-37,369
As at 31 December 2023	**46,699**	**1,513,851**	**70,169**	**1,630,719**
Cost	110,025	1,514,724	71,298	1,696,050
Accumulated amortisation and impairment	-55,088	-	-	-55,088
As at 31 December 2024	**54,934**	**1,514,724**	**71,298**	**1,640,955**
Useful life	**4-7 years**	**Indefinite**	**Indefinite**	

Impairment tests for trademark and goodwill

The group tests whether trademark and goodwill has suffered any impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and assumptions approved by board covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 1.5% (1.5%). These growth rates are consistent with forecasts included in industry reports.

Trademark Kid Interior

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

The following table sets out the key assumptions used in the impairment test:	2024	2023
Sales volume (% annual growth rate)	3.0	3.0
Gross margin (%)	61.0	61.0
Other operating costs (%)	43.8	45.0
Annual capital expenditure (MNOK)	80.0	75.0
Discount rate before tax (%)	**9.5**	**10.8**

The recoverable amount of the trademark is estimated to be MNOK 2561,7 (2023 – MNOK 3016). This exceeds the carrying amount of the trademark Kid Interiør at 31 December 2024 which is MNOK 1460 (2023 – MNOK 1460).

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

	2024		2023	
	From	To	From	To
Sales volume (% annual growth rate)	3.0	-1.5	3.0	0.1
Budgeted gross margin (%)	61.0	53.5	61.0	55.2
Discount rate pre tax (%)	9.5	20.3	10.8	16.2

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the trademark to exceed its recoverable amount. These considerations and assessments includes sustainability topics with possible financial materiality.

Trademark and goodwill Hemtex

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

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

The following table sets out the key assumptions used in the impairment test:	2024	2023
Sales volume (% annual growth rate)	3.0	3.0
Gross margin (%)	61.0	61.0
Other operating costs (% of revenue)	47.5	51.5
Annual capital expenditure (MNOK)	50.0	50.0
Discount rate pre tax (%)	**8.4**	**10.2**

The recoverable amount of the trademark and goodwill is estimated to be MNOK 2 051 (MNOK 890). This exceeds the carrying amount of the trademark and goodwill in Hemtex at 31 December 2024 which is MNOK 126,4 (MNOK 124.4).

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

	2024		2023	
	From	To	From	To
Sales volume (% annual growth rate)	3.0	-1.5	3.0	1.1
Budgeted gross margin (%)	61.0	52.5	61.0	57.0
Discount rate pre tax (%)	10.2	47.0	10.2	30.0

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

NOTE 13 | FINANCIAL INSTRUMENTS

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

(a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are derivative instruments not designated as hedging instruments. The Group currently have one cross currency interest swap contract defined as financial asset at fair value through profit or loss.

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

(c) Financial assets at fair value through other comprehensive income
Financial assets at fair value through OCI are derivative instruments designated as hedging instruments. The Group currently have one interest swap contract and several currency forward contracts defined as financial asset at fair value through OCI.

13.1 Financial instruments by category

	31 December 2024			
	Financial assets at amortised cost	Financial assets (cash flow hedge derivatives) at fair value over OCI	Financial assets (derivatives not designated as instruments for hedge accountin) at fair value over P&L	Total
Assets as per balance sheet				
Derivative financial instruments	-	76,057	-	**76,057**
Trade receivables	31,511	-		**31,511**
Cash and bank deposits	228,534	-		**228,534**
Total	**260,044**	**76,057**	**0**	**336,102**

	Other financial liabilities at amortised cost	Financial liabilities (cash flow hedge derivatives) at fair value over OCI	Financial assets (derivatives not designated as instruments for hedge accountin) at fair value over P&L	Total
Liabilities as per balance sheet				
Liabilities to financial institutions long term	461,668			**461,668**
Long term lease liability	891,620			**891,620**
Short term liabilities to financial institutions	30,000			**30,000**
Short term lease liability	354,093			**354,093**
Derivatives		169		**169**
Trade creditors	235,910			**235,910**
Total	**1,973,291**	**169**		**1,973,460**

	31 December 2023			
	Financial assets at amortised cost	Financial assets (cash flow hedge derivatives) at fair value over OCI	Financial assets (derivatives not designated as instruments for hedge accountin) at fair value over P&L	Total
Assets as per balance sheet				
Derivative financial instruments	-	28,991	346	**29,337**
Trade receivables	32,640	-		**32,640**
Cash and bank deposits	225,065	-		**225,065**
Total	**257,706**	**28,991**	**346**	**287,043**

	Other financial liabilities at amortised cost	Financial liabilities (cash flow hedge derivatives) at fair value over OCI	Financial assets (derivatives not designated as instruments for hedge accountin) at fair value over P&L	Total
Liabilities as per balance sheet				
Liabilities to financial institutions long term	491,661			**491,661**
Long term lease liability	779,287			**779,287**
Short term liabilities to financial institutions	30,000			**30,000**
Short term lease liability	305,640			**305,640**
Derivatives		53,748		**53,748**
Trade creditors	203,375			**203,375**
Total	**1,809,963**	**53,748**	**0**	**1,863,712**

NOTE 14 | TRADE RECEIVABLES

Trade receivables

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

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

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

Other receivables

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

NOTE 15 | INVENTORIES

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

	2024	2023
Inventory at purchase cost	779,392	582,359
Inventory write-downs to net realizable value	-3,480	-6,080
Inventories	**775,911**	**576,279**

Recognized loss on inventories

	2024	2023
Lost and damaged goods	40,018	20,922
Change in provision for obsolescence	-2,599	18
Recognized loss on inventories in cost of goods sold	**37,419**	**20,940**

NOTE 16 | CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. As of year-end 2023 and 2024 the Group did not have any outstanding bank overdrafts.

