2025

Kid

Kid

DISCLAIMER: This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice. © KID ASA

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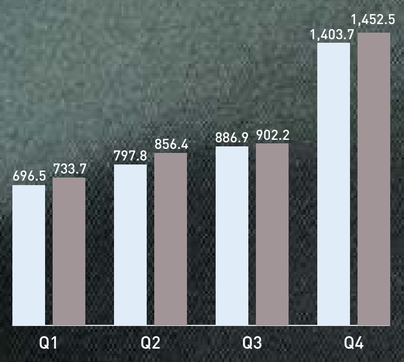
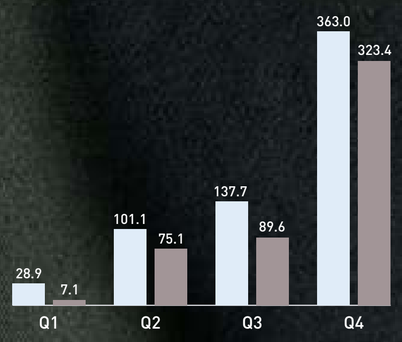
FINANCIAL HIGHLIGHTS 2025

Revenues
(MNOK)



2024 2025

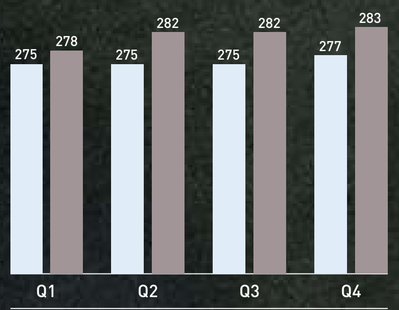
EBITDA*
(MNOK)



2024 2025

* Excluding IFRS 16 effects

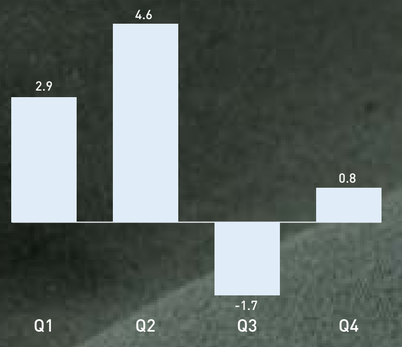
Number of physical stores*
(Period end)



2024 2025

*Excluding 11 franchise stores

Like-for-like growth*
(%)



Group 2025

*Measured on a constant currency basis

ABOUT KID

Kid ASA (listed on the Oslo Stock Exchange under the ticker symbol KID) operates as a home textile retailer through Kid Interior in Norway with 160 stores, and under the Hemtex brand in Sweden, Finland and Estonia with 123 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 2025 the Kid Group had 2,395 employees.

Warehouse, Viared, Sweden

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, while Hemtex' offices and the new common warehouse facilities are located in Borås, Sweden.

OUR HISTORY

- Kid
- Hemtex
- Kid Group

1937 Kid Interior was established by Jul Andrew Gundersen as JAG shoe factory

1953 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 Hemtex was established by 14 owners of independent interior textile stores

1970s An increased focus on interior textiles and the start of its own production

1990 The company, with its 60 stores, changed name to Hemtex

1994 The company changed its name to Kid Interior and began using the Kid brand for selected products

1997 The third generation of the Gundersen family takes over the business, which has now grown to 24 stores

2005 The company turns public as its shares are listed on the Stockholm Stock Exchange

2005 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 takes control of Kid Interior following a long-term debt default

2012 Gjelsten Holding takes 100 percent ownership of the company, which now comprises 111 stores after a successful turnaround

2015 ICA Gruppen takes 100 percent ownership of Hemtex

2015 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

2025 New Common Warehouse

The establishment of a new common warehouse in Sweden strengthens our operational platform and enables scalable growth for the Group

2025 HIGHLIGHTS

MNOK **3,945** REVENUES

1.4% LIKE-FOR-LIKE GROWTH

3.1% (Kid Interior)

-1.3% (Hemtex)

13.2% ONLINE SHARE

19.9% ONLINE SHARE INCL CLICK & COLLECT

2,395 EMPLOYEES

NOK **5.64** EPS

Hemtex, Liljeholmen, Sweden

Hemtex, Mall of Tripla, Finland

Kid Interior, Bryn, Norway

Hemtex, Barkarby, Sweden

Hemtex, Liljeholmen, Sweden

Kid Interior, Lagunen, Norway

Hemtex, Jumbo, Finland

NORDIC PRESENCE 2025

NUMBER OF STORES AT YEAR-END

283*

(KID INTERIOR 160 / HEMTEX 123)

CHANGES DURING THE YEAR

7 NEW STORES
(Kid Interior 3 / Hemtex 4)

21 REFURBISHED STORES
(Kid Interior 15 / Hemtex 6)

14 RELOCATED STORES
(Kid Interior 7 / Hemtex 7)

1 CLOSED STORE
(Kid Interior 1 / Hemtex 0)

*Excluding 11 franchise stores

AT A GLANCE 2025

PROPOSED DIVIDEND PER SHARE IN MAY 2026 OF NOK **2.50**

PAID DIVIDEND PER SHARE IN NOVEMBER 2025 OF NOK **2.50**

AGGREGATED DIVIDEND OF **5.00**

DIVIDEND % OF NET PROFIT **89%**

GROSS MARGIN OF

61.5%

(61.9% in 2024)

MNOK

495.3

EBITDA

Excluding IFRS 16 effects

(MNOK 630.7 in 2024)

3.5

MILLION CUSTOMER CLUB MEMBERS

(Kid Interior: 1.6 million / Hemtex: 1.9 million)

DEAR SHAREHOLDERS

In 2025, the Kid Group delivered revenue growth despite executing one of the largest transformation projects in the Group's history – the commencement of our new common warehouse in Sweden. This milestone represents a significant investment in future scalability and a strengthened platform for long-term growth. Achieving growth while navigating such an extensive transition confirms not only the strong appeal of our concept and the continued relevance of our assortment across all markets, but also the organisation's ability to maintain full focus on day-to-day operations in parallel with a demanding strategic project.

2025 marked a defining year for the Kid Group and also my first year as CEO. Stepping into this role on 1 May, I do so with both humility and pride. Having been part of Kid since 2008, I have seen firsthand the dedication, ambition and passion that characterise our organisation and unique culture. I am grateful for the trust placed in me by the Board of Directors, our employees and our partners, and I look forward to continuing the strong journey that has brought the Group to where it is today.

For the Group, 2025 was a transition year shaped by the commencement of our new common warehouse in Sweden. The transition brought temporary logistical constraints and reduced product availability in our stores, particularly during second half. Despite these challenges, we delivered revenue growth of 4.2% on top of the strong 2024. Throughout the year, we also saw growth in our seasonal assortment, which we prioritised out of the warehouse during the transition, and new initiatives contributed positively, particularly within outdoor furniture as well as the bathroom and kitchen categories. This performance reflects the continued strength of our categories, concepts and value proposition, as well as our loyal customer base across the Nordics.

Our online business continued to show robust momentum, fuelled by improved product availability compared to our physical stores. Online revenues exceeded MNOK 500 in 2025, with online growth of 10.7% measured in constant currency and representing 13.2% of total revenues. This strong development confirms the attractiveness of our assortment, the relevance of our omnichannel model, and the strength of the Kid Interior and Hemtex brands.

Throughout the year, we maintained high activity in developing and strengthening our store portfolio. Kid Interior and Hemtex together completed 29 store projects, including refurbishments, relocations and enlargements, alongside seven new store openings and six Extended store openings. The Extended concept continued to deliver strong results, with five new Extended stores opened in Norway and the first in Sweden during the year. By year-end, the Group operated 14 Extended stores in Norway and one in Sweden. Looking ahead, we will open the fifteenth Extended store in Norway and the second in Sweden in 2026, while actively progressing the third Swedish location to meet our current ambition of 15 stores in Norway and 3 in Sweden.

The pilot for testing selected EU markets under the Hemtex brand, originally scheduled for 2025, has been rescheduled to 2026. This adjustment reflects our prioritisation of core markets and the need to ensure a successful ramp-up of our new warehouse. During 2026, we plan to launch a German-language website supported by local marketing investments, alongside an English-language site targeting additional EU markets.

The transition to the new common warehouse in Sweden was one of the largest operational milestones of the year and in the Group's history. Although the process introduced temporary inefficiencies, including higher costs, reduced delivery accuracy and lower product availability, the benefits are becoming increasingly visible. Toward year-end, operational performance improved as capacity, systems and processes stabilised. The warehouse will be a key enabler for future growth, efficiency and scalability across all markets.

As I reflect on 2025, I am proud of what we have achieved together. We have navigated a complex transition while maintaining growth, strengthening our strategic position and laying a solid foundation for the next chapter. This year has demonstrated the strength of our organisation — the ability to stay focused, deliver high-quality execution and continue developing our brands, concepts and customer experiences despite significant operational change.

Looking into 2026, we shift our focus from transition to optimisation. With the new warehouse now fully operational, our priority moves to unlocking its full potential through continued efficiency improvements, process refinement and better utilisation of capacity. Together with ongoing category development, including new exciting initiatives, and further expansion of our strong store portfolio, we are well positioned to strengthen performance, improve scalability and capture new opportunities. I am confident that we can continue creating value for our customers, employees and shareholders — and I look forward to setting new records together in the years ahead.

As I conclude my first year as CEO, I would like to express my sincere gratitude to all colleagues across the Kid Group for their dedication and hard work during this demanding transition year. Your commitment has been essential to maintaining momentum while preparing the company for its next phase. I also want to thank our customers, partners and shareholders for their continued trust and support. Together, we stand well prepared for the opportunities ahead, and I look forward to achieving new milestones with you as we move from transition to optimisation in 2026.

Yours sincerely,

Marianne Fulford
CEO, Kid ASA

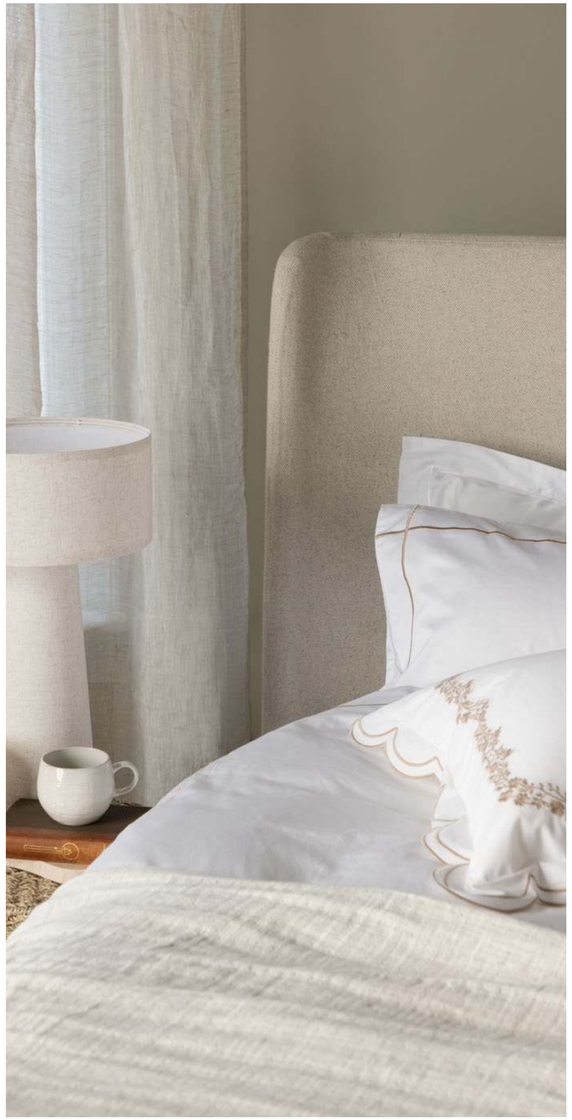
GROUP EXECUTIVE MANAGEMENT

Marianne Fulford
(CEO)

Fulford has been CEO at Kid since May 2025. Prior to her current position she served as Director of Sourcing and Assortment in Kid, and she joined Kid in 2008. Previous experience includes 6 years with Tempur as Head of Sales and Regional Manager in addition to different Marketing positions. Fulford holds a Master's Degree in Marketing from BI Norwegian Business School. She 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.



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 Corporate Governance Code, revised the 28 August 2025. 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. Optimisation 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 5.00 per share in May 2025. The board of directors were also given the authority to approve and distribute a half-year dividend considering the third quarter results in 2025. A halfyear dividend of NOK 2.50 was distributed in November 2025. A dividend of NOK 2.50 has been proposed by the Board for 2025 at year end. The dividend is subject to approval at the annual general meeting in May 2026.

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 2026, but in no event later than 30 June 2026.

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 general meeting 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 (Annual General Meeting). 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 of directors 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.

Most Board members have completed external courses on sustainability reporting during 2024 and 2025. Several members also bring experience from management roles and other directorships with responsibility for, and oversight of, sustainability reporting. The Board has access to internal experts within management who cover the Group's material sustainability topics.

As part of the Board's annual self-assessment, competence needs are evaluated to ensure that the Board has the skills required to fulfil its responsibilities. This includes assessing whether relevant expertise is represented on the Board and whether management prepares and manages key areas, including sustainability matters, in a sufficient manner.

The board has established an audit committee consisting of two board members.

Aggregate attendance for the Board and Audit Committee meetings was 98% in 2025.

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 2025 is disclosed in the notes to the consolidated accounts as well as the Remuneration report for 2025.

Members of the board of directors 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 GM 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, but a portion of 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 GM. 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 clearly 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. 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 clearly 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

Chair
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 board member in Norsk Hydro ASA, board member in Scatec ASA (including head of the audit committee) and board member in Hexagon Purus ASA (including head of the audit committee).

Attendance on Board meetings during 2025: Present at all eight meetings.*

Gundersen is independent of the company's executive personnel, material business contacts and any major shareholders.

Karin Bing Orgland

Board Member
Appointed: August 2015
Re-elected May 2025

Karin Bing Orgland (1959) is currently a professional board member in various companies including Chairman of the BOD of Entur AS and Elektroimportøren AS, 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 residents in Oslo, Norway and holds a Master of Business and Economics degree from the Norwegian school of Economics.

Attendance on Board meetings during 2025: Present at all eight meetings.*

Bing Orgland is independent of the company's executive personnel, material business contacts and any major shareholders.

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.

Attendance on Board meetings during 2025: Present at all eight meetings.*

Skalleberg Ingerø is independent of the company's executive personnel, material business contacts and any major shareholders.

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.

Attendance on Board meetings during 2025: Present at seven of eight meetings.*

Berstad is independent of the company's executive personnel, material business contacts and any major shareholders.

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.

Attendance on Board meetings during 2025: Present at seven of eight meetings.*

Brannsten is independent of the company's executive personnel, material business contacts and any major shareholders.

* In addition, the Board held eight meetings regarding the recruitment and appointment of the new CEO. All members were present at all meetings.

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 Kid Group offers a full range of home and interior products, including textiles, curtains, bed linens, furniture, accessories and related interior items. The Group designs, sources, markets and sells its products through its online platforms and through its store networks: Kid Interior in Norway and Hemtex in Sweden, Finland and Estonia.

Kid Interior is the leading specialist home textile retailer in Norway with 160 fully owned stores. Hemtex is the leading specialist home textile retailer in Sweden with 105 fully owned stores and 11 franchise stores, in addition to 11 fully owned stores in Finland and 7 in Estonia. All products sold through Kid Interior and Hemtex stores are also available on the Group's online platforms.

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

SUMMARY OF THE YEAR

2025 was a transition year for the Kid Group, marked by the commencement of our new ~57,000 sqm. common warehouse in Sweden, serving the entire Kid Group. The transition, combined with temporary logistical constraints, affected product availability in stores. Despite these temporary effects, the Kid Group delivered revenue growth of 4.2% on top of a record year 2024, demonstrating the continued resilience of our categories, concepts and omnichannel model. Online revenue growth was 10.7% and accounted for 13.2% of total revenues.

The new warehouse in Sweden provides increased capacity, efficiency and scalability – making Kid well prepared for the years to come. The warehouse transition introduced temporary inefficiencies, double rental costs, reduced delivery accuracy and constrained product availability, particularly in stores. By the end of 2025, operational performance improved as processes, automation solutions and systems stabilised, and going forward the Group will focus on further streamlining and optimising warehouse operations to realise the planned efficiency gains.

Store portfolio development remained a key pillar of the Kid Group's long-term growth strategy. Throughout 2025, Kid Interior and Hemtex completed a record high level of store projects amounting to 29, comprising refurbishments, relocations and enlargements, combined with seven new store openings and six Extended store openings across markets. The rollout of the Extended concept progressed further, with five Extended stores opened in Norway and the first opening in Sweden. The concept continues to strengthen the Group's offering within larger home-interior categories. By year-end, we had 14 open Extended stores in Norway and one in Sweden, offering the full Extended assortment. Two Extended stores are signed and scheduled to open in 2026, one in Norway and one in Sweden, and we are working to secure the third Swedish location in line with our current ambition, with the possibility of additional locations if attractive opportunities arise.

Marianne Fulford assumed the role of CEO of the Kid Group on 1 May 2025, succeeding Anders Fjeld after his six year tenure. She joined the Company in 2008 and most recently served as Director of Sourcing and Assortment. With her extensive experience, deep understanding of the Group's business model, and long standing contribution to the development of the Kid concept, the Board is confident that she will continue to drive the Group's progress in the years ahead.

FINANCIAL RESULTS

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

Income statement for the Group

Revenues for 2025 were MNOK 3,944.6 (MNOK 3,784.9). Measured on a constant currency basis, the like-for-like sales growth was 3.1% (8.5%) and -1.3% (9.3%) for Kid Interior and Hemtex, respectively. Online sales grew by 10.7% in 2025, accounting for 13.2% of total revenues.

Gross margin was 61.5% (61.9%) for 2025. Other operating expenses including IFRS 16 and employee benefit expenses, ended at 37.5% of revenues up from 34.9% in 2024. Operating profit (EBIT) decreased from prior year to MNOK 393.8 (MNOK 555.3). Inefficiencies related to the transition to the new warehouse, resulted in estimated lost revenues of approximately MNOK 60-80, with a corresponding gross profit shortfall, and approximately MNOK 53 in non-recurring operating and rental expenses. The weaker performance resulted also in lower bonus provision in 2025 compared to 2024.

In second quarter 2025, the Group recognised an impairment expense of MNOK 25 on the right-to-use asset related to the rental agreement for the warehouse in Lier.

Net financial expenses amounted to MNOK 109.5 (MNOK 90.5), negatively impacted by an MNOK 8.8 loss on the realisation of a currency hedge contracts in Hemtex following changes in the Group's sourcing setup.

Net income for 2025 was MNOK 229.2 (MNOK 398.6).

