



KID ASA – COOPERATION WITH FABRITIUS GRUPPEN AS TO ESTABLISH NEW WAREHOUSE FACILITIES IN SWEDEN

Lier, 3 November 2021

Kid ASA ("**Kid**") has through its Norwegian wholly owned subsidiary Hemtex Logistikk AS (under name change from Alfamor 21124 AS) entered into a commercial cooperation with Fabritius Gruppen AS ("**Fabritius**") regarding establishment of a joint venture ("**Joint Venture**") for the purpose of constructing a new warehouse facility in Sweden. This includes a contemplated purchase of a plot (of land) (Nw.: *tomt*) in Borås municipality (Sweden) and construction of a central warehouse and offices to be leased out to Kid's Swedish wholly owned subsidiary, Hemtex AB ("**Hemtex**"). The Joint Venture will be controlled by Kid (through Hemtex Logistikk AS) and Fabritius on a 50/50% basis. Fabritius is wholly owned by Gjelsten Holding AS, which currently also holds 10.24% of the shares in Kid ASA.

A third-party logistics provider is currently operating all warehouse functions and storage for Hemtex. In Norway, Kid has been operating all warehouse functions and storage in-house through its wholly owned subsidiary Kid Logistikk AS. Kid is confident that the group will operate more cost efficiently, reduce operational risk and better serve its customers by operating its own in-house logistics organization. Furthermore, Hemtex will move their headquarter into the same premises.

A land purchase agreement (the "**Purchase Agreement**") of approximately SEK 40 million regarding the purchase of the plot (of land) of approximately 45,000 square meters in Viared, Borås municipality (Sweden) is expected to be entered into in early 2022 with Borås Kommune (Borås municipality) (as seller) and a Swedish subsidiary of the Joint Venture (as purchaser). The Purchase Agreement will also include an option to purchase two additional and adjacent building plot areas within two years from the date of the Purchase Agreement. This option enables a possible future extension of the warehouse to support further growth.

The terms and conditions of the Purchase Agreement have been agreed with the administration of Borås Kommune and will now be submitted to the municipality council of Borås Kommune for formal approval. Borås Kommune's entrance into the Purchase Agreement is subject to this municipal administrative approval process.

Provided a completion of the land Purchase Agreement, the construction of warehouse and offices of approximately 25,000 square meters is currently expected to start in the beginning of the second quarter of 2022. The warehouse is expected to cover Hemtex' need for storage space and headquarters' offices, as well as a buffer storage capacity for Kid's Norwegian operations through Kid Interiør AS.

Kid's investment in the Joint Venture will be financed from existing bank facilities. The project will be financed on a stand-alone basis through bank borrowings with an estimated gearing ratio of 80%.

A lease agreement will be entered into for the lease of the warehouse and offices, between the Swedish subsidiary of Joint Venture (as lessor) and Hemtex (as lessee). The lease agreement will be entered into on market terms.

Fabritius shall be responsible for the overall management of the project and has entered into a project management agreement with the lessor for, inter alia, regulation of the payments to be paid to Fabritius for its services. The project management agreement will be entered into on market terms.

The agreements are based on market terms and has been supported with a valuation obtained from an independent third-party and the agreements has been reviewed by an external law firm.

Petter Schouw-Hansen, Chairperson of the board of directors in Kid ASA and Director with Gjelsten Holding AS, and Rune Marsdal Member of the board of directors in Kid ASA and CFO and member of board of directors of Gjelsten Holding AS, have not been involved in the board work and decision-making processes.

For further information, please contact:

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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