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

	2024	2023
Cash in bank and in hand	224,765	219,223
Short-term bank overnight deposits	4,027	6,100
Cash and cash equivalents (excluding bank overdrafts)	**228,534**	**225,065**

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

NOTE 17 | SHARE CAPITAL AND PREMIUM

Share capital (all amounts in NOK)

	Number of shares	Ordinary shares	Face value	Total face value
At 31 December 2024	40,645,162	40,645,162	1.2	48,774,194
At 31 December 2023	40,645,162	40,645,162	1.2	48,774,194

The top 20 shareholders per 31.12 are the following:

	31 December 2024	
Company	**# Shares**	**Ownership**
Folketrygdfondet	4,305,802	10.59%
Verdipapirfondet Alfred Berg Gamba	2,908,652	7.16%
Pareto Aksje Norge Verdipapirfond	2,793,498	6.87%
VJ Invest AS	1,273,179	3.13%
Verdipapirfondet Holberg Norge	1,225,311	3.01%
Salt Value AS	1,176,431	2.89%
J.P. Morgan SE	1,164,113	2.86%
Stenshagen Invest AS	1,059,445	2.61%
Société Générale	862,635	2.12%
Landkreditt Utbytte	840,460	2.07%
Varner Equities AS	756,735	1.86%
Forsvarets Personellservice	710,400	1.75%
J.P. Morgan SE	702,105	1.73%
J.P. Morgan SE	696,321	1.71%
Verdipapirfondet DnB SMB	686,555	1.69%
The Bank of New York Mellon SA/NV	685,360	1.69%
The Bank of New York Mellon SA/NV	554,758	1.36%
Verdipapirfondet DnB Norge	550,940	1.36%
Brown Brothers Harriman & Co.	536,300	1.32%
Verdipapirfondet KLP Aksjenorge	508,881	1.25%

	31 December 2023	
Company	**# Shares**	**Ownership**
Gjelsten Holding AS	4,161,291	10.24%
Pareto Aksje Norge Verdipapirfond	3,052,559	7.51%
Verdipapirfondet Alfred Berg Gamba	2,908,652	7.16%
Société Générale	2,050,000	5.04%
Folketrygdfondet	1,892,193	4.66%
Salt Value AS	1,806,959	4.45%
Stenshagen Invest AS	1,464,600	3.60%
Verdipapirfondet Holberg Norge	1,366,553	3.36%
VJ Invest AS	1,173,507	2.89%
J.P. Morgan SE	1,092,162	2.69%
Forsvarets Personellservice	707,500	1.74%
Varner Equities AS	691,790	1.70%

Landkreditt Utbytte	677,131	1.67%
Vevlen Gård AS	581,500	1.43%
Verdipapirfondet Nordea Avkastning	555,984	1.37%
Brown Brothers Harriman & Co.	536,300	1.32%
Verdipapirfondet KLP Aksjenorge	518,799	1.28%
Hausta Investor AS	500,000	1.23%
Verdipapirfondet Eika Norge	461,834	1.14%
Goldman Sachs International	416,161	1.02%

Share premium	Amount
At 31 December 2014	156,874
Equity issue November 2015	164,175
At 31 December 2024	**321,049**

Key Management Personnel Share holdings	31.12.2024	31.12.2023
Anders Fjeld	138,000	138,000
Mads Kigen	2,000	500
Anders Lorentzson	-	-
Board of Directors		
Petter Schouw-Hansen	n.a.	54,808
Liv Berstad	1,270	1,270
Gyrid Skalleberg Ingerø	3,007	3,007
Karin Bing Orgland	32,629	32,629
Rune Marsdal	n.a.	20,427
Espen Gundersen	7,000	7,000
Jon Brannsten	-	n.a.

NOTE 18 | LIABILITIES TO FINANCIAL INSTITUTIONS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees and commission costs paid on the establishment and maintenance of short-term bank borrowing facilities are recognised as bank transaction costs in the accounting period when the costs are paid. These costs are not amortised and deferred as the loans are usually re-paid within a few months.

	2024	2023
Long term		
Bank loans	461,668	491,661
Total long term liabilities to financial institutions	**461,668**	**491,661**
Short term		
Bank loans	30,000	30,000
Total short term liabilities to financial institutions	**30,000**	**30,000**
Total liabilities to financial institutions	**491,668**	**521,661**

(a) Bank loans
In 2023 a new revolving credit facility of MNOK 230 was signed which replaced the two existing agreements.