Balance sheet for the Group

Total assets were MNOK 4,583.6, an increase of MNOK 161.6 from 2024. Fixed and intangible assets increased by MNOK 222.0 due to investments in stores, the new warehouse in Sweden and new/negotiated rental contracts offset by reduction in the investment in JV. Inventories amounted to MNOK 934.5 at year-end, an increase of MNOK 158.6 mainly as a result from planned inventory build-up. Total receivables were MNOK 169.8, an increase of MNOK 9.5 from 2024. The change was mainly due to timing effects related to rental expenses, partly offset by the reduction in value of derivative financial instruments.

Net interest-bearing debt was MNOK 2,105.3 (MNOK 1,508.8), of which MNOK 1,383.0 is related to financial leases as defined

[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.

by IFRS 16. Net interest-bearing debt excluding financial leases was MNOK 722.4 (MNOK 263.1). This increase reflects the full-year result, including temporary effects from the warehouse transition and related non-recurring costs. Excluding IFRS 16, net interest-bearing debt corresponds to a gearing ratio of 1.46x (0.42x) of LTM EBITDA, which is above the Group's financial objective, although the medium-term target remains unchanged. Long-term interest-bearing debt excluding leases was MNOK 580.0 (MNOK 461.7) at the end of 2025, short-term interest-bearing debt was MNOK 142.4 (MNOK 30.0), and cash and bank deposits were MNOK 0.0 (MNOK 228.5). As of year-end, MNOK 112.4 of the Group's MNOK 300.0 revolving credit facility was drawn. In addition, the Group had an undrawn overdraft seasonal facility of MNOK 300.0.

The equity ratio at the end of the year was 31.7% compared to 34.8% in 2024.

Cash flow for the Group

The year-on-year reduction in cash flow from operations from MNOK 862.9 to MNOK 558.6, primarily reflects temporary effects from the warehouse transition impacting revenues and cost levels. The inventory level increased by MNOK 140.1 (MNOK 195.4) due to a combination of planned inventory build-up and some logistical constraints related to the ramp-up of the warehouse in Sweden. Other significant changes from 2025 included decreased trade creditors due to timing of payments and other short-term liabilities.

Cash flow from investments was MNOK -221.0 (MNOK -136.3). The investment level in 2025 reflects opening, relocation, and refurbishment of stores, including new Extended stores, as well as investments in the new common warehouse in Sweden and our IT platform. It also includes a dividend payment from Prognosgatan Holding AS ("JV"), where Kid Group controls 50%, and which previously owned the warehouse in Sweden that was sold in December 2024 through Prognosgatan Fastighets AB.

Cash flow from financing was MNOK -574.1 (MNOK -732.3), negatively affected by dividend payments of MNOK -304.8 (MNOK -264.2), lease payments of MNOK -387.9 (MNOK -340.5), offset by use of bank overdraft and a term loan of MNOK 148. 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 -236.6 (MNOK -5.1), mainly driven by decreased profit, increased inventory levels, investments and dividend payments.

ANNUAL RESULT ALLOCATION

Earnings per share was NOK 5.64 (NOK 9.81) in 2025. The Board of Directors will propose to the Annual General Meeting a dividend of NOK 2.50 per share to be paid in May 2026. Including the prepayment of NOK 2.50 per share paid in November 2025, the total dividend of NOK 5.00 represents 89% of Group net income for 2025.

KID ASA 2025 profit was distributed as follows:

Dividend pay-out	MNOK	101.6
Dividend prepayment	MNOK	101.6
Transferred to other equity	MNOK	33.3
Total allocated	**MNOK**	**236.6**

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 2025, the equity ratio was 31.7%. The Board of Directors is of the opinion that 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 built on a clear set of values, serving as guiding principles in everything we do and in how we communicate. Our core values are **commercial edge, inspiration, and dedication.**

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

- Communicating openly, honestly, and clearly
- Treating one another with respect, consideration, and responsibility
- Preventing, identifying, and managing conflicts of interest
- Promoting equal treatment and preventing discrimination based on gender, sexual orientation, ethnicity, religion, disability, gender identity or expression, age, or any other characteristic

Total sick leave for the Group was 3.3% in 2025 (4.3% in 2024). Absence due to sickness is monitored at both store and department level, and measures are implemented where the Company can influence the situation. The working environment is subject to continuous follow-up and is considered to be good.

Kid Group maintains a continuous focus on health, safety and the working environment across all parts of the organisation. In 2025, warehouse operations were relocated from Norway to Sweden, and a new central warehouse became operational. In connection with the establishment of the new facility, an enhanced incident reporting system was implemented. This has contributed to a higher reporting rate, particularly for minor incidents and accidents, which is considered a positive indication of a strengthened safety culture and increased awareness of preventive measures. As a result, a total of 72 minor incidents were recorded in 2025. No serious accidents were reported within Kid Group during the year.

Kid ASA maintains Directors and Officers (D&O) liability insurance with RiskPoint AS. The insurance covers claims for pure financial loss directed at members of the Board of Directors and Executive Management arising from compensatory acts and/or omissions in the performance of their duties, with an appropriate coverage limit.

For information on remuneration, please refer to Remuneration report 2025 as approved by the Board of Directors. The Remuneration report is subject to approval by the Annual General Meeting in 2026 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 committed to promoting equal opportunities and fostering an inclusive workplace where all individuals are treated with fairness and respect. We ensure that employees and job applicants are provided with equal opportunities regardless of age, gender, religion, ethnicity, nationality, disability, sexual orientation, gender identity, or life stage.

We actively support our employees in balancing professional and personal responsibilities and are dedicated to preventing discrimination, including on the basis of disability. Where feasible, we adapt roles, tasks, and working conditions to accommodate employees or applicants with disabilities.

Our strict anti-discrimination and anti-harassment policies are firmly anchored in our core values and apply to all employees, irrespective of employment status, including full-time, part-time, permanent, and temporary staff. Our overall objective is to promote diversity, equity, and equal opportunity throughout the organisation.

To support this objective, we focus on the following areas:

- **Fair Recruitment Practices:** Ensuring unbiased and inclusive recruitment processes that attract candidates from diverse backgrounds.
- **Working Environment:** Maintaining a safe, supportive, and respectful workplace for all employees.
- **Equal Career Opportunities:** Providing advancement opportunities based on merit and performance.
- **Professional Development:** Encouraging continuous learning and skills development.
- **Work–Life Balance:** Promoting policies and practices that enable a healthy balance between work and personal life.

Through these efforts, we aim to cultivate a workplace culture where every individual feels valued, respected, and empowered to contribute.

The Kid Group continuously reviews and updates its internal policies and guidelines to ensure compliance with evolving legislation and best practices.

The Kid Group conducts an annual employee survey to monitor and improve the working environment across the organisation. In 2025, the entire Group implemented a unified survey platform to ensure consistency and comparability of results. The survey addresses matters related to discrimination and equal treatment in areas such as recruitment, working conditions, career advancement, professional development, and work–life balance.

The Kid Group's employee survey indicates that 97% of employees believe men and women have equal opportunities within the organisation.

Furthermore, 84% of employees report knowing where to seek assistance if they experience harassment or discrimination. During the past 12 months, 2% of employees reported experiencing harassment or discrimination from a colleague or manager. Among those who reported incidents internally, four out of five felt that they received the support and assistance they needed.

In special situations, the Kid Group uses digital pulse surveys to identify perceived challenges within teams. This enables fact-based assessments and timely implementation of preventive and corrective measures. In addition, semi-annual one-on-one meetings are conducted with all employees. Based on survey results and individual follow-ups, potential risks are identified, assessed, and addressed through targeted actions. Department managers are responsible for this process in close collaboration with HR, ensuring that measures are implemented and monitored effectively.

In the retail division, the gender distribution within Kid Group is mirroring traditional employment patterns where 97% (98%) of in-store employees are women. At the warehouse, the gender equality balance has shifted away from traditional patterns, and per year-end 2025 approximately 46% (31%) of the employees in the warehouse were women. At the head quarter, 78% (77%) of employees are women and the management team consists of three men and 5 women. The Board of Directors of the parent company consists of three women and two men.

Kid Group's policy emphasises equal pay for equal work. As part of the annual salary adjustment process, management review fixed salaries to address any disparities. To analyse gender-based salary differences, the company categorises 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 2025 and 2024 have been performed.

2025	Number of men/women per employment type		Differences in remuneration (Womens share of mens remuneration in %)
	Women	Men	Fixed salary
Group Executive Management	1	1	155 %
HQ employees	125	35	78 %
Store employees	2,116	50	101 %
Warehouse employees	31	36	94 %
Total	**2,273**	**122**	**76%**

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:

- The salary level for Group Executive Management and HQ employees, 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.

In 2025, the number of employees was 2,395 (2,273) and 1,941 (1,811) of these were part-time. This means that 81 % (80 %) of employees work part-time. For HQ employees, the share of employees working part-time was 5.5 % (6.5%). The parent company has no employees.

Kid Group offers part-time positions in its stores and warehouse operations, providing flexibility for both employees and the business. The Group seeks, where possible, to offer part-time employees the opportunity to increase their employment percentage. Regular assessments are conducted to identify whether any employees are working part-time involuntarily.

To support a higher share of full-time positions, the Group prioritises internal recruitment for relevant vacant roles. In addition, Kid Group offers a talent development program that enables store employees to progress to store manager positions. A strong focus on internal recruitment, skills development, talent programs, and the opportunity to obtain a trade certificate in retail are key measures to retain employees, strengthen internal expertise, and create career development opportunities within the organisation.

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.

Kid ASA is subject to annual corporate social responsibility reporting requirements pursuant to section 3-3c of the Norwegian Accounting Act. The reporting is covered by the section in the annual report covering ESG.

FINANCIAL RISKS

The Group has an active approach to risk appetite. Key risks are monitored continuously, and measures are implemented where necessary.

Currency risk

To reduce foreign currency risks, Kid hedges net foreign currency cash flows by entering into futures contracts. This mitigates the currency risk for approximately 100% of goods sourced.

In order to mitigate currency risk, future contracts normally 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 SEK exposure in Hemtex is largely hedged through separate futures contracts.

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

Out of the Group's MNOK 722.4 in long term debt, MNOK 395 have been hedged through an interest rate swap agreement at a fixed interest rate of 1.876% maturing August 2029.

Climate risk

In the short-term aspect of climate change, Kid has limited net climate-related risk exposure. Updated climate scenario analysis identifies potential long-term negative financial impacts related to transitional and physical climate risks, confirming previous assessments. Please refer to Section E1, page 38, for more information.

Geopolitical risk

Geopolitical uncertainty may influence Kid's performance going forward. Historically, downturns have not necessarily affected the Company negatively, as weaker markets tend to reduce spending on capital goods rather than on affordable home and interior products. However, a prolonged conflict in the Middle East could drive fuel prices higher, which in turn would increase freight costs for Kid and other importers sourcing goods from Asia.

OUTLOOK FOR 2026

Kid Group's strong customer proposition, combining a unique and continuously renewed assortment, inspirational stores, a modern e-commerce platform and knowledgeable customer service, along with a responsible and trusted brand, is important building blocks for our long-term growth. Adding a motivated and dedicated work force, the Board is of the opinion that the Group is well positioned to further strengthen its market position in the years ahead, supported by high customer loyalty and a resilient concept.

The retail industry has always been dynamic. New players and concepts are constantly being introduced, while others disappear. One of Kid's core strengths has been the ability to adjust, adapt and seize opportunities when they arise. In 2026, the Group will continue to optimise, refurbish and expand the store portfolio towards the larger standard formats, enabling more stores to offer the full breadth of our assortment. The rollout of the Extended concept will continue, with the opening of the fifteenth Extended store in Norway and the second Extended store in Sweden, and the Group is actively working to secure the third Swedish location in order to reach the current ambition of 15 Extended stores in Norway and three in Sweden.

The pilot initiative to test Germany and EU markets under the Hemtex brand, originally planned for 2025, has been rescheduled to 2026 due to the strategic focus on core markets and the commencement of the new warehouse in Sweden. A German-language website and an English-language website for EU markets are planned for launch during 2026, supported by targeted marketing investments in Germany.

The Group expects the new common warehouse in Sweden to contribute to improved efficiency, scalability and service levels throughout 2026. To strengthen Kid's position and stay at the forefront of technological development, the Group will continue to invest in its digital infrastructure. In 2026, checkouts will be upgraded to a new point-of-sale ("POS") system, accompanied by significant enhancements to other core IT systems. Together, these investments will provide a future-proof platform that supports further growth. A final solution for our former warehouse in Lier is not yet resolved, but the Board is confident that a long-term solution will be secured in due time.

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

- 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 optimised 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 of approximately MNOK 3.5 per new normal store opening (~600 sqm.) and MNOK 7.0 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.

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.

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SUSTAINABILITY-RELATED DISCLOSURES

Being one of the largest interior and textile retailers in the Nordics comes with responsibilities. The Kid Group recognises that employees, customers and partners should feel confident that the Group seeks to ensure decent working conditions throughout the value chain, protect the environment, and deliver safe, quality products. The Group's ambition is to make responsible choices for tomorrow.

The Kid Group works with sustainability on a daily basis, continuously striving to choose good and efficient solutions at any given time. As one of the first retailers in the home textile and interior sector to have a validated Science Based Target, the Group is committed to reducing greenhouse gas emissions by 50% between 2020 and 2030, with the long-term objective of achieving net-zero emissions by 2045.

Changing direction takes time and is not something the Group can achieve alone; it requires engagement across the entire textile industry value chain. While tomorrow's best solutions for people and the planet may not yet exist, the Kid Group is actively developing and working towards a more sustainable business throughout the value chain, in close collaboration with suppliers and partners.

Basis for Preparation // BP-1

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, 2025, to December 31, 2025. 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 the Double Materiality Assessment (DMA) or are mandatory according to the ESRS standards.

REPORTING SCOPE AND METHODOLOGY //BP-2

- **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.
- **Transitional provision:** Anticipated financial effects are reported qualitatively only for climate change (ESRS E1) in accordance with the phase-in provisions in ESRS 1 Appendix C.
- **Value chain coverage across reporting areas:** The sustainability statement covers the Kid Group's upstream and downstream value chain as follows:

  1. the double materiality assessment covers upstream and downstream activities;
  2. policies and actions extend to suppliers through the Group's Code of Conduct and purchasing requirements; and
  3. metrics include value chain data where required by ESRS, otherwise estimated in accordance with ESRS 1 chapter 5.

- **Changes in preparation or presentation of sustainability information**
  During 2025, the Kid Group implemented methodological changes in the calculation of Scope 3 emissions related to purchased goods and capital goods.

  A. Description of changes and rationale
  In 2025, the Group improved its supplier greenhouse gas (GHG) emissions project, covering 15 suppliers (including vertically integrated suppliers, Tier 1 and selected Tier 2 suppliers), to enhance data quality and accuracy.

  As part of this improvement, the Group replaced generic Higg-MSI material emission factors with supplier-specific primary emissions data where available. This provides more accurate and representative Scope 3 emissions figures.

  In addition, the emission factor applied for polyester was updated to reflect improved underlying data and assumptions compared to those used in earlier reporting periods. This change is considered a normal methodological improvement and does not represent a correction of previously reported data.

  Furthermore, Capex emissions are now systematically included in reported Scope 3 figures due to their increased relative significance.

B. Revised comparative figures
Comparative figures for 2020 and 2024 have been recalculated to reflect:

– Supplier-specific primary data
– Inclusion of Capex emissions

For 2021–2023, emissions remain factor-based where primary data are unavailable. Capex GHG emissions will be estimated where necessary to ensure consistency and comparability.

C. Quantified impact
The use of supplier-specific primary data resulted in approximately 3,000 tonnes lower Scope 3 emissions compared to previous Higg-MSI-based calculations. The impact of the updated polyester emission factor is estimated at approximately 3.2% of total emissions and is therefore assessed as not material, as it remains below the Group's defined materiality threshold of 5%.

- **Reporting errors in prior periods:**

A. Restated baseyear due to incorrect weight in polyester
During 2025, the Group identified a material error in the raw material weight used GHG reported in the 2020 base year. The error originated from an incorrect weight of two polyester products in Purchased Goods and Services, scope 3, category 3.1, which was discovered in connection with a review of 2025 emissions data. As a result, The Group did a comprehensive scope 3 screening, and a new actual data screening.

The base year emissions for 2020 have been restated. The correction decreased total GHG emissions for the base year by 24% (from 183,550 tCO2e to 139,498 tCO2e). Comparative figures for subsequent periods have been adjusted accordingly where applicable. The restatement does not affect the Group's climate targets, which remain anchored to the corrected 2020 base year.

B. Methodological harmonization of Scope 2 assumptions
As part of the 2025 data quality review, the Group identified inconsistencies in certain Scope 2 calculation assumptions applied in prior periods, relating to heating, cooling and concession store floor area factors. These assumptions have been harmonised across markets to ensure methodological consistency and improved comparability. The revised assumptions have been applied consistently to prior periods, and all affected Scope 2 disclosures have been restated accordingly. As a result:

– Market-based Scope 2 emissions for 2020 increased from 3,780 tCO2e to 4,959.8 tCO2e.
– Market-based Scope 2 emissions for 2024 increased from 1,988.2 tCO2e to 2,535.3 tCO2e.

The increase reflects updated calculation assumptions and does not indicate changes in operational performance.

- **Incorporation by Reference**
In accordance with ESRS 1 (paragraph 120–122), certain information required under ESRS 2 is incorporated by reference to other sections of this Management Report where it is presented in full. The referenced sections form an integral part of the sustainability disclosures.
The following disclosure requirements and datapoints are incorporated by reference:

1. **ESRS 2 GOV-1, paragraph 21(a)–(e)**
   Information regarding:
   – the number of executive and non-executive board members (21(a));
   – employee representation on the Board (21(b));
   – experience relevant to the Group's sectors, products and geographic locations (21(c));
   – gender composition of the Board (21(d)); and
   – the percentage of independent board members (21(e));
   – is presented in the sections "Group Executive Management" and "Board of Directors" (pages 10 and 14), and in the Corporate Governance section (including pages 11–13).

2. **ESRS 2 GOV-1, paragraph 22(b)**
   Information regarding how responsibilities of the Board and Audit Committee are reflected in mandates, terms of reference and governance documents is presented in the "Corporate Governance" section (starting on page 11).

3. **ESRS 2 GOV-5, paragraph 36(a)**
   Information concerning the main features and components of the Group's corporate risk management and internal control systems, including those relevant to sustainability reporting, is presented in the section "Risk Management and Internal Control" (page 13).

4. **ESRS 2 SBM-1, paragraph 40(a)**
   Information regarding the Group's organisational structure, geographic presence and workforce composition is presented in the section "Corporate Governance, Organization, Working Conditions and Sustainability" (pages 16–19).

