

Revenues and business update for the first quarter of 2020

Lier, 7 April 2020: Kid ASA today announces unaudited revenue figures for the first quarter of 2020 (previous year in brackets). For definition of like-for-like stores, please see latest quarterly report at <http://investor.kid.no>

Segment Kid Interior

Q1 revenues decreased by -3,7% to MNOK 287,1 (MNOK 298.0). Like-for-like sales decreased by -4,0%. Online sales increased by +31,7%.

No new stores were opened or relocated, one store was closed, and two stores were refurbished during the quarter. The total number of physical stores at the end of the quarter was 143 (142). The number of shopping days in the quarter was 77 (76).

Segment Hemtex

Q1 revenues increased by 6.6% to MSEK 225.8 Like-for-like sales increased by 7.9%. Online sales increased by 38,0%.

Three stores were closed, no new stores were opened or relocated, and three stores were refurbished during the quarter. The total number of physical stores at the end of the quarter was 132 (141). the number of shopping days in the quarter was 91 (90).

Business Update

Following the COVID-19 pandemic, KID has experienced reduced turnover as the number of customers visiting shopping malls and our stores has decreased, especially during the last two weeks of March. The drop in turnover occurred a few days later in Hemtex than in Kid Interior.

For the period from 1 January to 8 March, like-for-like revenues increased by 2,5% for Kid Interior. For the period from 1 January to 11 March, like-for-like revenues increased by 18,3% for Hemtex.

Following the World Health Organization's declaration of the COVID-19 outbreak as a pandemic on 11 March and the subsequent actions taken by governments, sales dropped instantly and were down by -23,9% and -22,8% for the remainder of the quarter for Kid Interior and Hemtex respectively. After the first days of initial sales drop demand has gradually improved, especially in Norway.

With reference to the "Notice of temporary layoffs" announced on 18 March, temporary layoffs in Kid Interior were effectuated on 27 March. 690 store employees (corresponding to

160 FTEs and more than half of all store employees) have been partly or fully temporarily laid off. Temporary layoffs in Hemtex will be effectuated from early April.

Four stores were temporarily closed in Norway, of which three have recently been reopened and the fourth will reopen after Easter. Following governmental requirements, all five stores, accounting for less than 2% of group revenue, in Estonia are currently closed. At the moment, no stores are expected to close in Sweden. In Finland, a low number of store closures might be required.

Considering the uncertainty related to COVID-19, all ongoing projects have been carefully evaluated. If the current situation persists, capex can potentially be substantially reduced. Furthermore, the debt instalment of MNOK 50 in April will be considered postponed until November. Also, KID will consider utilizing governmental options of postponing payment of various taxes, and thereby improving short term liquidity. Finally, all operating costs are closely monitored, and cost reductions are consecutively implemented.

The majority of Q2 merchandise has already been shipped. However, we prepare for potential delays as sourcing countries like India, Pakistan and Bangladesh are preparing or have implemented production shutdown. In case of a more permanent lockdown in these countries, we will also prepare for delays in deliveries in late Q3 and early Q4.

KID remains confident on its solid financial situation and liquidity. Management and the Board of Directors will continue to monitor the COVID-19 situation and the consequences hereof closely and will take further pre-emptive actions if and when appropriate. Specifically, in the end of April the Board of Directors will consider an adjustment of the proposed dividend payment in May.

The quarterly report for the first quarter of 2020 will be announced on 19 May 2020 at CET 08:00.

ENQUIRIES

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