Furthermore a new term loan was signed during 2023 of MNOK 125 related to the expansion of the warehouse in Sweden. The bank loan mature May 2026. The interest rate of the majority of the total term loan is fixed through interest rate swap agreements. For the revolving credit facility and overdraft, the average interest rate was 5.4%

Total loans include secured liabilities (bank and collateralised loan) of TNOK 491,668 (2023: TNOK 521,661) and revolving credit facility of TNOK 0 (2023: TNOK 0). The group has a bank overdraft of TNOK 247 000 which was partially used 293 days during the year (289 days), but not at year end. The Bank loans are secured by 100% of the shares in Kid Interiør AS.

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

TSEK 0 (TSEK 25,200) (included in the 1-5 years in table below) of the external loan with floating interest rate has been swapped to fixed interest rates of 1.460% and currency SEK by means of a cross currency interest rate derivative to maintain the desired split between fixed and floating interest rates and currency exposure. The effect of change in the fair value of the derivative is booked against financial income/expense. This swap matured during 2024.

The bank overdraft are secured by inventory, trade receivables, property, plant and equipment, 100% of the shares in Kid Logistikk AS and the rental agreement related to the HQ in Drammen. Since the bank overdraft was not utilized at year end 2024 or 2023, none of the assets were pledged as collateral.

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

	2024	2023
6 months or less	10,000	10,000
6-12 months	20,000	20,000
1-5 years	461,668	491,661
Total liabilities to financial institutions	**491,668**	**521,661**

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

	2024	2023
Bank loans	491,668	521,661
Total carrying amount of liabilities to financial institutions	**491,668**	**521,661**

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

Included in the 1-5 years category in the table above is a TNOK 491,700 loan, where the group entered an interest swap agreement in 2019 covering TNOK 395,000 as well as a cross-currency interest swap covering TSEK 0 (TSEK 25,200).

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

	2024	2023
NOK	491,668	496,661
SEK (through swap-agreement)	-	25,000
Total	**491,668**	**521,661**

The Group has the following granted loan facilities:

	2024	2023
Term loan	125,000	125,000
Revolving credit facility	230,000	230,000
Short term credit facility		
Unused bank overdraft	247,000	247,000
Employee tax guarantee	27,300	21,800
Letter of credit limit	115,000	115,000

Following covenants is regulated by contract:

During 2023, a new agreement has been signed with Nordea. 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.

	Interval	Limit 2024	Limit 2023
NIBD/EBITDA incl IFRS 16	annually	2.25	2.25
EBITDA Last twelve monthes (in NOK millions) incl IFRS 16	quarterly	300	300

The Group has been compliant with covenants at all intervals.

NOTE 19 | OTHER OPERATING EXPENSES AND OTHER SHORT TERM LIABILITIES

Other operating expenses	2024	2023
Rental costs for shops and storage (incl shared operating expenses)	125,777	122,492
Advertising and other marketing costs	151,314	137,259
Other expenses	259,503	254,619
Total other expenses	**536,594**	**514,371**

Other short term liabilities	2024	2023
Salary related accruals	131,782	108,306
Goods in transit	59,657	5,180
Giftcards, store credits and other sales related accruals	29,537	27,826
Accrued rental expenses	3,438	4,327
Other accruals	50,437	45,986
Total other short term liabilities	**274,850**	**191,626**

NOTE 20 | POST-EMPLOYMENT BENEFITS

The company has various pension schemes. The pension schemes are financed through payments to insurance companies, with the exception of the early retirement pension scheme (AFP). The company has both defined contribution plans and the AFP scheme. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The company also has an agreed early retirement scheme (AFP).

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

Income statement charge included in operating profit for:	2024	2023
Pensions earned this year - the group pension scheme	21,181	16,925
Pensions earned this year - the agreed early retirement scheme (AFP)	929	728
Social security fees	4,229	3,525
Net pension expenses	**26,339**	**21,178**

20.1 AFP scheme

The subsidiary Kid Logistikk AS and 17 of our stores have an agreed early retirement scheme (AFP). The AFP-scheme, in force from 1st of January 2011, is a defined benefit multi-enterprise scheme, but is recognised in the accounts as defined contribution scheme until reliable and sufficient information is available for the group to recognise its proportional share of pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognised as debt in the balance sheet.

NOTE 21 | RELATED PARTIES

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

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

The following table provides the year-end balance that have been entered into with related parties during the total year of 2024 and 2023:

Related party	2024	2023
Prognosgatan Holding AS (Loan)	-	50,702
Total	**-**	**50,702**

NOTE 22 | HEDGE ACCOUNTING AND RESERVES

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

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

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

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match or are closely aligned with the terms of the hedged item, being currencies, amount and maturity. The group therefore performs a qualitative assessment of effectiveness and monitor the forecasted purchases on a regular basis to ensure that the forward contracts match the purchases and are used within the acceptable period in accordance with the policy. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group assess effectiveness relating to the hedge ratio and rebalances the contracts to ensure effectiveness.