- **Time horizons:** Kid Group assesses short- medium- and long-term impacts, risks and opportunities in line with ESRS 1 definitions and applies these horizons consistently across ESRS 2 disclosures and topic-specific standards. The Group continue to consider its Science Based Target (SBT) trajectory when relevant (e.g., for climate-related metrics and actions), but the formal reporting horizons are aligned with ESRS as follows:

  – **Short term: 1** year (2026), aligned with ESRS mandatory requirements.

  – **Medium term:** up to five years (2027–2030), consistent with ESRS and aligned with Kid Group's strategic planning cycle.

  – **Long term:** more than 5 years (2031–2045), consistent with ESRS and aligned with Kid's strategic planning horizon

  These definitions ensure comparability with ESRS while preserving the flexibility needed for internal strategy and target-setting.

SUSTAINABILITY GOVERNANCE

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

There are currently no incentive schemes or remuneration components linked to sustainability performance within the Group. A detailed description of the remuneration framework applicable to the Board of Directors and executive management is provided in the Corporate Governance section (page 13), which forms part of this Management Report.

More information regarding the composition, diversity, experience and independence of the Board of Directors and Group Management, as required by ESRS 2 GOV-1, can be found in the sections about "Group Management" and "Board of Directors" (pages 10 and 14).

Board of Directors

The Board of Directors are responsible for the oversight of 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 receives an annual update from the Chief Supply Chain Officer on status on KPI's, material topics as well as updated risk and opportunities assessment. Furthermore, the Audit Committee reports 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 are 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 responsible for conducting the DMA.

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 team to systematically identify, assess, evaluate, and support the management of impacts and prospects related to sustainability.

Through KPI's implemented by the sustainability team, the company follows up on its commitments. The Group's Chief Supply Chain Officer has overall executive responsibility for sustainability, supported by the sustainability team, which is responsible for coordinating, developing and maintaining the Group's sustainability framework.

The sustainability team is responsible for developing and maintaining sustainability-related policies, processes and methodologies, including impacts, risks and opportunities, and for supporting the implementation and follow-up of KPI's for sustainability matters across the Group, in accordance with the DMA.

The team is also responsible for stakeholder communication, sustainability reporting and coordination of external ESG assessments. The team consists of four members and has access to collaboration with sustainability consulting firms as well as relevant industry organizations.

Management Team

The management team consists of eight members at year end, all department managers in the Group, as well as the group executive members; CEO and CFO. The management team members are responsible for the operational execution and implementation of strategies concerning their own department and for implementing policies, actions and targets to deliver on the Group's ESG goals and business conduct in the different departments. The Chief Supply Chain Officer 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, analysing, 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 on a regular basis provides insights and progress updates to key stakeholders in the Group. These updates are provided to the Management Team and Audit Committee, and to the Board of Directors in relation to significant developments, 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.

During the reporting period, members of the Audit Committee continued to raise concerns about the company's reliance on virgin and conventional fibres and materials. Evolving environmental and regulatory changes, as well as recent geopolitical instabilities and potential trade barriers affecting the availability and access to raw materials. The Group is dependent on raw materials, so these external factors pose a long-term business risk and underscores the importance of strategic sourcing, ensuring a more resilient supply chain that harmonizes 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, due diligence on environmental and social impacts, including human rights, is recognised as a critical component of responsible business conduct throughout the value chain. Due diligence is a continuous process that may inform and lead to adjustments to the Group's strategy, business model, operations, business relationships, and sourcing and sales practices.

Due diligence is embedded in the Group's governance and sustainability framework and is conducted under the oversight of the Board of Directors and the Audit Committee, with operational responsibility assigned to executive management and the Sustainability Team.

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

This approach is implemented through consultations with affected stakeholders, feedback mechanisms and research based on publicly available information. The findings from the due diligence process are integrated into the Group's double materiality assessment and inform the development of policies, actions, targets and metrics disclosed in the relevant ESRS topic sections.

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	23–24 34
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 E5-1 ESRS S2-2	24 29 30–35 27 40 59 63 71
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3	30–34 34
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	26–27 39 + 40-41 53–54 56–57 60–61 63 72–73 76
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	24–26 41–44 61 63–64

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

In 2024, Kid ASA updated the Audit Committee mandate to formally include responsibility for oversight of sustainability reporting, in alignment with section 6-43 of the Public Limited Liability Companies Act (Allmennaksjeloven).

General risks related to sustainability reporting are related to lack of precise data, incorrect supplier data, and human errors. These are mitigated through quality assurance process where the four eyes principle is used.

The Audit Committee is responsible for ensuring the integrity of financial and sustainability disclosures, overseeing the identification and reporting of sustainability-related information, and monitoring internal controls and risk management processes related to sustainability reporting. The committee also maintains an ongoing dialogue with the external auditor in connection with the assurance process.

The Chief Supply Chain Officer 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 2025, sustainability reporting and related work were presented to the Board of Directors on two occasions.

Relevant controls have been further defined and embedded within processes and sub-processes related to sustainability reporting, taking into account the assessment of sustainability-related risks. Instead, a combination of the carbon accounting system, Sedex and the office package is used to gather, store and report on sustainability topics.

For further information regarding the Group's corporate risk management and internal control systems, including their main features as relevant to sustainability reporting, is incorporated by reference to the sections "Risk Management and Internal Control" (page 13), which forms part of this Management Report.

In 2024, the Group piloted an online tool integrated with a CSRD-compliant platform, which was planned for full implementation in 2025 as a sustainability management reporting system aimed at improving data accessibility and streamlining the audit process. However, due to the EU Omnibus package, including the "stop-the-clock" Directive (EU) 2025/794, the system provider paused further development of the reporting tool. As a result, sustainability reporting for the 2025 reporting period is conducted without a fully digitalised sustainability management reporting system.

General risks related to sustainability reporting are related to lack of precise data, incorrect supplier data, and human errors.

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 294[1] stores and 4 national online stores at the end of 2025. The Group had a total of 2,395 employees at the end of 2025. For more information about the company set-up and role as an employer, please see pages 16–18 in the section about Corporate Governance, Organization, Working Conditions and Sustainability.

No significant changes were made to the business model or group strategies in 2025.

Strategy

The product assortment ranges from curtains and bed linens to home accessories, decorations, and furniture. The Kid Group'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 centres.

[1] Including franchise stores in Sweden

To achieve this, the Group depends on well-functioning partnerships with suppliers and access to raw materials and goods manufactured in a cost-effective and responsible manner. This dependency on global supply chains and raw material sourcing contributes to the Group's exposure to environmental and social sustainability matters, including climate impacts, resource use and working conditions in the value chain.

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 mission 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 central warehouse 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. As a result, a significant share of the Group's material environmental and social impacts and risks are associated with upstream activities in the value chain.

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 page 80.

> The mission is to maintain decent working conditions throughout the value chain, protect the environment, and deliver safe, high-quality products.

Figure 1. Act with the Heart – sustainability framework

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, quality products.

Enivironment – Social – Governance

Stakeholders | Laws and expectations from civil society | Salient risks in the supply 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 illustrates the Kid Group's structured approach to sustainability and how sustainability considerations are integrated into the Group's strategy, business model and governance.

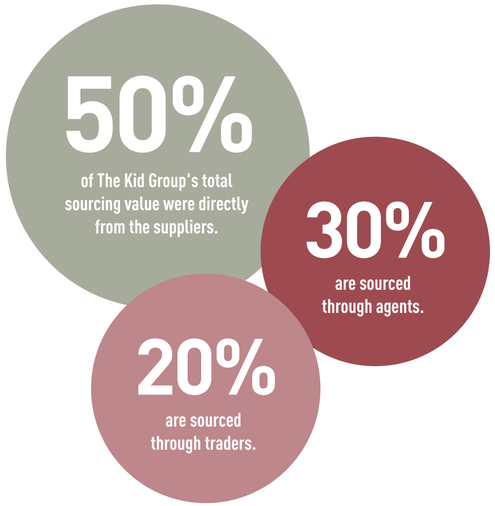
The framework is based on a sustainability mission to maintain decent working conditions throughout the value chain, protect the environment and deliver safe, quality products. It is underpinned by the three ESG dimensions, Environmental, Social and Governance, and informed by stakeholder expectations, applicable laws and regulations, and salient risks identified in the supply chain.

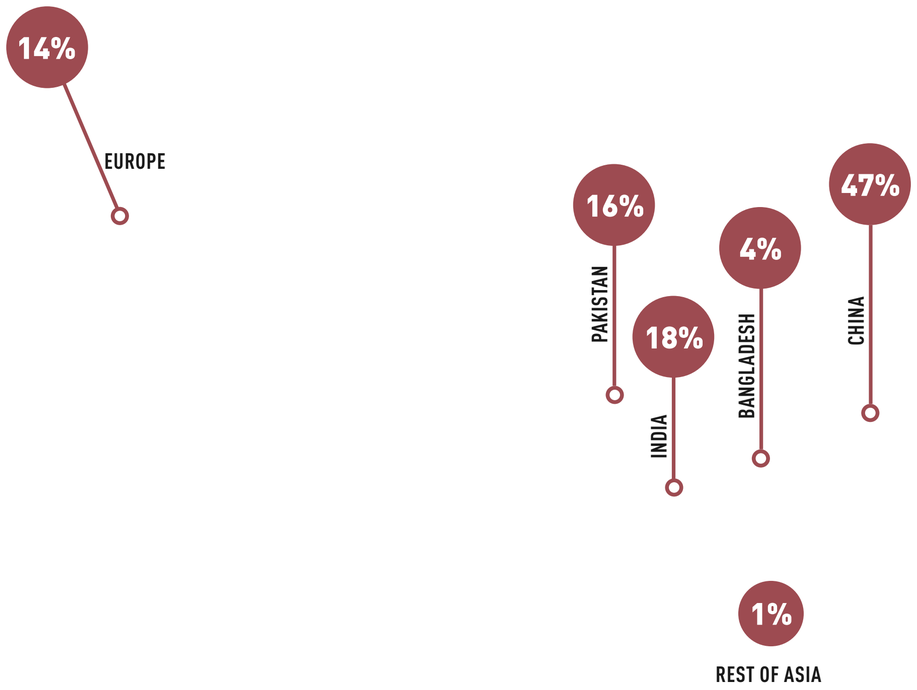
Through the Group's double materiality assessment, material sustainability topics are identified and prioritised based on the Group's material impacts, risks and opportunities. The execution phase of the framework focuses on these material topics and has been updated to reflect the outcome of the 2024 double materiality assessment.

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 CO2e 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 2025, BASED ON VALUE

In 2025, the company sourced goods from 210 suppliers[2], associated with a total of 357 Tier 1 production facilities (factories)[3] operating across 26 countries. To enhance clarity and consistency in value chain reporting, these facilities are aggregated into six sourcing regions: Bangladesh (5), China (226), Europe (66), India (40), Pakistan (14), and the rest of Asia (6).





[2] The term "supplier" refers to the legal entity that invoices the Kid Group. Suppliers may be associated with one or several production facilities or factories.
[3] Production facilities (factories) refer to sites performing Tier 1 processes, where final goods are assembled, finished and packed prior to delivery to the Kid Group.

Interests and Views of Stakeholders // SBM-2

The Kid Group categorises its stakeholders into key groups – customers, suppliers, employees, local communities, government authorities and non-governmental organisations, and investors – reflecting the priorities and dynamics of the retail, textile and home interior industry. Stakeholder engagement is conducted through multiple communication channels and ongoing dialogue in order to identify and understand relevant interests and expectations.

Stakeholder insights are taken into account in strategic considerations and decision-making processes with the objective of supporting transparency, accountability and long-term value creation. Engagement with stakeholders is based on collaboration, knowledge sharing and open communication and is intended to support the Group's sustainability objectives and overall business strategy.

For ESG-related stakeholder engagement, the Sustainability Team coordinates the dialogue and follows up on outcomes. The selection of relevant stakeholders is carried out in collaboration with internal departments with direct operational interaction with the respective stakeholder groups. The outcomes of stakeholder engagement activities are reported to executive management and the Board of Directors and, where relevant, are incorporated into the Group's strategies, actions and the double materiality assessment.

Stakeholder Participation Process

During 2025, the Group continued to monitor and obtain insights from relevant stakeholders through ongoing dialogue and participation in various forums. No formalised stakeholder interviews or surveys specifically related to the Group's ESG efforts were conducted during the year. However, a structured stakeholder dialogue was conducted in 2024 through interviews and surveys with the support of 2050 Consulting. The results of this engagement are considered to remain relevant for 2025 and have been used as input to the update of the double materiality assessment.

In addition to the structured dialogue, continuous engagement with suppliers, non-governmental organisations, employees and customers takes place through factory visits, participation in industry forums and customer feedback mechanisms. The stakeholder groups considered to have the greatest impact on, and to be most affected by the Group's activities are described below.

Customers

Store staff and customer service functions constitute the primary channels for interaction with customers, complemented by digital channels, including social media. The Kid Group customer club comprised approximately 3.5 million members at the end of 2025 (3.3 million in 2024) and represents an important channel for ongoing customer engagement. Customer feedback and reviews are continuously monitored and addressed. A customer survey conducted in 2024 indicated that customers place particular emphasis on sustainability matters in the upstream value chain, including climate action, working conditions, reduced use of chemicals, circular economy and microplastics.

Suppliers and Workers in the Value Chain

The interests, views and rights of workers in the value chain are an integral consideration in the Kid Group's sourcing strategy and business model. Workers in the upstream value chain are recognised as a key group of affected stakeholders, particularly in production contexts where labour rights, health and safety and overall working conditions may be directly impacted.

The Kid Group seeks to establish long-term and transparent relationships with suppliers and, indirectly, with workers in the value chain. Systems are in place to monitor social, environmental and quality aspects of the supply chain, and supplier performance is considered critical to achieving sustainability objectives and supporting decent working conditions. Dialogue with suppliers primarily takes place through supplier meetings, factory visits and regular digital communication. Key topics include responsible purchasing practices and social responsibility for workers in the value chain. During 2025, members of the Sustainability Team visited suppliers and factories representing approximately 15% of the Group's purchased value.

Employees and potential employees

The ability to attract, develop and retain employees is considered essential for the Group's long-term development. Engagement with employees takes place through regular employee surveys and ongoing dialogue, focusing on working conditions, the physical work environment and leadership. Employee representation is ensured through three employee representatives on the board of Kid Interiør AS, a wholly owned subsidiary of Kid ASA, with overlapping board membership between Kid ASA and Kid Interiør AS, supporting employee involvement at board level.

Owners and the financial market

The Group's objective is long-term value creation for shareholders through profitability, responsible business conduct and strategic sustainability efforts. Information to investors is primarily provided through quarterly reports and presentations, the annual report and the General Assembly. This stakeholder group represents a key user of the sustainability statement. An investor interview conducted in 2024 highlighted a focus on regulatory compliance and greenhouse gas emission reductions, which continues to be considered relevant in 2025.

Local communities

The Group recognises that its activities affect local communities, particularly in regions where suppliers operate. Although the Group does not own production facilities, collaboration with suppliers, primarily in Asia, is considered an important factor in supporting socio-economic stability through employment. Engagement in 2024 with a representative from the International Accord for Health and Safety in the Textile and Garment Industry provided insights into local community impacts in Pakistan and Bangladesh, which remain relevant for 2025. Key sustainability topics identified in relation to local communities include wages, working conditions and the prevention of pollution from production activities.

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

The Group participates on an ongoing basis in dialogue with industry associations, government agencies, academic institutions and other relevant organisations. Engagement takes place through networking activities, workshops, seminars and direct dialogue. Topics of primary interest include responsible purchasing practices, human rights, health and safety, and climate-related matters.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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

At the Kid Group, the importance of a holistic sustainability perspective is recognized, encompassing the three pillars of Environmental, Social, and Governance (ESG). To effectively manage risks and opportunities, mitigate negative impacts, and drive meaningful positive change, the Group prioritizes the material ESG topics identified through its Double Materiality Assessments (DMA), which are updated annually and form part of the Sustainability Strategy framework as presented on page 27.

The double materiality assessment process is coordinated by the Sustainability Team, supported by an internal reference group, and subject to validation and approval by the Board of Directors.

The outcome of the DMA process is communicated to and approved by the Board of Directors (BoD) and is subsequently integrated into the Kid Group's overall risk profile and risk management processes. This approach enables the Group to comprehensively evaluate ESG IROs across diverse sustainability topics throughout the entire value chain, ensuring a balance between environmental and social responsibility and business resilience.

The assessment follows the principle of double materiality to identify and disclose material 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 sustainability governance, the Kid Group established an internal reference group 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.

The impacts on sustainability topics were described qualitatively and quantitatively. Data was provided by internal stakeholders and external 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, the Kid Group actively engages with external stakeholders to gather insights on how the Group's activities and business relationships impact the value chain. This stakeholder input plays a crucial role in identifying material IROs and shaping the Group's sustainability strategy.

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

Methodologies and Assumptions for Identification Process

The Kid Group has considered assets and activities along the entire value chain, including upstream, own operations, and downstream. Due to the complexity of the value chain, the Group has not been able to assess every location and supplier but has used proxy information to address information gaps. Through these efforts, the Group has been able to collect the necessary information on impacts, risks, and opportunities across the value chain.

As part of the DMA process, the Kid Group first identified and assessed both positive and negative impact areas. This was followed by an evaluation of the financial risks and opportunities associated with those material impacts. Additionally, a further financial assessment was conducted for non-material impact areas to ensure comprehensive analysis.

The assessment of the Group's sustainability-related IROs was carried out across all ten ESRS topics at the sub-topic level (37 sub-topics in total). Where relevant, sub-sub-topics were also considered.

The Group considers all sustainability topics that achieve a score above a defined 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: materiality from the perspective of environmental, social and governance impacts, or materiality from a financial perspective. The level of management does not vary based on the score of each material issue.

The double materiality assessment is updated annually, with the scope and depth of the assessment adjusted based on changes in the Group's activities, external conditions and the proximity of topics to the materiality thresholds.

IMPACT IDENTIFICATION AND ASSESSMENT PROCESS

To initiate the impact assessment a questionnaire was created by the sustainability team, based on the sustainability matters described in the ESRS topics and sub-topics. In 2025 the main focus was given to impact areas close to the materiality thresholds from the 2024 assessment and a horizon scanning of the recent year.

Figure 2. Process description of Kid's DMA

The figure illustrates Kid Group's five-step process for conducting the Double Materiality Assessment, covering value chain scoping, impact and financial materiality, integrated IRO evaluation, and consolidation of final material topics.

The questionnaire was completed by the internal reference group 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. 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. During the workshop additional impacts were identified and further assessed through a second individual questionnaire after the workshop. No positive impacts were identified in 2025.