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

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

Currency hedges
The company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable inventory purchases. These include foreign currency forward contracts which are designated in the cash flow hedge relationships. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedge reserve through Other comprehensive income. The group treasury's risk management policy is to hedge up to a 100% of forecasted US dollar cash flows for inventory purchases up to 9-11 months in advance, subject to a review of the cost of implementing each hedge. In Kid, 100% of forecasted EUR cash flows for inventory purchases up to 9-11 months in advance are also hedged.

For the year ended 31 December 2024, approximately 100% of inventory purchases were hedged in respect of foreign currency risk. At 31 December 2024, approximately 100% of forecasted US dollar inventory purchases during 2024 qualified as 'highly probable' forecast transactions for hedge accounting purposes (for 2023, approximately 100% of inventory purchases were hedged and approximately 100% of the purchases qualified as 'highly probable' as at 31 December 2023). As such, no inefficiency was recognised in 2024 (or in 2023). The weighted average buy rate for SEK/USD currency hedges realized in 2024 was 10.64 (10.12) compared to a weighted average spot rate of 10.48 (10.71). For NOK/USD currency hedges realized in 2024 the weighted average buy rate was 10.68 (9.63) compared to a weighted average spot rate of 10.72 (10.58).

Interest hedges
The company's interest exposure mainly arises from external funding in bank and debt capital markets. The company uses interest rate swaps to achieve the desired fixed/floating ratio of the external debt. Hedge accounting is applied using

the cash flow model for interest rate swaps which means that gains and losses from floating to fixed interest rates as of December 31, 2024 are recognized through Other Comprehensive Income and will be continuously released to the income statement until the bank borrowings are repaid. This is done based on the periodic market-to-market revaluation of the interest rate swaps whose fair value tends to reach zero upon maturity.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to: the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and differences in critical terms between the interest rate swaps and loans. TNOK 395,000 of the external loans with floating interest rates are hedged. In the interest rate swap, Kid pay a fixed interest rate of 1,876% and receive NIBOR. The swap has a duration until 16 August 2029. The effect on interest expense in 2024 related to the interest rate swap was NOK 11,416,488 (NOK 8,238,010).

There was no recognised ineffectiveness during 2024 (or in 2023) in relation to the interest rate swap.

Reconciliation of Other reserves	Currency cash flow hedges	Interest cash flow hedges	Translation difference	Total
Opening balance net of tax 01.01.2024	-41,519	22,480	11,467	-7,572
Changes in fair value through OCI	6,332	90,699		97,031
Changes in deferred tax on cash flow hedges through OCI	-1,433	-19,954		-21,387
Realized cash flow hedges net of tax	5,976			5,976
Translation difference			7 022	7,022
Closing balance net of tax 31.12.2024	**-30,644**	**93,226**	**18,489**	**81,071**

Reconciliation of Other reserves	Currency cash flow hedges	Interest cash flow hedges	Translation difference	Total
Opening balance net of tax 01.01.2023	21,044	22,692	-13,092	30,643
Changes in fair value through OCI	38,578	-271		38,307
Changes in deferred tax on cash flow hedges through OCI	-8,566	60		-8,506
Realized cash flow hedges net of tax	-92,575			-92,575
Translation difference			24,559	24,559
Closing balance net of tax 31.12.2023	**-41,519**	**22,480**	**11,467**	**-7,571**

At year end the fair value of the hedging instruments were as follows:

	Changes over OCI		Changes over P&L	
31 December 2024	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Currency cash flow hedges	40,553	169		
Interest cash flow hedges	35,504	-		-
Cross currency interest swap			-	
Sum	**76,057**	**169**	**-**	**-**

	Changes over OCI		Changes over P&L	
31 December 2023	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Currency cash flow hedges	-	53,748		
Interest cash flow hedges	28,991	-		-
Cross currency interest swap			346	
Sum	**28,991**	**53,748**	**346**	**-**

NOTE 23 | NET DEBT RECONCILIATION

The below table sets out an overview over net debt.

	2024	2023
Cash and cash equivalents	228,534	225,065
Borrowings - repayable within one year (including overdraft)	-30,000	-30,000
Borrowings - repayable after one year	-461,668	-491,661
Lease liabilities - payed within one year	-354,093	-305,640
Lease liabilities - payed after one year	-891,620	-779,287
Net debt	**-1,508,848**	**-1,381,522**
Cash and liquid investments	228,534	225,065
Gross debt - fixed interest rates	-491,668	-521,661
Gross debt - variable interest rates	-	0
Lease liabilities	-1,245,714	-1,084,927
Net debt	**-1,508,848**	**-1,381,522**

	Lease liabilty	Borrowings	Total debt	Cash / bank overdraft	Total net debt
Opening balanse at 1 January 2024	**-1,084,927**	**-521,661**	**-1,606,588**	**225,065**	**-1,381,522**
Cash flows	-	-	-	-5,660	-5,660
Proceeds from borrowings	-	-230,000	-230,000	-	-230,000
Repayment of principals	340,540	260,000	600,540	-	600,540
			-		
Non Cashflow activities			-		
New lease liabilities	-494,534	-	-494,534	-	-494,534
Foreign exchange adjustments and other adjustments	-6,793	-7	-6,800	9,128	2,328
Closing balanse at 31 December 2024	**-1,245,713**	**-491,668**	**-1,737,381**	**228,533**	**-1,508,848**
Opening balanse at 1 January 2023	**-781,785**	**-551,646**	**-1,333,431**	**75,721**	**-1,257,710**
Cash flows	-	-	-	140,257	140,257
Proceeds from borrowings	-	-160,000	-160,000	-	-160,000
Repayment of principals	296,250	190,000	486,250	-	486,250
			-		
Non Cashflow activities			-		
New lease liabilities	-573,430	-	-573,430	-	-573,430
Foreign exchange adjustments and other adjustments	-25,962	-15	-25,977	9,087	-16,890
Closing balanse at 31 December 2023	**-1,084,927**	**-521,661**	**-1,606,588**	**225,065**	**-1,381,522**

NOTE 24 | LEASES

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

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The incremental borrowing rate used takes into consideration the lenght of the contract as well as whether the location of the store is central or not.

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

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

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

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

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

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

Right of-use-assets	**2024**	**2023**
Carrying amount at 01.01.	1,050,028	760,734
Additions and adjustments*	494,534	573,430
Depreciation	-356,928	-311,560
Currency translation differences	10,849	27,424
Net carrying amount 31.12.	**1,198,483**	**1,050,028**

Lease liabilities	2024	2023
Carrying amount at 01.01.	1,084,927	781,785
Additions and adjustments*	494,534	573,430
Interest expense	55,720	43,333
Lease payments	-396,260	-339,583
Currency translation differences	6,793	25,962
Total lease liabilities 31.12.	**1,245,714**	**1,084,927**

* Included in additions and adjustments are new contracts, renegotiated contracts, extentions and index adjustments on existing contracts. In 2023 the lease contract related to the new warehouse in Sweden was included in IFRS 16 as well as several Extended-stores, resulting in material additions. Refer to note 5 for more information on extension options

Lease contracts are mainly related to rental agreements for stores and warehouse. Indicators of impairment of right of use contracts have been assessed at the lowest CGU level, being the stores. Management concluded that there were no indicators as per 31 December 2024.

The Group have lease contracts with turnover based lease payments. This represents variable lease payments that is not included in the lease liablity, but recognised as an expense as incurred. In addition the lease contracts includes some variable non lease components related to shared operating expenses for the buildings and shared marketing. The variable lease payments and non-lease components are dislosed in the table below:

		2024	2023
Variable lease payments		12,847	19,939
Shared operating costs		89,709	80,314
Marketing costs		23,222	22,239
Sum	**19**	**125,777**	**122,492**
Lease payments		396,260	339,583
Total payments related to lease contracts		**522,038**	**462,075**

	2024	2023
Number of lease contracts	288	294
Right to renewal of lease contract	98	97
Percentage of lease contracts with option to renewal	34%	33%

Number of lease contracts by geography	2024	2023
Norway	153	156
Sweden	120	123
Finland	8	8
Estonia	7	7

NOTE 25 | SUBSEQUENT EVENTS

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

ALTERNATIVE PERFORMANCE MEASURES AND 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. 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 ratio** 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. 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 is excludes amortisation and depreciation expense related to capital expenditure.
- **EBIT** (earnings before interest, 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.
- **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.
- **Constant currency** is exchange rates that the Group uses to eliminate the effect of exchange rates fluctuations when calculating financial performance numbers.

FINANCIAL STATEMENTS
KID ASA 2024

Content

KID ASA – STATEMENT OF INCOME

(All amounts in NOK 1000 unless otherwise stated)

	Note	2024	2023
Management fee	1	8,652	4,883
Personnel expenses	2	6,993	8,789
Other operating expenses	2	6,614	6,584
Total operating expenses		**13,608**	**15,373**
Depreciation		14,572	6,448
Operating profit		**-19,527**	**-16,938**
Income from subsidiaries and associated companies	3	415,133	379,583
Interest income from group companies		6,916	4,229
Other interest income	4	7 ,565	8,637
Other financial income	4	-	-
Other interest expenses	4	40,219	34,685
Other financial expenses		1,753	2,062
Profit before tax		**368,115**	**338,764**
Tax on ordinary result	5	81,089	74,295
Net profit or loss for the year		**287,026**	**264,469**
Profit attributable to:			
Allocated dividend		203,226	142,258
Dividend prepayment 2024		121,935	111,774
Allocated to other equity		-38,135	10,437
Total allocation		**287,026**	**264,469**

KID ASA – BALANCE SHEET / ASSETS

(All amounts in NOK 1000 unless otherwise stated)