Prioritization of Impacts and Materiality Determination

To determine and prioritise identified negative impacts, the assessment was summarised using the three severity dimensions – scale, scope and irremediable character – each scored on a scale from 1 to 5, where 5 represents the highest level of severity. This severity score was then multiplied by the likelihood of occurrence, also scored on a scale from 1 to 5, where 5 represents an actual impact. The maximum possible score was therefore 75.

Severity × Probability = Impact score

The threshold for impact materiality was set at 37.5, corresponding to half of the maximum possible score. This threshold was applied consistently across topics.

Results from Impact Materiality

Following the assessment, the Group concluded that eight out of ten ESRS topics were material from an impact perspective, with either potential or actual negative impacts, consistent with the prior year. In 2025, one additional sub-topic related to textile waste was identified as material

FINANCIAL RISK AND OPPORTUNITY ASSESSMENT

Relevant risks (negative financial impacts) and opportunities (positive financial impacts) were identified based on their nature, assumed consequences and dependencies. Their relevance across short-, medium- and long-term horizons was assessed. Risks and opportunities were identified for each ESRS sub-topic, taking into account industry-wide risks in the textile and interior retail sector and the Kid Group's specific business model.

The assessment was initiated through an individual online survey completed by members of the internal reference group, who were asked to qualitatively assess the likelihood and magnitude of each risk and opportunity from a medium-term perspective.

To further assess financial materiality, four threshold levels were defined for magnitude and likelihood. Magnitude was assessed using a combination of quantitative and qualitative criteria. Where quantitative magnitude was applied, it was based on assumed scenarios rather than calculated business cases. The applied thresholds are aligned with the Group's existing financial risk framework. Sustainability-related risks assessed as financially material are incorporated into the Group's overall financial risk management processes. Further information on the Group's financial risk management framework is provided in the section "Risk Management and Internal Control" (page 13), which forms part of this Management Report and is considered an integral part of the sustainability disclosures.

A final score of 12 or above was defined as the threshold for financial materiality. The thresholds applied in 2025 remained unchanged from the prior year in order to reflect the Group's current financial position.

The results were discussed in a workshop with the internal reference group, and certain assessments were adjusted based on the discussions. During the workshop, short- and long-term perspectives were further assessed.

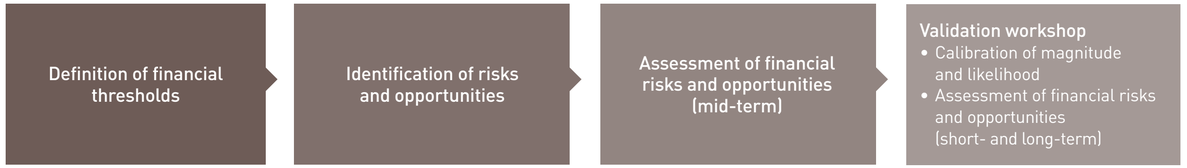
Results from Financial Impact Materiality

In total, nine new risks were assessed in 2025 in addition to the 27 risks assessed in the prior year. One risk, related to the combined effects of climate change, remained financially material in the long-term perspective. No risks were assessed as financially material in the short- or medium-term perspective.

In addition, three new opportunities were assessed in 2025, supplementing the six identified in the prior year, but none were deemed to have a material financial impact on the Group.

Figure 3. Impact identification and assessment process

Figure 4. Financial risk and opportunity assessment process



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

PROCESS BOUNDARY CLARIFICATION

The description above focuses on the process used to identify and assess material impacts, risks and opportunities. The interaction between the identified material IROs and the Group's strategy and business model is presented separately under SBM-3.

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACT, RISK AND OPPORTUNITY PER ENVIRONMENTAL AND GOVERNANCE TOPICS

Climate Change

Purpose and scope of the climate assessment

The Group assesses climate change impacts based on both historical greenhouse gas emission data and proxy data derived from industry reports and stakeholder inputs. The purpose of this assessment is to support the identification and evaluation of climate-related impacts, risks and opportunities in the double materiality assessment. In this assessment, the Group considers both current activities and potential future developments outlined in business planning. The methodology applied is consistent with the overall DMA process, where impacts across the entire value chain are assessed.

Methodology and time horizons

Back in 2023, the Kid Group conducted multiple workshops with ESG consultants to map climate-related risks and opportunities across short-term (2024), medium-term (2025–2030) and long-term (2031–2045) horizons. The long-term horizon extends beyond the expected lifetime of the Group's assets, strategic planning cycles and capital allocation horizons, and is therefore used primarily for risk identification rather than operational planning.

Climate-related risks and opportunities were assessed based on likelihood and magnitude. Magnitude was assessed in relation to operating profit using four risk categories, ranging from <1.5% (low) to >5.5% (very high). Likelihood was assessed using four probability ranges, from <10% (unlikely) to >51% (very likely). Duration and geographical exposure were also considered as part of the qualitative assessment of climate-related risks and opportunities.

Climate scenarios applied

The climate analysis is based on a high-emission scenario representing physical risks, aligned with IPCC SSP5-8.5, and a low-emission scenario representing transition risks, aligned with the IEA Net Zero Emissions by 2050 scenario. These scenarios form the basis for climate assumptions in the Group's financial statement.

Under the high-emission scenario, global economic growth remains dependent on fossil fuels and energy-intensive lifestyles, leading to an estimated global temperature increase of approximately 2.4°C above pre-industrial levels. This scenario is associated with increased frequency and severity of extreme weather events, rising sea levels and other acute and chronic physical climate risks. Potential long-term risks related to raw material availability and production stability are considered in this context.

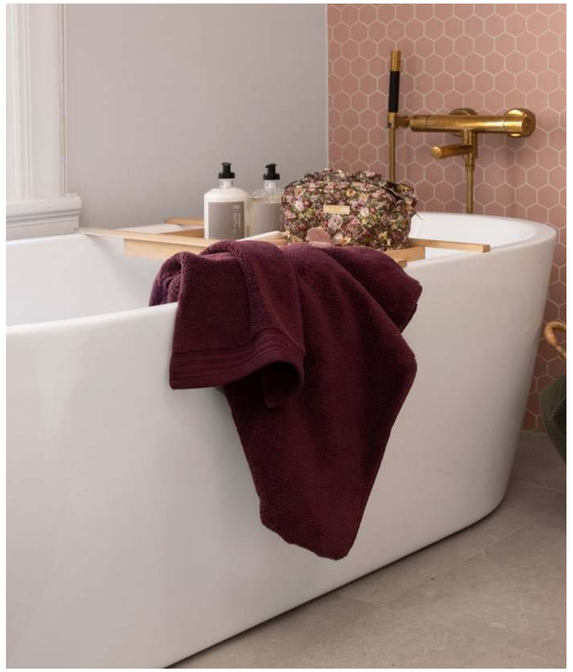
Under the low-emission scenario, the emissions trajectory is consistent with limiting global warming to below 1.5°C by 2100, with limited overshoot and at least a 50% probability. This scenario assumes significant societal and regulatory changes, including increased pricing of greenhouse gas emissions, shifts in consumer behaviour, expansion of renewable energy and low-emission transport, and a gradual phase-out of fossil fuels. These changes give rise to transition risks.

Assessment results and financial materiality

The Group's climate assessment covers the entire value chain and supports the identification of both climate impacts and transition risks. All operational activities and emission sources were screened during workshops using the Greenhouse Gas Protocol as a reference framework. Climate targets validated by the Science Based Targets initiative (SBTi) are used as input to assess potential future emission pathways, but do not form part of the materiality scoring itself.

During 2024 and 2025, the Group conducted updated assessments of climate-related impacts, risks and opportunities across short-, medium- and long-term horizons, as part of the DMA. The scope of these updates was adjusted following the introduction of a higher threshold for financial materiality in the 2024 DMA, resulting in a lower overall complexity with lower financial risk compared to the 2023 assessment. No short- or medium-term financially material risks were identified. One long-term financially material risk related to the combined effects of climate change adaptation remained identified.

The assessment included a screening of climate-related risks and opportunities affecting the Group's assets and business activities, focusing on potential impacts on own operations. No material transition risks or opportunities affecting recognised assets were identified.



Value chain exposure and raw material sensitivity
The Group's upstream supply chain is primarily concentrated in East Asia (China) and South Asia (India, Pakistan and Bangladesh), while own operations and downstream sales markets are located in Northern Europe. As a result, exposure to physical climate risks is assessed to be more pronounced in the upstream value chain, including risks related to agriculture and logistics.

Cotton represents approximately 35% of the Group's total material consumption and is relatively stable year-to-year. External studies indicate that a 1°C increase in temperature may reduce cotton yields by approximately 7.79%. A reduction or increased volatility in cotton supply could lead to higher raw material prices and increased challenges in managing social and physical sourcing risks. Increased flooding may damage crops, and localised extreme weather events may affect inventory, logistics and transport reliability. Climate-related disruptions are therefore considered a potential long-term cost driver. During 2025 the Group continued to experience delayed purchase orders due to extreme weather events in the supply chain. These delays did not result in short-term operational disruptions but are considered indicative of longer-term climate-related challenges.

Pollution
The methodology and assumptions used to screen the Group's operations and value chain activities for pollution-related impacts, risks and opportunities follow the same approach as described for the overall DMA process.

No direct consultations with affected communities were conducted as part of the pollution assessment. Relevant input was obtained from industry reports and external sources, including Textile Exchange (Tier 4 textile processes), Oeko-Tex (Tier 1–3 textile processes), and the Swedish Chemicals Agency. These sources were used to identify potential pollution-related impacts associated with raw material extraction, processing and manufacturing.

Water
Same as for pollution, the methodology and assumptions used to screen the Group's operations and value chain activities for water-related impacts, risks and opportunities follow the same approach as described for the overall DMA process.

No direct consultations with affected communities were conducted as part of the water assessment. Input was obtained from the Aqueduct Water Risk Atlas (via 2050 Consulting), the Better Cotton framework and the Material Impact Explorer, supporting the identification of water stress and pollution risks in relevant sourcing regions.

Biodiversity
The methodology and assumptions used to identify biodiversity-related impacts, risks and opportunities follow the same approach as described in the due diligence process and the overall DMA framework.

The Group's own operations, including offices, stores and warehouses, are not located in or near biodiversity-sensitive areas. However, the business model relies heavily on biological materials, with approximately 50% of the product assortment consisting of fibres and materials sourced from nature. This reliance contributes to exposure to biodiversity-related impacts and risks in the upstream value chain.

Primary negative biodiversity impacts are associated with environmental pressures such as climate change, pollution, land-use change, soil degradation and freshwater use, which are commonly linked to the production of natural materials. These pressures may contribute to biodiversity loss and indirectly affect local communities that depend on ecosystem services. While no direct consultations with affected communities were undertaken for biodiversity, the assessment highlights the relevance of mitigation measures in subsequent management responses.

As of 2025, no specific transition or physical risks or opportunities related to biodiversity and ecosystems have been identified as material. Systemic risks related to long-term biodiversity loss have nevertheless been considered in the assessment.

Resource Use and Circular Economy
The identification of impacts, risks and opportunities related to resource use and circular economy follows the same DMA methodology as for other environmental topics. The process included screening of the Group's assets and activities across its own operations as well as its upstream and downstream value chain, with specific consideration given to resource inflows and downstream textile waste. Initial assessments of impacts related to resource use were, to some extent, addressed under other environmental topics, such as biodiversity and water, due to the close interlinkages between resource use and these environmental areas.

> The Group conducts ongoing assessments of impacts, risks and opportunities related to business conduct across the value chain.

External input was provided by 2050 Consulting, drawing on insights from the SDG Knowledge Hub and publications from the European Parliament to support the identification of resource-related environmental impacts. No direct consultations with affected communities were conducted as part of the Resource Use and Circular Economy assessment.

Business Conduct
The Group conducts ongoing assessments of impacts, risks and opportunities related to business conduct across the value chain, sourcing countries and customer markets. Given the complexity of the supply chain and the breadth of the product assortment, risks related to corruption, regulatory non-compliance and ethical sourcing are considered to require continuous evaluation.

The identification and mapping of business conduct-related IROs integrate stakeholder input, industry benchmarks and relevant regulatory frameworks. A risk-based approach is applied to assess the likelihood and severity of governance-related impacts, supporting alignment with legal requirements and recognised best practices. The outcomes of this assessment inform internal governance policies, supplier engagement and compliance measures.

RESULTS AND OUTCOME OF THE DOUBLE MATERIALITY ASSESSMENT

The combined impact and financial assessments resulted in eight material sustainability topics and nineteen material sub-topics in 2025, representing one additional material sub-topic compared to 2024. No financial risks or opportunities were identified for topics assessed as non-material from an impact perspective. The finalised double materiality assessment was presented to and approved by the Board of Directors in late 2025.

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

Material Impacts, Risks and Opportunities

Through the double materiality assessment (DMA), the Group identified material impacts and one material financial risk across its value chain.

The material impacts primarily arise in the upstream value chain and reflect the Group's business model and reliance on external suppliers for the production and manufacturing of goods. These impacts originate largely from the Group's outsourced production model and supplier relationships. Activities related to raw material extraction, processing and manufacturing give rise to negative environmental and social impacts, including climate emissions, resource use, pollution and risks related to working conditions. The material impacts primarily occur through business relationships with upstream suppliers rather than from the Group's own manufacturing activities.

In addition to the identified material impacts, the Group identified one material financial risk related to long-term climate change adaptation and the potential combined effects of climate-related disruptions in the supply chain. No material financial opportunities were identified.

The material impacts and the material risk are summarized in the table below and further described in the relevant topic-specific sections of this statement.

Interaction with strategy and business model

The identified material impacts and the material risk influence the Group's sourcing strategy and supplier selection processes, including the way suppliers are evaluated and engaged. They also affect supplier requirements and monitoring systems, as well as product development and material choices. In addition, the impacts and risk are considered in the Group's long-term resilience assessments, particularly in relation to raw material dependency and evolving regulatory developments.

The Group has progressively strengthened its supplier governance framework over recent years. During the reporting period, particular focus was placed on traders and agents to improve oversight of indirect supplier relationships and enhance supply chain transparency.

The Group's sustainability governance framework, including policies, supplier codes of conduct, targets and monitoring processes, is integrated into operational and strategic decision-making to manage these impacts and mitigate the identified risk.

Consideration of time horizons and resilience

As part of the DMA, the Group assessed the potential effect of material impacts and the identified material risk across short-, medium-, and long-term time horizons.

The assessment considered the Group's dependency on external suppliers, geographic sourcing exposure, regulatory developments, and raw material availability. Risks were evaluated qualitatively based on likelihood and potential financial significance across the defined time horizons. The assessment was conducted through internal workshops involving the internal reference group.

No material short- or medium-term risks affecting business continuity were identified. The identified material risk relates to the long-term horizon and concerns climate-related adaptation risks and potential supply chain instability.

While no separate quantitative scenario-based resilience analysis has been conducted, the Group's diversified supplier base, flexible product assortment and established governance processes are assessed to reduce vulnerability within the defined planning horizon.

Financial statement considerations

Based on current assessments, the Group does not expect material impacts or the identified material risk to result in significant adjustments to the carrying value of assets or liabilities in the forthcoming reporting period. No material changes to the Group's investment plans, capital expenditure strategy or funding structure have been identified as necessary in the short or medium term as a result of the identified material impacts or risk. Longer-term investment needs will be evaluated as part of ongoing strategic planning.

Changes Compared to the Previous Reporting Period and ESRS Coverage

Compared with the previous reporting period, one additional sub-topic was assessed as material in 2025, related to negative environmental impacts associated with textile waste in the downstream value chain. All other material impacts and the identified material risk remain unchanged in nature. All identified material impacts and the material risk are addressed through ESRS disclosure requirements. No additional entity-specific disclosures have been identified as necessary at this time.

> The Group does not expect material impacts or the identified material risk to result in significant adjustments to the carrying value of assets or liabilities in the forthcoming 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 great contributor to green-house 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 micro-plastics 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
	Micro-plastics	Upstream, Downstream	I	Negative	Release of microplastics during production, transportation and use of products cause negative effects on water streams and the nature.	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 – Bio-diversity and eco-systems	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

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

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
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
	Waste	Downstream	I	Negative	The Group's linear business model causes potential negative impact on textile waste streams, with the limited access to textile-to-textile recycling in the industry. While the company has ongoing circular initiatives and supplier collaboration, the systemic dependency on virgin materials and lack of large-scale recycling systems create significant, long-term environmental pressure.	Potential	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 treat-ment 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 labour, forced labour, adequate housing for workers, employees' privacy, etc., in the value chain.	Potential	Short-, medium- and long-term
S3 – Affected communi-ties	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 relation-ships 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

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

The material sustainability topics and detailed descriptions of the associated IROs are presented in the sustainability statement under the Environmental, Social and Governance sections.

List of ESRS Disclosure Requirements Complied with Following Materiality Assessment

A comprehensive overview of the ESRS disclosure requirements covered by the Group is provided in the ESRS reference table, starting on page 81. The reference table identifies the applicable disclosure requirements and datapoints and indicates where they are addressed in the sustainability statement, including datapoints derived from other EU legislation in accordance with ESRS 2 Appendix B.

Disclosure information is considered material where it is relevant to the Group's business activities and provides information on material IROs, including the related policies, actions, metrics and targets, or where such information is required by ESRS irrespective of materiality.

Topics Considered but Deemed Not Material

As part of the double materiality assessment, potential and actual impacts related to the Group's own workforce were assessed, including working conditions, occupational health and safety, equal treatment and opportunities, and other work-related and human rights aspects.

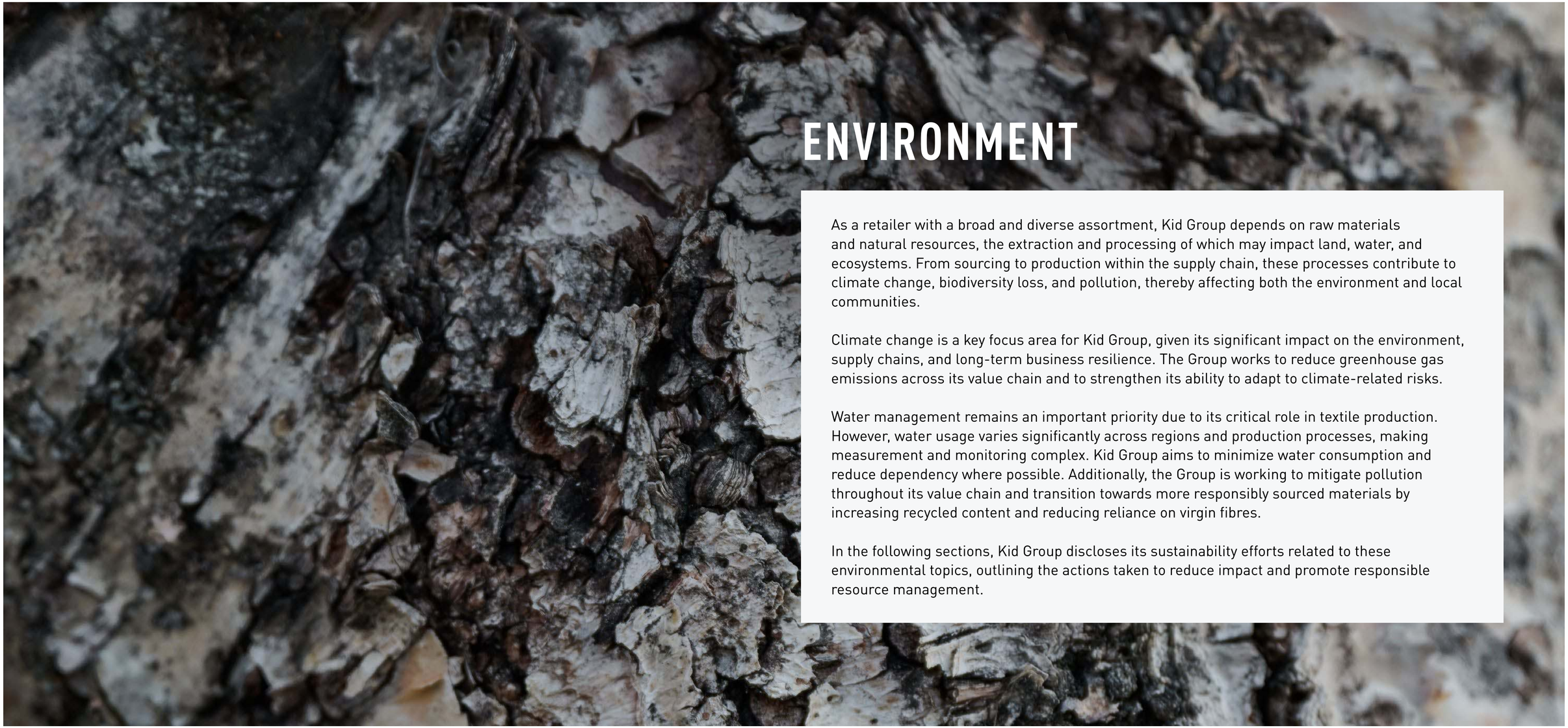
From an inherent impact perspective, the assessment identified potential negative impacts primarily related to organisational change and operational development. These included temporary increases in workload and psychosocial pressure associated with new logistics structures and system transitions, as well as physical strain and injury risks related to the handling of larger and heavier products in stores and logistics operations. General risks related to stress, fatigue and increased work intensity during periods of high project activity were also considered. These potential impacts were assessed as short- to medium-term in nature, limited in scope and non-systemic, with low to moderate severity and no indication of widespread, irreversible or severe harm.

The assessment further considered the operating context of the Group's own operations, which are located in countries with strong labour protections, established occupational health and safety regulation and effective enforcement of workers' rights. This operating context significantly reduces inherent human rights risks compared to those identified in the upstream value chain.

Based on the 2025 reassessment, own workforce (ESRS S1) was not assessed as a material topic from either an impact or a financial perspective. Nevertheless, the Group remains committed to ensuring that business practices respect workers' rights in own operations. The topic will continue to be monitored and reassessed in the event of significant changes to operations, workforce structure or risk profile.

Potential and actual impacts on customers and end-users were also reassessed in 2025, with a focus on inherent risks related to product safety, product information and responsible marketing practices. While these topics are considered important for maintaining customer trust and satisfaction, the assessment concluded that, given the Group's product assortment, established regulatory frameworks and the nature of the business model, the associated impacts, risks and opportunities do not reach the threshold for materiality.

> The Group remains committed to ensuring that business practices respect workers' rights.



ENVIRONMENT

As a retailer with a broad and diverse assortment, Kid Group depends on raw materials and natural resources, the extraction and processing of which may impact land, water, and ecosystems. From sourcing to production within the supply chain, these processes contribute to climate change, biodiversity loss, and pollution, thereby affecting both the environment and local communities.

Climate change is a key focus area for Kid Group, given its significant impact on the environment, supply chains, and long-term business resilience. The Group works to reduce greenhouse gas emissions across its value chain and to strengthen its ability to adapt to climate-related risks.

Water management remains an important priority due to its critical role in textile production. However, water usage varies significantly across regions and production processes, making measurement and monitoring complex. Kid Group aims to minimize water consumption and reduce dependency where possible. Additionally, the Group is working to mitigate pollution throughout its value chain and transition towards more responsibly sourced materials by increasing recycled content and reducing reliance on virgin fibres.

In the following sections, Kid Group discloses its sustainability efforts related to these environmental topics, outlining the actions taken to reduce impact and promote responsible resource management.

E1 – CLIMATE CHANGE

The year 2025 marked yet another pivotal moment in the global climate system. Despite beginning and ending under the cooling influence of La Niña, multiple independent climate datasets confirm that 2025 ranked among the three warmest years ever recorded, continuing a decade long streak of unprecedented warmth. Meanwhile, the Kid Group achieved its highest revenue to date, illustrating how environmental challenges and economic progress unfold simultaneously.

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

Acknowledging the environmental impact of the Group's business model and operations as well as the financial risks associated with climate change, the Group continues to integrate climate-related actions into its business strategy. With a supply chain that both negatively impact climate change, but also depends on stable conditions, the Group remains dedicated to balancing business growth with proactive sustainability measures.

In 2025, the Group's emissions increased compared to 2024, primarily due to an increase in purchased goods and services and longer transports with heavier goods. However, despite this rise in absolute emissions, the Group implemented key mitigation efforts, such as increasing the percentage of recycled materials in its assortment. 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 fibres and materials. 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 fibres, polyester and other synthetic materials remain a key part of the assortment and are less susceptible to these challenges.

E1 – CLIMATE CHANGE			
Sub-topic	**Descriptionof 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 (physical climate 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.	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.	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 aluminium, steel, zinc, and plastic require energy-intensive extraction and refining. **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

STRATEGY

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 transition plan has been introduced in the Group as of 2025, 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 2026, 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.

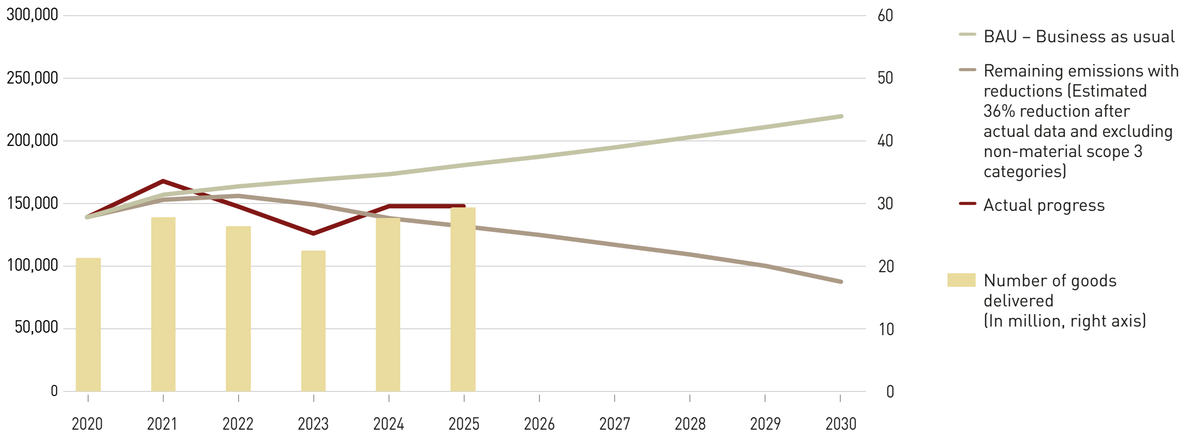
> The Group continuously works on optimizing energy consumption and increasing the use of renewable energy.

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. During 2025, the Group also collected guarantees of origin from electricity used in some Swedish stores the Group don't pay for directly. 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 40. As of 2025, 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, signalling 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 2025, the number of purchased goods increased by 6,4% compared to 2024, and a significant increase in GHG-intensive materials such as soap and ceramics. For more details on the progress, refer to the *Carbon Accounting* chapter below. Emission levels have plateaued during the reporting year, and no significant reductions were realized in the period.

Reduction roadmap



*2020, 2024 and 2025 have actual data from selected suppliers, read more on page 47.
**2021, 2022 and 2023 only use factors for material.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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 does not explicitly address energy efficiency or renewable energy. The Group has considered the interests and expectations of key stakeholders, including customers, suppliers, investors and regulatory authorities. While these stakeholders were not directly involved in the drafting of the PAR, their expectations have been reflected through regulatory requirements, market standards, investor dialogue and ongoing supplier engagement processes. For more details on the PAR, refer to the Governance chapter on page 80.

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 2025, the policy is not scope-specific, does not include defined targets for GHG emissions reduction and does not account for energy efficiency. More information on this policy can be found in the Governance chapter on page 79.

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 in 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. The implementation of the Group's climate-related action plan does not require significant additional operational expenditures (Opex) or capital expenditures (Capex) beyond those already incorporated into the ordinary course of business and existing investment plans. This assessment reflects that the majority of the Group's greenhouse gas emissions arise in Scope 3 categories, where mitigation measures primarily relate to supplier engagement, procurement practices and value chain collaboration rather than capital-intensive operational changes within the Group's own operations.

DECARBONATION LEVERS

Total emissions under the Reduction Roadmap are projected to decrease from 147,258 tons CO2e in 2020 to 87,942 tons CO2e in 2030, corresponding to a 40.3% reduction relative to the original 2020 baseline used in the roadmap modelling. However, for climate accounting and emissions disclosure tables, the base year is reported as 137,294 tons CO2e. This difference arises because the reported climate inventory incorporates supplier-specific primary data where available and excludes Scope 3 categories assessed as non-material. When applying this adjusted and comparable emissions boundary, the reduction achieved through currently identified mitigation levers corresponds to approximately 36% relative to the reported base year. The current roadmap therefore does not yet fully meet the 50% reduction target by 2030, and additional measures will be required to close the remaining gap.

The Kid Groups capacity to follow up and implement all climate-related targets remains constrained due to limited organisational resources and increasing reporting and compliance requirements. The sustainability team is actively monitoring progress and implementing measures within its current capacity. During 2025, the team was strengthened by one additional full-time employee, enhancing the Group's ability to monitor performance and improve data collection processes. This organisational reinforcement does not result in a significant increase in operational expenditures (Opex) or capital expenditures (Capex). Most of the emissions happen outside the organization in scope 3.

Suppliers

Supplier-related emissions are expected to decrease from 101,256 tons CO2e in 2020 to 59,476 tons CO2e in 2030, representing a 41.3% reduction. This lever constitutes the largest absolute emission reduction and reflects improvements in supplier energy mix, manufacturing efficiency and enhanced primary data collection.

The reduction is attributable to:

1. Optimisation of supplier country mix, reflecting differences in grid energy intensity
2. Transition to lower-carbon energy sources
3. Energy efficiency improvements across the value chain
4. Process and material innovations

To support emission reductions within the supplier lever, the Group will continue expanding the use of supplier-specific primary data in its climate accounting, enabling more informed sourcing decisions based on supplier-level energy use. Building on the Actual Data project, energy consumption data will gradually be collected from additional suppliers to improve transparency and identify emission reduction opportunities. From 2026, the Group plans to implement the Higg Facility Environmental Module (FEM) to enable more systematic collection and validation of supplier environmental data.

In parallel, the Group will engage with key suppliers to support the transition to lower-carbon electricity sources, contributing to reduced manufacturing emissions and improved emissions data quality across the value chain. The emission figures presented above are calculated without incorporating primary supplier data and are based on standard Higg MSI emission factors.
The initial Actual Data project indicated that Tier 2 emissions were approximately 11% lower than estimates derived from standard Higg MSI factors, demonstrating the value of transitioning from secondary to primary data.

In 2026, the Group plans to extend this work by processing data from up to 25 suppliers through the Higg Facility Environmental Module (FEM). The objective is to improve data accuracy and further refine emission estimates across the value chain.

For more details on the actual data project, refer to the *Actions and Resources in Relation to Climate Change Policies* chapter on page 40.

Fibers and Materials

Emissions from fibres and materials are projected to decrease from 36,712 tons CO2e to 22,371 tons CO2e by 2030, corresponding to a 39.1% reduction.

The reduction is attributable to:
- Increased share of recycled polyester
- Transition to preferred cotton types
- Increased recycled content across product categories

Material selection is directly influenced by the Group's assortment decisions.

Transports

Transport emissions are projected to decrease from 4,922 tons CO2e to 3,932 tons CO2e by 2030, corresponding to a 20.1% reduction.

The reduction is based on:
- Logistics optimisation – Shift air transport to sea or road
- Supplier collaboration on transport efficiency

Scope 1&2

Scope 1 and market-based Scope 2 emissions are projected to decrease from 3,831 tons CO2e to 1,369 tons CO2e by 2030, corresponding to a 64.3% reduction.

The projected reduction is driven by:
- Procurement of renewable electricity (Guarantees of Origin)
- Electrification of company vehicles

Scope 1 and 2 represent a minor share of total emissions.

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 2025 the Group did not find any alternative business models that created revenue.

METRICS AND TARGETS

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

The Kid Group's Science-Based Targets to reduce greenhouse gas (GHG) emissions by 50% by 2030 and 90% by 2045 across all scopes have been validated. Such validation is a prerequisite for the formal approval of Science-Based Targets. The targets are aligned with the Paris Agreement objective of limiting global warming to 1.5°C. The Group's climate targets cover its own operations (Scope 1 and 2) in all markets, as well as relevant upstream and downstream value chain emissions (Scope 3), without geographical limitation.

OVERALL NET-ZERO TARGET

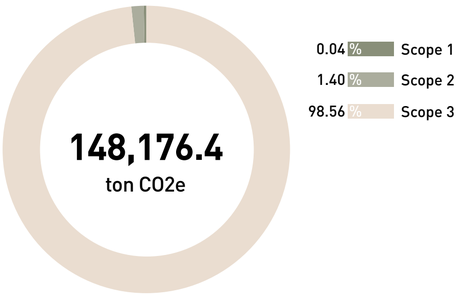
Kid Group commits to reach net-zero greenhouse gas emissions across the value chain by 2045 from a 2020 base year.

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.*

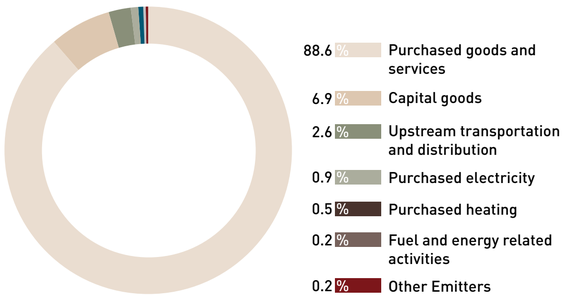
Long-term targets Kid Group commits to reduce absolute scope 1 and 2 greenhouse gas emissions 90% by 2045 from a 2020 base year.* Kid Group also commits to reduce absolute scope 3 greenhouse gas emissions from purchased goods and services, fuel and energy related activities, and upstream transportation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

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

Emissions per scope



Share of emissions per category



The base year for measurement is 2020, with baseline emissions recorded at 137,294 tons CO2e. By 2030, emissions should be reduced to 68,647 tons CO2e, ensuring progress is measured and reported annually. The targets have been approved by SBTi and include 100% of scope 1 and scope2 emissions. 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 44.

The Group does not rely on the adoption of new or unproven technologies to achieve its GHG emission reduction targets. Target achievement is primarily driven by the deployment and scaling of existing low-carbon solutions and value chain measures.

The Group has considered a climate scenario aligned with limiting global warming to 1.5°C, which serves as the primary reference framework for its decarbonisation strategy and emission reduction pathway. The scenario assessment has informed the identification of material transition drivers across environmental, regulatory, market and technology dimensions.

Given that approximately 98–99% of the Group's greenhouse gas emissions arise in Scope 3, the decarbonisation levers are primarily concentrated in the value chain. The most significant lever relates to supplier engagement and procurement practices, followed by material and fibre choices in products. Additional levers include optimisation of transportation and logistics, targeted measures in Scope 1 and 2 operations, and the development of alternative business models aimed at reducing lifecycle emissions. Read more about the decarbonization levers at page 43.

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 2025, 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 are not yet aligned with the reduction trajectory. Even though the total emissions increased in 2025. The Group saw a reduction in intensity emission. The Group reduced emissions to -22% from the base year per piece received, this is an improvement from -17% in 2024.

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.

> Staying on track with 1.5°C targets is essential, not only for emission reductions but also for supply chain stability.

Total emissions per net revenue	2025	2024	Base year 2020
Annual revenue (MNOK)	3,945	3,785	2,995
Annual ton CO2e	148,176	147,818	137,294
Ton CO2e/MNOK	38.8	39.1	45.8
Reduction since base year	15%	15%	-

Total emissions per piece of goods	2025	2024	Base year 2020
Number of purchased (delivered) goods	29,319,050	27,564,535	21,253,551
Annual ton CO2e	148,176	147,818	137,294
Ton CO2e/piece	0.005054	0,005363	0,006460
Reduction since base year	22%	17%	-

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 market-based scope 2 emissions and 98.3% of Scope 3 emissions with the new screening. The remaining 1.7% of Scope 3 emissions are excluded due to data limitations, though their overall impact is minimal.

The Group has set ambitious science-based targets to reduce absolute greenhouse gas emissions by 50% by 2030 and 95% by 2045 from the 2020 base year, aligned with the Paris Agreement. Based on the current reduction roadmap, emissions are projected to decrease by approximately 40% by 2030. Additional mitigation measures will therefore be required to close the remaining gap to the 2030 target, primarily within suppliers and fibre and material choices in the value chain.

The reductions below are the estimated reduction against the total business as usual 2030 CO2e emissions. Suppliers and fibres will be the main drivers for emission reduction for the Group:

- Suppliers – 38.1%
- Fibers – 13.4%
- Transports – 1.3%
- Scope 1 & 2 – 2.0%
- Alternative business models – 4.9%

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, fibre 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 business-as-usual trajectory in 2030.