	Note	2024	2023
NON-CURRENT ASSETS			
Financial fixed assets			
Investments in subsidiaries	3, 6	1,324,530	1,324,500
Loan to group companies	7	0	53,783
Total financial fixed assets		**1,324,530**	**1,378,283**
Deferred tax asset		326	
Software	8	47,424	37,602
Total intangible assets		**47,750**	**37,602**
Total non-current assets		**1,372,280**	**1,415,885**
CURRENT ASSETS			
Other receivables	7	518,745	504,117
Cash and bank deposits	9	206,506	168,730
Total current assets		**725,251**	**672,847**
TOTAL ASSETS		2,097,532	2,088,732

KID ASA – BALANCE SHEET / EQUITY & LIABILITIES

(All amounts in NOK 1000 unless otherwise stated)

	Note	2024	2023
Paid-up equity			
Share capital	**10, 11**	**48,774**	**48,774**
Share premium reserve	11	321,049	321,049
Other paid-up equity	11	64,617	64,617
Total paid-up equity		**434,440**	**434,440**
Retained earnings			
Other equity	**11**	332,503	370,638
Total retained earnings		**332,503**	**370,638**
TOTAL EQUITY	**11**	**766,943**	**805,078**
Deferred tax	5	-	1,651
Other long-term liabilities			
Liabilities to financial institutions	6, 12	461,639	491,590
Total other long term liabilities		**461,639**	**491,590**
CURRENT LIABILITIES			
Liabilities to financial institutions	6,12	30,000	30,000
Trade creditors		10,915	3,063
Tax payable	5	83,023	73,382
Dividend		203,226	142,258
Other current debt	7, 9	541,786	541,711
Total short term liabilities		**868,950**	**790,413**
Total liabilities		**1,330,589**	**1,283,654**
TOTAL EQUITY AND LIABILITIES		**2,097,532**	**2,088,732**

Lier, 9 April 2025

The board of directors, Kid ASA

Espen Gundersen Chairman (Sign.)	Liv Berstad Board member (Sign.)	Gyrid Skalleberg Ingerø Board member (Sign.)
Karin Bing Orgland Board member (Sign.)	Jon Brannsten Board Member (Sign.)	Anders Fjeld Chief Executive Officer (Sign.)

KID ASA – CASH FLOW STATEMENT

(All amounts in NOK 1000 unless otherwise stated)

	Note	2024	2023
CASH FLOW FROM OPERATIONS			
Profit before income taxes		368,115	338,764
Depreciation	8	14,572	6,448
Taxes paid in the period	5	-73,424	-56,578
Change in trade creditors		7,852	1,531
Change in other provisions and cash pool arrangement	9	-14,281	77,599
Net cash flow from operations		**302,833**	**367,763**
CASH FLOW FROM INVESTMENTS			
Increase in investments in subsidiaries		-30	0
Investment in software		-24,394	-12,105
Net cash flow from investments		**-24 424**	**-12 105**
CASH FLOW FROM FINANCING			
Proceeds from short/long term loans	12	230,000	160,000
Repayment of short/long term loans	12	-260,000	-190,000
Change in borrowings to group companies		53,560	31,065
Payment of dividends		-264,194	-233,710
Net cash flow from financing		**-240,634**	**-232,645**
Net change in cash and cash equivalents		**37,775**	**123,012**
Exchange gain /(losses) on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		168,731	45,718
Cash and cash equivalents at the end of the period		**206,506**	**168,731**

KID ASA - NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

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

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

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

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

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

Classification of balance sheet items
Assets intended for long-term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities.

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

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

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

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

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

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

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

losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

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

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

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

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

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

NOTE 1 | RELATED-PARTY TRANSACTIONS

The balance with group companies is disclosed in note 7.

Transactions with related parties

	2024	2023
Transactions with Group companies	8,652	4,883
Interest income from Group companies	6,916	4,229

NOTE 2 | PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC.

Payroll expenses

	2024	2023
Salaries/wages	-	-
Social security fees	430	412
Board remuneration	3,135	5,238
Pension expenses	-	-
Other remuneration	3,429	-
Total	**6,993**	**2,951**

There are no employees in Kid ASA.

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

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

Expensed audit fees

	2024	2023
Statutory audit (incl. technical assistance with financial statements)	773	808
Other assurance services	46	166
Tax advisory fee (incl. technical assistance with tax return)	-	-
Other assistance (IFRS conversion and quarterly reports)		
Total audit fees	**819**	**974**

NOTE 3 | SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Parent company

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

Subsidiaries	Location	Ownership/ voting right	Equity last year (100%)	Result last year (100%)	Balance sheet value
Kid Interiør AS	Lier, Norway	100%	125,567	323,305	1,204,158
Hemtex AB*	Borås, Sweden	100%	528,307	83,022	81,942
Kid Eiendom AS	Lier, Norway	100%	1,964	529	30
Kid Sourcing AS	Lier, Norway	100%	30	0	30
Kid International Logistics AB	Borås, Sweden	100%	35,996	5,376	38,369
Balance sheet value 31.12.24					1,324,530

*Figures from Hemtex AB Group

NOTE 4 | SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

Financial income

	2024	2023
Interest income from group entities	6,916	4229
Interest income	7,565	6,170
Other financial income incl currency gain	-	2,467
Total financial income	**14,481**	**12,865**