Energy Consumption and Mix // E1-5

Energy consumption, intensity and mix			
Energy consumption and mix		2024	2025
(1)	Fuel consumption from coal and coal products (MWh)	10.2	10.9
(2)	Fuel consumption from crude oil and petroleum products (MWh)	272.4	277.9
(3)	Fuel consumption from natural gas (MWh)	3,280.6	3,395.3
(4)	Fuel consumption from other fossil sources (MWh)	333.6	283.8
(5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	0	0
(6)	Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	3,896.8	3,967.8
Share of fossil sources in total energy consumption (%)		15%	14%
(7)	Consumption from nuclear sources (MWh)	689.0	575.8
Share of consumption from nuclear sources in total energy consumption (%)		3%	2%
(8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	8,602.4	9,524.1
(9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	12,728.4	14,714.5
(10)	The consumption of self-generated non-fuel renewable energy (MWh)	0	0
(11)	Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	21,330.8	24,238.5
Share of renewable sources in total energy consumption (%)		82%	84%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)		25,916.6	28,782.1

Sources for energy, scope 2 [mwh]	Share of renewable	Renewable	Non-renewable
Electricity	43%	12,015	2,821
Heating	4%	1,256	11,319
Fuel use for own heat or electricity production	0%	0	0
District cooling	0%	0	1,362
Steam	0%	0	0
Total energy*	**47%***	**13,274**	**15,502**

*Increase of renewable electricity from 41% in 2024 to 47% after methodology change.

Energy consumption in own operations (Scope 2) increased due to the expansion of the Group's store network and warehouse in Sweden. 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.

Scope 2 Emissions and Energy Use Across Operations

During the 2025 reporting cycle, the Group revised the calculation methodology applied to estimated energy consumption for heating and cooling in Norway. The revision relates to updated energy intensity factors (kWh per m²), resulting in a restatement of previously reported figures for 2024 and 2023 to improve accuracy and methodological consistency.

For heating, the applied intensity factor was increased from 10.71 kWh per m² to 73.5 kWh per m². As a result:

- Heating consumption for Norway in 2024 increased from 893,406.78 kWh to 6,131,223 kWh.
- Heating consumption in 2023 increased from approximately 600,000 kWh to 5,909,910 kWh.

For cooling, the applied intensity factor was increased from 0.84 kWh per m² to 12 kWh per m². Consequently:

- Cooling consumption in 2024 increased from 88,869 kWh to 1,269,552 kWh.
- Cooling consumption in 2023 increased from approximately 85,000 kWh to 964,884 kWh.

The restatement does not reflect a change in underlying operational performance but results solely from the application of updated estimation factors. Comparative figures for 2023 and 2024 have been adjusted accordingly to ensure consistency and comparability with the 2025 reporting methodology.

Currently, approximately 47% of the energy used across Kid Group's stores and warehouses comes from renewable sources, with the goal of reaching 100% by 2030. In 2025, more than 82% of the electricity used is renewable.

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, where 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 2025.

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.

The Kid Group do not have any energy consumption from coal, petroleum, natural gas or other fossil fuel sources in scope 2 for 2025.

Warehouse Energy Consumption and Sustainability Initiatives

Kid Group operated two major warehouses in 2025, 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, these remain the same in 2025. 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 2025, the external warehouse in Norway has certificate of origin on the electricity.

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 2025 saw an increase in emissions for Kid Group, this was mostly due to a higher volume of purchased goods and longer transport routes. Despite the rise in CO2e 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 2025, purchased goods increased by 6% compared to 2024, 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 from 33% in 2024 to 42% in 2025. The combined growth of recycled polyester and polypropylene helped increase total recycled material consumption from 10% to 11%.

> In 2025, purchased goods increased by 6% compared to 2024, making this the primary driver of higher emissions.

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:

- 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 is low, less than 3%, and the data lacks sufficient quality. All relevant categories are included in the screening.

A comprehensive Scope 3 screening was conducted in connection with the Science Based Targets initiative (SBTi) target-setting process and has been reassessed in 2025. In the initial SBTi screening, all relevant Scope 3 categories were identified and included in accordance with the GHG Protocol requirements.

In the 2025 screening update, the only adjustment was the inclusion of the franchise category. There are some categories deemed as not applicable. the SBTi targets include category 3.1, 3.3 and 3.4. The Group has also included business travel for the reporting.

New for 2025 is the inclusion of 3.2 Capital goods. The reason for this is that the emissions from the category have increased in the period. 3.2 Capital goods would be in scope if the Group did the SBTi screening in 2024. The Group reports on 98.4% of the scope 3 emission with the inclusion of Capital goods and updated figures. But the emission connected to the target of SBTi remains the same with 97.6%.

Included categories	SBTi	2025
3.1 Purchased goods and services	Yes	Yes
3.2 Capital goods	Yes	Yes
3.3 Fuel and energy related activities	Yes	Yes
3.4 Upstream transportation & distribution	Yes	Yes
3.5 Waste generated in operations	Yes	Yes
3.6 Business travel	Yes	Yes
3.7 Employee commuting	Yes	Yes
3.8 Upstream leased asstes	N/A	N/A
3.9 Downstream tranportation and distribution	N/A	N/A
3.10 Processing of sold products	N/A	N/A
3.11 Use of sold products	Yes	Yes
3.12 End-of-life treatment of sold products	Yes	Yes
3.13 Downstream leased assets	N/A	N/A
3.14 Franchises	No	Yes
3.15 Investments	N/A	N/A

As required by the SBTi framework, Kid Group continues to report annually on emissions to monitor progress. While 2025 presented a challenge in terms of overall emissions, the Group remains focused on increasing preferred materials and improving the long-term trajectory of emissions reductions.

Scope 3 and Scope 1 Emission Reductions

The Group's Scope 3 emissions increased by approximately 4% compared to 2024. The increase is primarily relatable to higher purchasing volumes (number of pieces), extended transportation distances resulting from the closure of the Suez Canal, and higher capital expenditure-related emissions.

The increase in capital goods emissions is mainly linked to investments in a new warehouse and the establishment of new stores in both Norway and Sweden during the reporting period.

Progress in Scope 1 Emissions

Scope 1 emissions remained largely stable in 2025, with a slight increase compared to 2024. Scope 1 accounts for less than 0.004% of the Group's total greenhouse gas emissions and is therefore not material in the overall emissions profile.

The emissions primarily relate to a limited number of hybrid vehicles remaining in the Hemtex fleet and refrigerant leakage. Emissions from refrigerants are calculated using standard emission factors; further details on the applied methodology are provided below.

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 CO2e 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. These emissions have increased in 2025 due to the new warehouse and some bigger stores in Sweden.

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			
	Base Year	2024	2025	% Change 2025-2024	2026	2030	2045	Annual % target/base year*
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO2eq)	55.8	54.4	59. 4	9.1%	39.1	14.8	2.8	-11.3%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	N.Q.	N.Q	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO2eq)	4,959.8	1,292.6	1,085.9	-16.0%	2,040.0	1,125.0	120.4	-13.8%
Gross market-based Scope 2 GHG emissions (tCO2eq)	3,500.1	2,535.3	2,150.5	-15.2%	1,235.0	1,354.0	189.3	-11.0%
Significant scope 3 GHG emissions**								
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	132,278.4	145,228.5	145,729.1	0.3%	158,561.0	99,362.0	9,195.3	-10.1%
1 Purchased goods and services	122,515.0	132,545.3	131,345.2	-0.9%	153,726.0	95,459.0	8,689.7	-10.0%
(Optional sub-catefory: Cloud computing and data centre services	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	
2 capital goods	8,216.7*	8,165.7	10,252.8	25.6%	4,010.0	2,480.0	410.8	-11.3%
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	533.4	349.2	287.8	-17.6%	509.7	620.2	16.4	-13.0%
4 Upstream transportation and distribution	5,398.4	4,036.0	3,864.2	-4.3%	4,835.0	3,903.0	166.0	-13.0%
5 Waste generated in operations	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	
6 Business traveling	98.5	109.8	205.1	86.8%	48.1	29.7	4.9	-11.3%
7 Employee commuting	N.Q.	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.	N.Q.	
9 Downstream transportation	N.Q.	22.6	23.0	1.8%	1.0	1.0	1.0	-13.0%

GREENHOUSE GAS EMISSIONS ACCORDING TO THE ESRS REQUIREMENT								
	RETROSPECTIVE				MILESTONES AND TARGET YEARS			
	Base Year	2024	2025	% Change 2025-2024	2026	2030	2045	Annual % target/base year*
10 Processing of sold products	N.Q.	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.	N.Q.	
12 End-of-life treatment of sold products	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	
13 Downstream leased assetes	N.Q.	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.	N.Q.	
15 Investments	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	
Total GHG emissions								
Total GHG emissions (location-based) (tCO2eq)	135,834.3	146,641.8	147,189.1	0.4%	159,684.0	101,296.0	9,318.8	-13.0%
Total GHG emissions (marked-based) (tCO2eq)	137,293.0	147,818.1	148,176.4	0.2%	160,489.0	101,525.0	9,387.6	-13.0%

*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 95% reduction in emissions by the year 2045.
**The reported categories are included in our Science Based Targets and accounts for 97.6% of the Group's scope 3 emissions
*** N.Q. Not Quantified, is used for categories not in scope or excluded in SBTi.

DESCRIPTION OF METHODOLOGY AND ASSUMPTIONS OF CARBON ACCOUNTING

Kid Group measures and reports Scope 1, 2, and 3 greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol, ensuring alignment with the disclosure requirements under ESRS E1 (Climate Change). All GHG metrics presented in this report are calculated and validated in accordance with the GHG protocol, using a combination of actual data, standardised emission factors (Higg MSI), and assumptions where necessary. The development of the climate inventory has been supported by 2050 Consulting. 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. For the 2025 reporting year, 92.4% of the data used in the Group's greenhouse gas (GHG) inventory is based on measured activity data. A further 1.5% is derived from estimated activity data, while 6.1% is calculated using spend-based methodologies. The Group seeks to ensure that the climate accounts are based on the highest quality data available and prioritises measured data wherever possible.

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 travelled, 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 CO2e 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.

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
- Packaging
- Capital goods

Purchased Goods and Services: Increased Data Accuracy and Impact

During 2025, the Kid Group carried out a supplier emissions project involving 15 suppliers, including vertically integrated suppliers, Tier 1 suppliers, and selected Tier 2 suppliers. The Group conducted a similar project in 2024; however, due to data quality limitations identified in that process, the Group decided to repeat and improve the project in 2025.

The 2025 project collected primary emissions data directly from suppliers with the intention of improving data accuracy and supporting emission reductions. The Group expected that supplier-specific data would result in lower and more representative emissions compared to calculations based on Higg material emission factors.

The outcome of the project confirmed this expectation. The updated calculations resulted in approximately 3,000 tonnes lower emissions compared to the use of Higg material factors.

The Group conducted a screening of Scope 3 emissions for the base year 2020 and for 2024. For reporting year 2025, the Group uses 2024 supplier-specific emissions data. The Group has decided to apply one-year-old primary data for 2025 on the basis that it is considered more accurate and reliable than generic emission factors.

All tables presenting 2020, 2024 and 2025 figures include actual supplier-reported emissions data where available. For 2021, 2022 and 2023, no supplier screening was performed and therefore actual supplier-specific data is not available. Where primary data is not available, emissions are estimated using relevant emission factors in accordance with the Group's methodology.

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 from page 64). After verification, each material is assigned an emission factor from HIGG MSI, the industry standard for textile emissions.

The Higg MSI methodology applies a cradle-to-gate system boundary and therefore does not include use-phase or end-of-life emissions. The Group relies on this approach for climate accounting purposes and to inform material selection decisions. As full cradle-to-grave lifecycle emissions are not tracked at product level, individual product emission values are not used for marketing or comparative claims.

Based on the Scope 3 screening conducted during the SBTi target-setting process and reassessed in 2025, emissions from use-phase and end-of-life treatment are considered not material to the Group's overall emissions profile and are therefore not included within the SBTi target boundary.

For suppliers where primary (actual) emissions data is available, Higg emission factors are not applied to the corresponding material volumes in order to avoid double counting. Material volumes from vertically integrated suppliers and Tier 2 suppliers are excluded from the Tier 2–4 Higg-based calculations where primary data is accounted for, ensuring methodological consistency and preventing overlap between data sources.

> With Scope 3 making up over 98% of total emissions, it remains the most significant focus area for reduction efforts.

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:

- Receives reports from Hemtex and Kid travel agencies, enabling tracking of person-kilometres, 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-kilometres, which are either:

- Calculated based on distance travelled, or
- Reported directly as CO2e 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 while ensuring compliance with leading sustainability standards.

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. The Group has elected to apply Delegated Regulation (EU) 2021/2178, which introduced certain simplifications in the EU Taxonomy. 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

- 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 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 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 minmum safeguards with regards to human rights, corruption, taxation and fair competetion, 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 enitites 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, including fuel and other directly attributable costs.

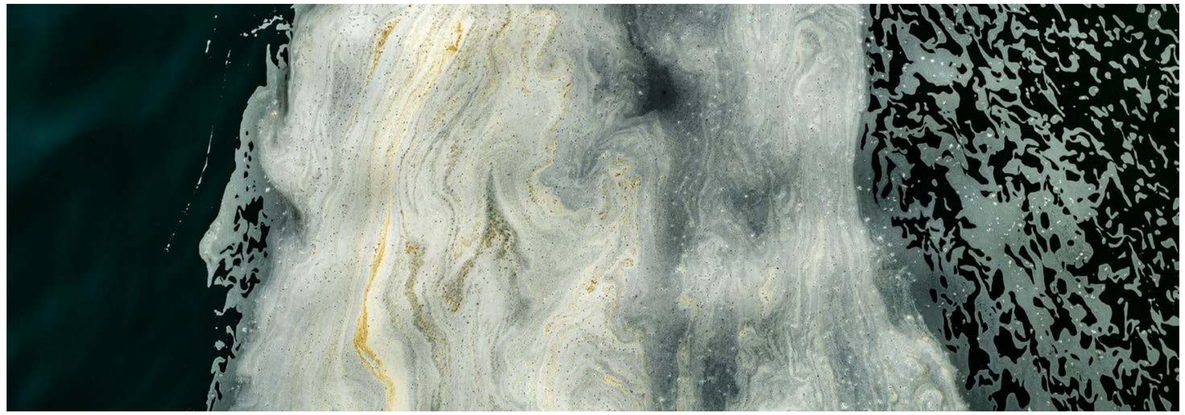
FINANCIAL YEAR 2025															
					Breakdown by environmental objectives of taxonomy aligned activities										
KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year (N-1)	Proportion of Taxonomy aligned activities in previous financial year (N-1)
	Million NOK	%	Million NOK	%	%	%	%	%	%	%	%	%	%	Million NOK	%
Turnover	3,949	0%	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%
CapEX	769	67%	-	0%	67%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%
OpEx	11	19%	-	0%	19%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%

REPORTED KPI (TURNOVER/CAPEX/OPEX)		CAPEX											
FINANCIAL YEAR (N)		2025											
					Environmental objective of Taxonomy aligned activities								
Economic Activities	Code	Taxonomy eligibl KPI (Proportion of Taxonomy eligible Turnover /CapEx/OpEx)	Taxonomy aligned KPI (monetary value of Turnover/ CapEx/OpEx)	Taxonomy aligned KPI (Proportion value of Turnover/ CapEx/OpEx)	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Enabling activitiy	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
		%	Million NOK	%	%	%	%	%	%	%	E where applicable	T where applicable	%
Acquisition and ownership of buildings	CCM 7.7	67%	-	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total KPI (Turnover/CapEx/OpEx)		67%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

REPORTED KPI (TURNOVER/CAPEX/OPEX)		OPEX											
FINANCIAL YEAR (N)		2025											
					Environmental objective of Taxonomy aligned activities								
Economic Activities	Code	Taxonomy eligibl KPI (Proportion of Taxonomy eligible Turnover /CapEx/OpEx)	Taxonomy aligned KPI (monetary value of Turnover/ CapEx/OpEx)	Taxonomy aligned KPI (Proportion value of Turnover/ CapEx/OpEx)	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Enabling activitiy	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
		%	Million NOK	%	%	%	%	%	%	%	E where applicable	T where applicable	%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	19 %	-	0%	0%	0%	0%	0%	0%	0%			0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
Total KPI (Turnover/CapEx/OpEx)		19%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

E2 – POLLUTION

The Kid Group acknowledges its responsibility to address pollution-related impacts across operations and the supply chain, with the aim of mitigating negative environmental consequences.



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

E2 – POLLUTION (CONTINUED)			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
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 trans-portation, production, etc. **Downstream:** Release of microplastics due to use of or handling of plastics. E.g. transports, use of product, waste management of super-annuated 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

Pollution and its Material Impact and Interaction with Strategy and Business Model // ESRS 2 SBM-3

The Kid Group operates within a complex upstream value chain, encompassing activities ranging from raw material processing to production and finishing. Due to the nature of these outsourced activities, pollution has been identified as a material sustainability topic with potential negative impacts through the Group's double materiality assessment.

Through ongoing engagement with suppliers and the use of audits and qualitative assessments, the Group seeks to understand how pollution-related impacts in the upstream value chain may interact with the business model and sourcing strategy. The Group is dependent on suppliers' ability to produce goods, and certain production processes and materials are associated with risks of pollution to air, water and soil upstream.

A significant share of the materials used by the Group originates from land-based ecosystems, which may affect soil health and typically involve the use of water and chemicals during cultivation. In addition, a substantial part of the product assortment consists of textiles, which rely on manufacturing processes that are water-intensive, particularly during dyeing and finishing, and involve the use of chemicals throughout production. These characteristics contribute to the Group's exposure to pollution-related impacts in the upstream value chain.

The Group has identified that, in certain cases, it is possible to use alternative processes, materials or product specifications that involve lower pollution risks, without significantly affecting product quality, product availability or the overall commercial structure of the business. However, the extent to which such alternatives can be applied may vary depending on product category, supplier capabilities and market conditions.

Based on this assessment, the Group considers that its business model demonstrates a degree of adaptability in relation to pollution-related impacts. This adaptability may support the Group's ability to respond to identified risks over time, although pollution-related impacts in the upstream value chain cannot be fully eliminated and require ongoing management.

Policies Related to Pollution // E2-1

The Group's Policy for Responsible Business Conduct is based on the precautionary principle and sets out expectations aimed at preventing and minimizing negative environmental impacts across the value chain. The policy addresses all material environmental matters relevant to pollution, including the use of chemicals, emissions, and resource management, and is supported by more detailed requirements in supplier-facing documents.

As part of its scope, the policy addresses the prevention of pollution-related incidents and emergency situations, such as accidental releases, spills, fires or other events involving hazardous substances, and sets expectations for controlling and limiting their impact on people and the environment should such incidents occur.

The policy is supported by defined processes for monitoring and follow-up through supplier requirements, audits and corrective action mechanisms. Further information on the Policy for Responsible Business Conduct, including governance, scope and oversight, is provided in chapter G1, Business Conduct on page 79.

IMPLEMENTATION OF THE POLICY IN THE UPSTREAM VALUE CHAIN

The requirements of the Policy for Responsible Business Conduct are implemented in the upstream value chain through the Purchase Agreement and Requirements (PAR), including the Group's Restricted Substance List (RSL). These instruments define minimum environmental expectations for suppliers and are intended to support the prevention and reduction of pollution-related impacts associated with production activities.

Through these requirements, suppliers are expected to have procedures in place to prevent pollution-related incidents and emergency situations and, where incidents occur, to control and limit their impact on people and the environment. Suppliers may be required, upon request and depending on the nature of their operations, to demonstrate the existence of environmental management practices, such as an environmental policy, defined environmental objectives, and measures to reduce the environmental impact of production and other activities. For example, suppliers engaged in textile dyeing may be required to provide information on water use and chemical management, while suppliers producing plastic components may be required to provide information related to chemical handling and emissions control. These practices may include monitoring of environmental performance, initiatives to reduce greenhouse gas emissions and local pollution, management of chemicals and pesticides, and measures related to safe handling and storage of hazardous substances.

> It is possible to use alternative processes, materials or product specifications that involve lower pollution risks, without significantly affecting product quality.

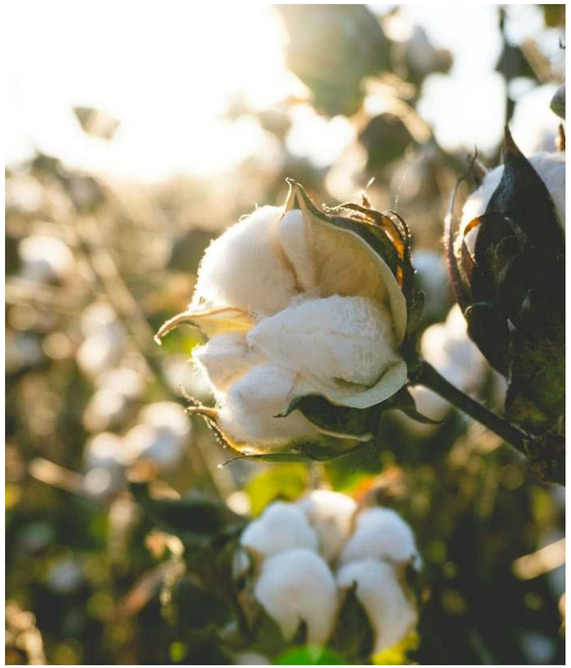
Restricted Substance List (RSL)

The Group's RSL forms part of the implementation of the Policy for Responsible Business Conduct and sets requirements related to the chemical content of products supplied to the Group. The RSL includes restrictions on substances regulated under relevant EU legislation, including REACH, the Water Framework Directive, the Persistent Organic Pollutants (POPs) Regulation, the Regulation on ozone-depleting substances and the CLP Regulation, among others.

In certain areas, the RSL extends beyond regulatory compliance in order to meet the Group's expectations and to avoid groups

of chemicals that are not yet regulated but still considered to be of concern for either the environment or human health. These requirements are intended both to prevent the presence of hazardous substances in final products and to reduce the risk of pollution-related incidents associated with their use.

In addition, the PAR stipulates that products supplied to the Group must not contain intentionally added microplastics. This requirement was initially developed for cosmetic products but was updated in 2025 to specify that the Group does not accept substances, mixtures, or articles that contain intentionally added synthetic polymer microparticles as defined in entry 78 of Annex XVII to Regulation (EC) No. 1907/2006 (REACH).



MONITORING AND FOLLOW-UP

Compliance with applicable national and international environmental laws and regulations, including requirements related to permits for emissions and discharges, is expected of suppliers. The Group encourages the use of certified or registered environmental management systems, with a preference for ISO 14001 and the Eco-Management and Audit Scheme (EMAS).

To support follow-up on environmental performance in the supply chain, environmental aspects are assessed through mechanisms such as SMETA 4-pillar and Amfori BEPI audits and third-party environmental performance tools, including OEKO-TEX® STeP.

Where non-compliance or incidents are identified, corrective actions are required and may be followed up through engagement with suppliers to ensure that appropriate measures are implemented to prevent recurrence and mitigate impacts.

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

The Group's actions related to pollution focus primarily on preventing and mitigating pollution of air, water and soil in the upstream value chain, where material pollution-related impacts have been identified. These actions are mainly implemented through product requirements, sourcing standards and supplier expectations and are intended to limit the use and release of substances of concern, persistent pollutants and hazardous chemicals associated with the production of home textile and interior products.

The pollution-related actions described in the following sections do not form part of a specific standalone pollution action plan and do not require significant operational or capital expenditures for the Group. They are not supported by dedicated sustainable finance instruments.

Key actions to avoid or reduce pollution-related impacts include:

- **Ban on per- and polyfluoroalkyl substances (PFAS):** The Group applies a ban on the intentional use of PFAS in products and production processes due to their persistence in the environment and potential adverse effects on human health and ecosystems.
- **Restrictions on biocidal treatments:** The Group applies strict limitations on the use of biocidal treatments in finished products, including a general ban on anti-mould finishes. Where biocides are used in production, storage or transport, they are required to comply with Regulation (EU) No 528/2012 on biocidal products.
- **Exclusion of flame retardants in textiles:** Textiles supplied to the Group are required not to contain flame retardants, thereby limiting the use and potential release of persistent organic pollutants associated with these substances.
- **Support for improved cotton farming practices:** Through sourcing of cotton under recognised sustainability programmes, such as Better Cotton, the Group supports agricultural practices aimed at reducing the use of hazardous pesticides and minimising pollution of soil and water in cotton cultivation.

In addition to these preventive and ongoing measures, the Group is working to improve its understanding of direct and indirect pollution-related impacts in the upstream value chain. During 2025, the Group has started to request completion of the Environmental Self-Assessment Questionnaire (ESAQ) from selected suppliers and to complement this with environmental audits where relevant. While these activities do not in themselves reduce pollution, they are intended to support the identification of priority areas and inform the development of more targeted pollution-related actions over time. This work is ongoing, and no fixed end date has been established. Through these actions the Group has not had any recorded any incidents of use of PFAS, Biocidal treatments or flame retardants, similar to last year. For progress of improved cotton farming practices, see E5.

MICROPLASTICS

The Group has implemented actions to prevent and reduce microplastic pollution associated with its products and upstream value chain. Microplastic release may occur during production, use and end-of-life of textile products, particularly those containing synthetic fibres.

Product requirements to prevent microplastic pollution:

In line with the EU restriction on synthetic polymer microparticles (SPM) under REACH Annex XVII, entry 78, and the accompanying implementation guidance, the Group has adopted product requirements that prohibit the intentional addition of SPMs in its product assortment. In addition, any claims relating to degradable or soluble SPMs are required to comply with the criteria set out in Appendices 15 and 16 to REACH Annex XVII, respectively. During the reporting period a clarification in the PAR was added related to microplastics, as mentioned in E2-1. The clarification introduced in 2025 strengthened the specification of the existing requirement without altering its overall scope.

Actions to support reduction of microplastic release:

To improve understanding of microplastic release from synthetic textiles, the Group is participating in industry initiatives and knowledge-sharing forums, including collaboration with The Microfibre Consortium (TMC) and the RISE Chemicals Group. As part of this work, the Group is assessing the potential future application of recognised test methods, such as ISO, AATCC and DIN SPEC methodologies, to selected synthetic textile products. These activities are intended to support informed decision-making on materials and product design and to inform future pollution-related measures. Participation in these initiatives continued during

the reporting period, and no product-level testing programme has yet been implemented.

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

The Group's actions related to substances of concern (SoC) and substances of very high concern (SVHC) focus on preventing and mitigating pollution-related impacts associated with the use of hazardous chemicals in the upstream value chain and in products. These actions are primarily implemented through supplier requirements, product specifications and follow-up mechanisms intended to limit the release of harmful substances to air, water and soil and to reduce risks to human health.

Through the Purchase Agreement and Requirements (PAR), suppliers are required to establish and maintain a list of all chemicals used in production and other operations. Suppliers are expected to ensure that personnel handling chemicals have adequate competence, and that appropriate personal protective equipment (PPE) is used when working with hazardous substances. These requirements are intended to support safe handling of chemicals and reduce the risk of unintended releases during production processes. These requirements remained unchanged during the reporting period and continue to form part of supplier contractual obligations.

In addition, the Group applies a Restricted Substance List (RSL) and requires compliance with applicable chemical regulations addressing substances of concern and SVHCs. SVHCs are required to be phased out within 12 months of their inclusion on the REACH Candidate List, including at concentrations below legal thresholds. Where exemptions for SVHCs are granted under the Restriction of Hazardous Substances (RoHS) Directive for electrical and electronic products, a risk assessment is conducted and a phase-out plan is developed in collaboration with the relevant supplier. The RSL has been further updated and clarified compared to 2024. The update of the RSL during 2025 reflects ongoing regulatory monitoring and continuous improvement of chemical management requirements.

To support ongoing assessment and development in this area, the Group participates in industry initiatives, including the RISE Chemicals Group, to stay informed about regulatory developments, substitution strategies and safer alternatives for substances of concern.

The Group's current actions primarily address the presence of regulated substances in final products in order to comply with consumer safety legislation. The Group does not currently apply a Manufacturing Restricted Substance List (MRSL) covering the use of substances during production processes. As of 2025, no specific actions have been established to restrict substances used in production processes beyond existing product-focused requirements.

To support ongoing assessment and development in this area, the Group participates in industry initiatives, including the RISE Chemicals Group, to stay informed about regulatory developments, substitution strategies and safer alternatives for substances of concern. This participation supports continuous evaluation of pollution-related risks associated with chemical use and informs the potential development of future actions. These activities are intended to strengthen the Group's understanding of SoC-related risks but do not in themselves restrict or eliminate the use of substances in production processes. Engagement in industry initiatives continued during the reporting period without changes in scope.

Targets Related to Pollution // E2-3

Pollution is an area in which the Group has not yet established outcome-oriented targets. This is primarily due to limited availability of consistent and comparable data across the upstream value chain, which currently constrains the ability to define targets that would be meaningful and effective in reducing pollution to air, water and/or soil.

The Group has identified that the establishment of pollution-related targets is dependent on the ability to define reliable baselines and access relevant key performance indicators at production-site level in the upstream value chain. In this context, the Environmental Self-Assessment Questionnaire (ESAQ), introduced by Sedex[4] in late 2024, has been identified as a potential tool to support the collection of more standardised environmental data from suppliers.

During 2025, the Group has started to request completion of the ESAQ from selected production sites, prioritising those with the largest sourcing volumes and highest relevance. However, as of 2025, Sedex has not yet implemented reporting functionalities or dashboards for the ESAQ. This limits the Group's ability to aggregate, analyse and compare data across the supplier base and, consequently, to establish baselines or define outcome-oriented pollution targets.

As a result, the Group has not defined baselines or measurable outcome-oriented targets related to pollution. The feasibility of establishing such targets will be reassessed once sufficient data quality, coverage and analytical capabilities are in place.

The Group does not currently track the effectiveness of pollution-related policies and actions through defined quantitative indicators. Effectiveness is assessed qualitatively through contractual requirements, supplier dialogue and audit processes.

No timeframe for adopting pollution-related targets has been set as of 2025.

[4] 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.

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. The Group's objective is to manage water responsibly, minimizing consumption and reducing dependency where possible.

Water and its Material Impact and Interaction with Strategy and Business Model // ESRS 2 SBM-3

The responsible use of freshwater has been identified as a material sustainability matter for the Kid Group, primarily driven by negative impact in the upstream value chain. Water-related impacts are closely linked to the Group's business model, which relies on the sourcing of textile products with production stages that are inherently water-intensive.

Water impacts occur across several dimensions, including water consumption, water use efficiency, wastewater discharge, reuse and recycling, and the risk of water pollution. Negative impacts have been identified in cotton cultivation and in the dyeing and finishing processes of textile production, where large volumes of freshwater are required and where inadequate wastewater treatment may lead to pollution of local water bodies.

Through ongoing supplier engagement and factory visits, the Group has identified early signals of the sensitivity of water-intensive production processes in key sourcing regions, in key sourcing regions. Several tier 1 and tier 2 suppliers report changes in water availability, including a shift from groundwater to surface water in dyeing processes due to water scarcity and regulatory restrictions, highlighting the importance of responsible water use to limit the Group's contribution to negative impacts on surrounding communities. As a result, water conservation and responsible water management have become increasingly important topics in supplier operations and dialogue with the Group.

The Group's exposure to water-related impacts is further influenced by evolving regulatory frameworks in production countries. Authorities in several sourcing regions have strengthened requirements for wastewater treatment and discharge permits. While the risk of pollution from textile dyeing mills persists, enhanced regulation and oversight are contributing to gradual improvements in water management practices and are expected to reduce negative impacts on local ecosystems and communities over time.

Cotton represents the Group's largest fibre category, accounting for approximately 38% of total raw material use. As such, the Group's business model is closely linked to water-intensive agricultural production. The resilience of the Group's sourcing strategy has therefore been assessed in relation to its capacity to manage and reduce its material negative impacts on water in the upstream value chain.

This qualitative assessment is based on the Group's double materiality analysis, supplier engagement, factory visits and review of sourcing practices across short-, medium- and long-term time horizons. The analysis considers the extent to which the Group's reliance on preferred cotton, supplier requirements and diversification of sourcing regions enables it to influence water-related practices and mitigate adverse impacts over time.

While water-intensive production remains inherent to cotton-based textiles, the Group's strategy integrates measures intended to reduce pressure on freshwater resources in water-risk regions, thereby strengthening the long-term resilience of its sourcing model in relation to identified material impacts.

E3 - WATER AND MARINE RESOURCES			
Sub-topic	**Description of impact**	**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

Policies Related to Water // E3-1

The Group's Policy for Responsible Business Conduct[5] addresses water-related issues explicitly and conditionally. The objective of the policy in relation to water is to prevent and mitigate material negative impacts on freshwater resources in the upstream value chain and to promote responsible water management practices. The policy framework includes requirements related to wastewater treatment and compliance with applicable discharge permits as part of its environmental and legal compliance provisions. Where water constitutes a significant sustainability aspect in production, suppliers should measure and record water use across their operations. They are also expected to establish and regularly review targets to reduce the environmental impact of water use.

Water-related impacts, including the prevention and abatement of water pollution, are also addressed through broader policy provisions on environmental protection, chemical management, cotton crop production, health and safety, and the protection of marginalised populations and local communities. The policy applies primarily to upstream suppliers and does not explicitly cover own operations or the downstream value chain, as these have been assessed as immaterial in relation to water impacts.

> The objective of the policy in relation to water is to prevent and mitigate material negative impacts on freshwater resources in the upstream value chain.

Responsibility for applying water-related expectations is embedded within the Group's supplier management and sustainability work, under the Group's general sustainability governance framework. There is no water-specific governance structure or dedicated board-level oversight

The policy does not explicitly reference third-party water management standards or initiatives. Instead, it is grounded in a due diligence approach for responsible business conduct, including requirements related to preferred cotton standards such as Better Cotton Initiative, organic cotton and recycled cotton, which incorporate aspects of water stewardship.

With regard to product design, the Group has not adopted a formal policy that explicitly addresses water-related issues or the preservation of marine resources. However, water-related considerations are addressed through sourcing and production practices, including the Group's target of sourcing 100% preferred cotton and internal requirements for OEKO-TEX® STeP certification for cotton dyeing and finishing sites in Pakistan and Bangladesh. These practices are applied in water-intensive and water-risk sourcing regions and are intended to contribute to reducing material water consumption and negative water-related impacts in the upstream value chain, without being formalised as design-specific policy commitments. While the PAR sets expectations for supplier water management where relevant, water-related data are not systematically collected or consolidated at Group level as of 2025, and suppliers are not required to report water consumption, discharges or improvements to the Group. Monitoring is therefore primarily based on supplier engagement and available documentation, and information remains largely qualitative or ad hoc.

Oceans and seas are not identified as a material sustainability topic for the Group. The Group has therefore not adopted specific policies or practices dedicated to sustainable oceans and seas, and the protection of marine and ocean environments is addressed at a high level through the policy's general environmental commitments. Although water-related issues are covered within the existing policy framework, the Group recognises the need for a more structured assessment of the relationship between water-related impacts, long-term sourcing strategy and the business model before introducing water-specific policy commitments, actions or targets. Any future development of the policy will be informed through continued dialogue with relevant stakeholders and suppliers.

Actions and Resources Related to Water // E3-2

Water-related impacts have been identified as material in the Group's upstream value chain, primarily linked to cotton crop production (tier 4) and dyeing, washing and finishing processes in textile manufacturing (tier 2). The Group's actions related to water are focused on prevention and mitigation of negative impacts, rather than remediation of historical environmental damage.

COTTON CROP PRODUCTION

Cotton production (tier 4) is a cornerstone of the Group's business model and represents a significant dependency on freshwater resources. To mitigate water-related impacts in cotton farming, the Group implemented a preferred cotton sourcing strategy in 2016, with Better Cotton as a key instrument.

The Group is a Retailer and Brand Member of Better Cotton and supports the initiative as a mitigating action to promote improved water efficiency and water stewardship at farm level. Better Cotton farmers are required to implement Water

[5] See G1-1 for MDR-P for the Policy for Responsible Business Conduct.

Management Plans, covering aspects such as water resource assessment, soil moisture monitoring, irrigation efficiency, and water quality management, in both irrigated and rain-fed systems. The initiative also addresses shared water risks, governance challenges and sustainable water stewardship in cotton-producing regions.

As of 2025, more than 90% of the Group's cotton is sourced through preferred cotton schemes, up from 79% in 2024.The Group has a public target of sourcing 100% preferred cotton by 2030. Better Cotton is currently applied through a mass-balance system, with a planned transition to chain of custody from 2026 onwards. These actions are preventive and mitigating in nature and are intended to reduce water dependency and improve water management in cotton cultivation.

TEXTILE DYEING AND FINISHING PROCESSES

The dyeing and finishing stages of textile production (tier 2) are water-intensive and is a key source of potential water pollution. Water consumption varies significantly by fibre type, with cotton generally requiring substantially more water than polyester due to its high absorbency and the need for repeated rinsing and washing during dyeing. Polyester, by contrast, is dyed using disperse dyes under high heat and pressure and generally requires less water. This difference in water intensity underpins the Group's prioritisation of mitigation measures in cotton textile production.

> As of 2025, more than 90% of the Group's cotton is sourced through preferred cotton schemes, up from 79% in 2024.The Group has a public target of sourcing 100% preferred cotton by 2030.