Financial expenses

	2024	2023
Interest expenses	40,219	34,132
Other financial expenses incl currency loss	1,753	2,615
Total financial expenses	**41,972**	**36,747**

NOTE 5 | TAXES

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

	2024	2023
Result before taxes	368,115	338,764
Permanent differences	471	528
Basis for the tax expense for the year	368,586	339,292
Change in temporary differences	8,986	-5,516
Basis for payable taxes in the income statement	**377,572**	**333,776**
+/- Group contributions received/given	-	-
Taxable income (basis for payable taxes in the balance sheet)	**377,572**	**333,776**

Components of the income tax expenses

	2024	2023
Tax rate	22%	22%
Payable tax on this year's result	83,066	73,382
Tax effect of differences between reported and booked tax last year	-	-301
Total payable tax	83,066	73,081
Change in deferred tax based on original tax rate	-1,977	1,214
Change in deferred tax due to change in tax rate	-	-
Tax expense	**81,089**	**74,295**
Tax expense as a percentage of profit before tax	22%	22%
Payable taxes in the balance sheet		
Payable tax in the tax charge	83,066	73,382
Tax effect of group contribution	-	-
Tax effect of Skattefunn		
Payable tax in the balance sheet	**83,066**	**73,382**

Temporary differences included in the basis of deferred tax/tax asset		
Unrealized currency gain/loss long term	-	8,871
Interest rate swap	-1,482	-1,368
Basis for deferred tax/tax asset	-1,482	7,504
Deferred tax/(tax asset) recognised	**-326**	**1,651**

NOTE 6 | DEBTORS AND LIABILITIES

	2024	2023
Liabilities secured by mortgage	**491,700**	**-521,700**
Balance sheet value of assets placed as security:		
Shares	1,286,130	1,286,100
Total	1,286,130	1,286,100

NOTE 7 | BALANCE WITH GROUP COMPANIES, ETC.

	Loan to group comapnies		Other receivables	
	2024	2023	2024	2023
Group companies	-	53,783	506,333	497,721
Total	**-**	**53,783**	**506,333**	**497,721**

	Other current debt	
	2024	2023
Debt to Group companies	527,441	528,255
Total	**527,441**	**528,255**

Please also refer to note 9 Cash and cash equivalents for information regarding the Company's cash pool arrangement

NOTE 8 | INTANGIBLE ASSETS

	Software
At 1 January 2023	31,945
Additions	12,105
Depreciation	-6,448
Net book value as at 31 December 2023	**37,602**
At 1 January 2024	37,602
Additions	24,394
Depreciation	-14,572
Net book value as at 31 December 2024	**47,424**
Useful life	4-7 years

NOTE 9 | CASH AND CASH EQUIVALENTS

The company policy for the purpose of optimizing availability and flexibility of cash within the Group is to use a cash pooling arrangement. The arrangement is organized with Nordea Sweden as a service provider and is a multi-currency arrangement consisting of currencies NOK, SEK, USD, EUR and HKD. Kid ASA as an owner of the pool is financially viable concerning repayment of any net deposits made by Kid Interiør AS, Kid Logistikk AS, Kid Eiendom AS, Kid Sourcing AS, Hemtex AB, Kid International AB and Hemtex OY. The cash pool has a maximum credit of MNOK 247, which has not been used at year end.

The following balances relate to the cash pool arrangement:

	2024	2023
Cash and bank deposits	206,506	168,730
Current debt to Group companies	524,894	527,834

There are no restricted funds. The Company has an employee tax guarantee limit of TNOK 3,000

NOTE 10 | SHAREHOLDERS' EQUITY

Equity changes in the year	Share capital	Share premium	Other paid-in equity	Other equity	Total
Equity 01.01.24	48,774	321,049	64,617	370,638	805,078
Profit for the year	-	-	-	287,026	287,026
Dividend pre-payment nov 24	-	-	-	-121,935	-121,935
Proposed dividends 31.12.24	-	-	-	-203,226	-203,226
Equity 31.12.24	**48,774**	**321,049**	**64,617**	**332,503**	**766,942**

NOTE 11 | SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of NOK 48 774 194 consist of 40 645 162 shares with a nominal value of NOK 1.2 each.
Kid ASA is listed on the Oslo Stock Exchange. Top 20 shareholders as of 31.12.24 was:

Shareholder	Ownership
Folketrygdfondet	10.59%
Verdipapirfondet Alfred Berg Gamba	7.16%
Pareto Aksje Norge Verdipapirfond	6.87%
VJ Invest AS	3.13%
Verdipapirfondet Holberg Norge	3.01%
Salt Value AS	2.89%
J.P. Morgan SE	2.86%
Stenshagen Invest AS	2.61%
Société Générale	2.12%
Landkreditt Utbytte	2.07%
Varner Equities AS	1.86%
Forsvarets Personellservice	1.75%
J.P. Morgan SE	1.73%
J.P. Morgan SE	1.71%
Verdipapirfondet DnB SMB	1.69%
The Bank of New York Mellon SA/NV	1.69%
The Bank of New York Mellon SA/NV	1.36%
Verdipapirfondet DnB Norge	1.36%
Brown Brothers Harriman & Co.	1.32%
Verdipapirfondet KLP Aksjenorge	1.25%

Key Management Personnel Share holdings	31.12.2024	31.12.2023
Anders Fjeld	138,000	138,000
Mads Kigen	2,000	500
Anders Lorentzson	na	na
Board of Directors		
Petter Schouw-Hansen	na	54,808
Liv Berstad	1,270	1,270
Gyrid Skalleberg Ingerø	3,007	3,007
Karin Bing Orgland	32,629	32,629
Rune Marsdal	na	20,427
Espen Gundersen	7,000	7,000
Jon Brannsten	na	na

NOTE 12 | FINANCIAL MARKET RISK

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

Interest risk

The company's interest rate risk arises from long-term borrowings and bank deposits. Borrowings issued at variable rates expose the group to cashflow interest rate risk which is partially offset by cash held at variable rates. Fixed-interest contracts are used to reduce this risk. In addition to the MNOK 491.7 term loan, Kid ASA also have a MNOK 247 flexible credit facility and a MNOK 230 overdraft credit facility that are used during the year. At year-end MNOK 0 (MNOK 0) has been drawn of the overdraft facility. Please also refer to note 9 Cash and cash equivalents for information regarding the cash pool.

At year end, the Company had one interest rate swap contract at a fair value of MNOK 35.50 (MNOK 29.00). Gains or losses on the derivative instrument is recognised when the instrument expires, is sold or terminated. In addition the Company entered into a cross-currency interest swap during 2021 of MNOK 115 which expired during 2024. Please refer to note 3 Financial risk management in Kid Group for further information on derivative contracts.

NOTE 13 | SUBSEQUENT EVENTS

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

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2024 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.

We further confirm that the board of directors' report has been prepared in accordance with and meet the requirements of the European sustainability reporting standards (ESRS), the Norwegian accounting act and article 8 of the taxonomy regulation.

Lier, 9 April 2025

The board of directors, Kid ASA

Espen Gundersen Chairman (Sign.)	Liv Berstad Board member (Sign.)	Gyrid Skalleberg Ingerø Board member (Sign.)
Karin Bing Orgland Board member (Sign.)	Jon Brannsten Board Member (Sign.)	Anders Fjeld Chief Executive Officer (Sign.)

To the General Meeting of Kid ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- the financial statements of the parent company Kid ASA (the Company), which comprise the balance sheet as at 31 December 2024, the statement of income and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Kid ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

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

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

We have been the auditor of Kid ASA for 20 years from the election by the general meeting of the shareholders on 23 June 2005 for the accounting year 2005.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of the Kid trademark	
The Kid trademark amounts to a significant part of the Group's total assets. Management performed an impairment test of the trademark by estimating and discounting the expected net future cash flows. Estimates of net future cash flows and discount rate are dependent on management judgement. In the event of a write-down of the trademark, both operating profit and total equity would be impacted. No impairment charge was recognised in 2024. We focused on valuation of the Kid trademark due to the significance to the financial statements and the inherent risk that management judgement could affect the valuation. For more information see note 5 and note 12 to the consolidated financial statements, where management explains the origin of the trademark and the impairment test.	To challenge the judgment applied by management estimationg the net future cash flows, we compared the estimated future cash flows to prior years' actual cash flows, approved budgets, and business plans. We found no inconsistencies between the estimated net discounted cash flows and the information used by management to estiamte the cash flows. To evaluate management's estimation accuracy, we compared the 2024 estimated cash flows used in last year's impairment test with the actual cash flows in 2024. Only minor deviations were noted. To evaluated management's assumptions related to future long-tem growth, we compared management's estimates with the expectations in the marketplace. We found that management's estimates for long-term growth were in line with both the markets and out expectations. To evaluate management's assumptions related to the discount rate, we compared the different input factors used in the determination of the discount rate with observable market data, market expectations and discount rates used by comaparble companies. We found that management's discount rate contained the elements required by IFRS Accounting Standards, and that the different elements were in line with what we observed in the marketplace and comparative companies. To challenge management's sensitiivty analysis, we performed our own sensitivity analyses of key parameters. We found that the estimated value of the trademark was most sensitive to changes in future sales, long-term growth and discount rate. A reasonable variation in the key parameters did not lead to a different conclusion on the impairment test. We read the notes and found that the disclosures, including the sensitivity analysis, were satisfactory and provided meaningful information about the trademark and the valuation performed.

Other Information

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

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

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

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

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Kid ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name KIDASA_2024-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

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

Oslo, 9 April 2025
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant
(This document is signed electronically)

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Financial calendar 2025

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

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

REVENUE UPDATES

KID ASA will announce revenue updates on the following dates:

Q2-2024 revenue – 07.07.2025
Q3-2024 revenue – 08.10.2025

All dates are subject to change.

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

INVESTOR SITE

http://investor.kid.no

Annual General Meeting
12 May 2025

Q1
15 May 2025

Q2
21 August 2025

Q3
6 November 2025

Kid

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