To mitigate water-related impacts in the most water-intensive production stages, the Group relies on third-party verification and sourcing practices focused on high-risk suppliers. Since 2022, OEKO-TEX® STeP (Sustainable Textile & Leather Production) has been applied as a tool in supplier assessment and sourcing decisions. OEKO-TEX® STeP is required for all bathroom towel suppliers and is expected for textile factories in Pakistan and Bangladesh, where a significant share of the Group's cotton dyeing and finishing takes place in vertically integrated factories (tier 1-2). Certification status is used as a risk-screening and supplier selection criterion.

The OEKO-TEX® STeP standard requires environmental management systems and monitoring of environmental performance, including water and energy use, and supports continuous improvement at factory level. While the certification does not provide a single consolidated performance outcome, it functions as a preventive and continuously mitigating action by setting minimum environmental management expectations for water-intensive production stages.

ONGOING DEVELOPMENT AND DATA MATURITY

While mitigating actions are in place, supplier water data are not yet systematically collected or consolidated at Group level, and available information remains largely qualitative or ad hoc. In 2025, the Group initiated activities to strengthen its understanding of water-related risks and data availability in the supply chain, including water risk screening for key vertically integrated suppliers and country-of-origin assessments for cotton. These activities are intended to strengthen the Group's understanding of water-related impacts and data availability, and to provide a basis for the future development of KPIs and more structured water management, but they do not yet result in defined or measurable performance outcomes.

RESOURCES ALLOCATED TO WATER-RELATED ACTIONS

The Group has not implemented a water-related action plan that requires significant operational expenditures (Opex) and/or capital expenditures (Capex). Still, the Group allocates financial and non-financial resources to support its water-related actions. Financial resources are mainly linked to ongoing participation in Better Cotton and other preferred cotton schemes. Non-financial resources include internal sustainability and sourcing capacity, supplier engagement and factory visits addressing water use where relevant, as well as reliance on third-party verification mechanisms such as OEKO-TEX® STeP, continuously financed by suppliers through audit and certification fees.

Targets Related to Water // E3-3

As of 2025, the Group has not established water-specific quantitative targets related to water use, water efficiency or wastewater discharges. Limitations in data availability and the absence of sufficiently mature and consistent KPIs currently prevent the definition of measurable water targets. As a result, the effectiveness of water-related policies and actions is not yet systematically monitored through defined indicators.

The Group therefore intends to define water-related targets following the establishment of relevant KPIs based on accessible and reliable data. As of 2025, no baseline year has been defined, and no quantitative water targets have been approved.

While no formal water targets are in place, the Group has existing sourcing and technology targets that may contribute to reduced water-related impacts as indirect co-benefits, but which are not defined or tracked as water targets. These include the target of sourcing 100% preferred cotton and initiatives within the climate transition roadmap aimed at reducing freshwater use in textile dying processes. Until water-specific KPIs and data structures are sufficiently developed, such initiatives are considered contextual measures rather than formal targets.

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.

Biodiversity and its Material Impacts and Interaction with Strategy and Business Model // SBM-3

The Kid Group recognises that its activities and business relationships can contribute to negative impacts on biodiversity and ecosystems. These impacts are linked to the upstream value chain, where raw material production and manufacturing processes take place.

The material biodiversity-related impacts identified through the double materiality assessment are related to land degradation and ecosystem pressure, mainly located in raw material production, primarily linked to agricultural raw material production and land use associated with cotton cultivation (tier 4) and in water- and chemical-intensive processes in textile manufacturing (tier 2). A significant share of the materials used by the Group originates from land-based ecosystems and is dependent on agricultural and forestry systems. These processes affect soil health, require freshwater resources and involve the use of chemicals, which can contribute to land degradation and ecosystem pressure if not properly managed.

The Group has not identified any activities under its control that specifically target or intentionally affect threatened species. However, indirect impacts on land-based ecosystems and species may arise through upstream activities in the value chain.

The biodiversity-related impacts identified originate from and are directly linked to the Group's business model, which relies on agricultural and forestry-based raw materials and outsourced manufacturing in the upstream value chain. The sourcing of these materials and the associated production processes contribute to land use change, resource extraction and ecosystem pressure, which drive the Group's material negative impacts on biodiversity. These impacts interact with the Group's strategy by increasing the importance of managing and reducing adverse effects in the upstream value chain through responsible sourcing practices and supplier engagement.

To manage these interactions, the Group relies on a diversified product assortment and a broad supplier base, which reduces dependency and stress on individual raw materials, regions or suppliers. Biodiversity-related considerations are further integrated through existing sourcing requirements, environmental standards and supplier due diligence processes, rather than through standalone biodiversity programmes.

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 negative impact on biodiversity and ecosystems in the upstream value chain, primarily linked to raw material production and manufacturing activities.	Upstream activities related to raw material production and manufacturing contribute to direct drivers of biodiversity loss. Conversion of natural habitats for agricultural activities, such as cotton cultivation, can lead to habitat loss and fragmentation, reducing species richness and ecosystem integrity. Intensive agricultural practices may degrade soil quality and alter land structure, contributing to land degradation. Unsustainable harvesting of natural resources, including timber used for paper and furniture, can disturb ecosystems and lead to long-term declines in species populations. In addition, water-intensive production processes may place pressure on surrounding freshwater-dependent ecosystems, indirectly affecting terrestrial and aquatic biodiversity.	Actual negative impact in the upstream value chain across short-, medium- and long-term time horizons

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

The Group's biodiversity- and ecosystem-related considerations relate to upstream raw material sourcing, where indirect impacts, dependencies, risks and opportunities may arise.

As of the 2025 reporting period, the Group has not adopted a specific biodiversity transition plan. Given the Group's role as a retailer with indirect upstream impact, biodiversity and ecosystem considerations are currently addressed through existing climate-related work, sourcing strategies and environmental due diligence processes.

The resilience of the Group's strategy and business model in relation to biodiversity and ecosystems has been assessed qualitatively. The assessment focuses on physical, transition and systemic risks in the upstream value chain, where biodiversity-related impacts are most relevant, including risks related to land-use change, water scarcity in agricultural production, pollution from raw material processing, and reduced ecosystem resilience in key sourcing regions.

The qualitative assessment of resilience also incorporated insights from stakeholder engagement conducted in 2024. While biodiversity and ecosystems were not identified as standalone priority topics, stakeholder input related to sustainability in the supply chain and environmental pressures in upstream sourcing informed the scope, assumptions and focus of the resilience assessment, particularly the emphasis on raw material production and sourcing-related risks.

The scope of the resilience assessment covers upstream activities, consistent with the scope applied in the double materiality assessment. Key assumptions include continued supplier diversification, availability of alternative materials, and the effectiveness of existing sourcing and due diligence measures. The time horizons considered align with those used in the double materiality assessment, covering short-, medium- and long-term perspectives.

The results of the assessment indicate that biodiversity loss may increase pressure on certain raw materials over time, particularly those dependent on land-based ecosystems and freshwater availability.

To support its qualitative assessment of biodiversity-related risks and impacts in the upstream value chain, the sustainability team uses an analytical tool from Textile Exchange, the Materials Impact Explorer (MIE). The MIE draws on a wide range of country-level, sector-specific and global datasets to provide insight into potential impacts and dependencies associated with different raw materials. The analytical framing of these insights is aligned with concepts referenced by the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets Network (SBTN).

The use of such tool support internal understanding and prioritisation of biodiversity-related risk areas but does not currently form the basis for formal targets, metrics or a biodiversity transition plan. No timeline has been established for full alignment with TNFD or SBTN frameworks.

> The Group has for several years implemented changes in raw material sourcing that contribute to reduced environmental impact.

Policies Related to Biodiversity and Ecosystems // E4-2

The Policy for Responsible Business Conduct (see G1-1 on page 79) outlines the Group's commitment to reducing negative environmental impacts throughout the value chain. The Policy addresses several environmental topics identified as material in the DMA, and states that the Group shall mitigate climate change, land-use change, pollution and deforestation. Invasive species and direct exploitation are not included, as these topics are not deemed material based on the DMA.

The Policy will indirectly contribute to the protection of local communities through reduced environmental pressure, but it does not address specific social consequences of biodiversity- and ecosystem-related impacts. Based on the identified material negative impact, and in accordance with the precautionary principle, the Group aims to continuously implement measures to minimize greenhouse gas emissions, prevent local pollution and reduce the use of harmful chemicals and pesticides. The ambition is to ensure sustainable extraction and management of natural resources – including water, oceans, forests and land – in order to conserve biodiversity and ecosystems.

Key biodiversity-related policy requirements include mandating that paper and wood products originate from responsible, traceable and certified sources to avoid deforestation, and requiring that cotton used in the Group's products is sourced through certified and preferred cotton farming programmes aimed at reducing pollution and water use.

The Policy is operationalised through biodiversity-related guidelines in the Group's Purchase Agreement and Requirements (PAR), particularly in the sections covering Agriculture & Forestry and Preferred Cotton. Third-party certification schemes, such as FSC and Better Cotton, play an important role in this framework. Relevant certificates and preferred cotton claims are collected and controlled to support monitoring of adherence to the applicable standards throughout the value chain.

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

The Group has for several years implemented changes in raw material sourcing that contribute to reduced environmental impact. Biodiversity and ecosystems are currently managed through existing sourcing, environmental and due diligence processes rather than through a standalone biodiversity strategy. As of the 2025 reporting period, the Group has not adopted a dedicated biodiversity action plan or allocated specific financial resources, and no biodiversity offsets are applied. Biodiversity-related actions are integrated into ongoing operations and focus on preventing and mitigating negative impacts rather than remediation.

CURRENT BIODIVERSITY-RELATED ACTIONS IN THE UPSTREAM VALUE CHAIN

As of 2025, the primary actions related to biodiversity and ecosystems include the continued transition towards FSC-certified wood and paper products and the sourcing of preferred cotton. See chapter E5 for status and progress compared to previous reporting period. These actions have since 2016 intended to mitigate negative impacts on biodiversity, particularly related to land use, water use and pollution.

The certification schemes applied incorporate environmental requirements, including elements related to nature-based solutions and consideration of local and indigenous knowledge as part of their criteria.

Preferred Cotton – Actions and Sourcing Practices

During the reporting year, the Group reassessed biodiversity-related impacts and dependencies associated with cotton sourcing across countries of origin. Suppliers providing cotton-based products were requested to disclose the country of origin, and where possible the region, through a self-assessment questionnaire as part of the FLAG screening. Responses were received from suppliers representing 97% of sourced volumes in 2024.

The results indicate that more than 80% of the cotton originates from India, Pakistan and China. While the information is based on unverified self-reported data, it provides an improved understanding of geographic exposure in the cotton supply chain. India and Pakistan exhibit higher impact and dependency levels in the Materiality Exposure Index (MEI), underscoring the relevance of responsible cotton farming initiatives in these regions.

The Group's current approach to addressing these risks is to source preferred cotton in the assortment, with the aim of reducing biodiversity-related impacts associated with conventional cotton cultivation, including water use, chemical use and land degradation. In addition, the Group has initiated plans to gradually introduce traceable Better Cotton sourcing from 2025 onwards to strengthen transparency in the cotton supply chain. As of the 2025 reporting period, no traceable Better Cotton volumes had yet been received by the Group.

Deforestation-free Supply Chain

Preventing deforestation and forest degradation is a key measure to mitigate biodiversity loss, as it preserves habitats, species richness and essential ecosystem functions. It also sustains the ecological functions that many organisms depend on. When forests remain standing and healthy, they continue to host complex communities of plants, animals, fungi, and microorganisms that cannot survive in converted or heavily degraded landscapes.

In line with these objectives, Kid Group continuously works to prevent deforestation and forest degradation across its supply chain, consistent with the EU Timber Regulation (EUTR) and, when applicable from 2026 onwards, the EU Deforestation-free Regulation (EUDR), as well as Kid Group's broader commitment to protecting biodiversity and ecosystems:

- The Kid Group's PAR, including requirements related to EUTR, and its EUDR-aligned Due Diligence System set clear expectations for suppliers with the aim of preventing deforestation and forest degradation that drive biodiversity loss.
- The Group requires suppliers of wood, paper and other forest-based products in its assortment to hold valid FSC or PEFC Chain of Custody (CoC) certification together with an active FSC or PEFC license, and to supply products with a documented FSC or PEFC claim. Where available, suppliers are strongly encouraged to adopt the EUDR-specific regulatory modules associated with the respective certification schemes to further bolster compliance and traceability.

- The Group strengthened and revised its due diligence processes by drawing on Preferred by Nature's EUDR-aligned *Due Diligence Toolkit* to support product risk assessment, mitigation, and documentation.

- In addition, Kid Group uses LiveEO's TradeAware platform and PrecisionAnalytics engine, which combine high-resolution satellite imagery and advanced analytics to enhance screening for deforestation and forest degradation risks in the supply chain.

- Internal teams and relevant suppliers in scope of the regulation received EUDR training, and ongoing supplier engagement aims to build awareness and capacity to prevent ecosystem conversion and degradation.

Targets Related to Biodiversity and Ecosystems // E4-4

The Group has established two land-based raw material targets that contribute to reducing negative impacts on biodiversity and ecosystems in the upstream value chain. In addition, the Group's Science-Based Target (SBT) for greenhouse gas emissions supports biodiversity protection by addressing climate-related ecosystem impacts. Further information on the SBT is provided in the Climate Change section, starting on page 38.

The existing targets are developed based on both internal and external stakeholders' expectations. No ecological thresholds and allocations of impacts to the undertaking were applied when setting targets. The targets are not informed by, and/or aligned with the Kunming-Montreal Global Biodiversity Framework, relevant aspects of the EU Biodiversity Strategy for 2030 and other biodiversity and ecosystem-related national policies and legislation. No biodiversity offsets are applied when setting the targets.

Sourcing preferred cotton and FSC-certified or recycled wood and paper materials contributes to mitigating the material biodiversity-related impacts by reducing pressure on land-based ecosystems, including impacts related to deforestation, pesticide use and soil degradation. A key challenge associated with these standards is limited chain-of-custody traceability, which affects the ability to track raw materials from origin to finished product. As a result, progress towards biodiversity outcomes depends on supplier engagement and ongoing due diligence across cotton, wood and paper supply chains.

The Group may consider establishing additional biodiversity-related targets in the future in collaboration with relevant stakeholders, following further assessment in line with nature-related frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science-Based Targets Network (SBTN). No additional biodiversity targets have been adopted as of the 2025 reporting period.

The biodiversity-related targets described below are primarily allocated to the minimisation layer of the mitigation hierarchy, as they aim to reduce negative impacts on biodiversity and ecosystems through responsible sourcing practices. No targets are currently allocated to restoration, rehabilitation, compensation or biodiversity offsetting.

> Sourcing preferred cotton and FSC-certified or recycled wood and paper materials contributes to mitigating the material biodiversity-related impacts.

- **100% preferred cotton by 2030**
  The target was initially established in 2016 with a baseline of 0% preferred cotton and originally covered the period 2016–2020. It was subsequently extended to 2020–2030 as part of the Group's climate change reduction roadmap. "Preferred" cotton includes organic, recycled or Better Cotton. The target remains unchanged for 2025, and progress remains on track. See further details under Cotton in E5-4.

  ▸ **Status 2025:** 90% preferred cotton, up from 82% in 2024.

- **100% FSC-certified or recycled paper and wood materials by 2025.**
  The target of achieving 100% FSC-certified or recycled wood and paper materials by 2025, compared to an estimated baseline of approximately 5% in the base year 2020, has not been met. This is partly due to limited availability of FSC-certified raw materials for products where wood is a secondary component, as well as low market demand for FSC-certified materials in certain product segments. Despite this, the target is extended, as FSC certification remains a key element of the Group's responsible sourcing approach and an important component in ensuring compliance with the EUDR.

  ▸ **Status 2025:** >80%* FSC-certified wood and paper, up from 60%* in 2024.

*Due to lack of verified data, we can only estimate the share of FSC in the assortment. See further details under Wood and Paper in E5-4.

E5 – RESOURCE USE AND CIRCULAR ECONOMY

The Kid Group is a significant user of raw materials and other natural resources across its value chain. The Group's supply chain spans across Asia and Europe, where raw material extraction, processing and manufacturing contribute to material negative environmental impacts.

E5 – RESOURCE USE AND CIRCULAR ECONOMY			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Resource inflows, including resource use	**Upstream:** The consumption of resources contributes to environmental degradation, resource depletion.	The Group operates within a resource-intensive industry with a supply chain spanning Europe and Asia. The business model is largely dependent on virgin raw materials, with a limited share of recycled inputs. This dependency contributes to negative environmental impacts, including risk of deforestation, water depletion and greenhouse gas emissions associated with raw material extraction and energy- and chemical-intensive textile production. These impacts also contribute to pollution and biodiversity loss in upstream sourcing regions.	Actual negative impact in all time horizons
Waste	**Downstream:** The Group's predominantly linear business model contributes to potential negative impacts related to textile waste generation in the downstream value chain, where products reach end-of-life after use by consumers.	Limited access to large-scale textile-to-textile recycling within the industry means that a significant share of textile products risks being downcycled, incinerated or landfilled at end-of-life. While the Group participates in circular initiatives and supplier collaboration, systemic constraints, including continued reliance on virgin materials and underdeveloped recycling infrastructure, create long-term environmental pressure related to material loss and increased demand for new resource inflows.	Potential negative impact in all time horizons

Resource Use and Circular Economy and its Material Impacts and Interaction with Strategy and Business Model // SBM-3

The Kid Group is highly dependent on raw materials across its value chain. This dependency contributes to environmental pressure related to biodiversity, climate and local communities, and is further reinforced by a predominantly linear business model. Resource use and circular economy are therefore material sustainability areas for the Group, particularly in the context of environmental impact and evolving regulatory expectations.

The Group's response to these material impacts is reflected in its sourcing practices, material choices and supplier engagement, as well as through participation in industry collaboration and preparatory initiatives related to circular economy and extended producer responsibility. Considerations related to resource use and circularity are integrated into decision-making processes for product development and sourcing, while actions, targets and governance arrangements are described in the relevant sections of this sustainability statement.

RESOURCE INFLOWS, INCLUDING RESOURCE USE (UPSTREAM VALUE CHAIN)

The production of raw materials and the use of natural resources are a core part of the Group's upstream operations. The consumption of fibres, water, energy and chemicals contributes to environmental degradation, resource depletion and an increased ecological footprint, including negative impacts on biodiversity, climate and local ecosystems. These impacts may also have long-term detrimental effects on local communities and economies in sourcing regions.

The Group remains largely dependent on virgin materials, with only limited use of recycled inputs. This reliance contributes to deforestation, water depletion and greenhouse gas emissions, while energy- and chemical-intensive textile production further exacerbates pollution and biodiversity loss. The Group's climate emissions calculations show that, same as last year, almost 90% of total emissions originate from the category purchased goods and services, covering tiers 1–4 of the value chain, including raw material extraction and subsequent manufacturing processes. This illustrates a structural dependency between revenue generation and natural resource use.

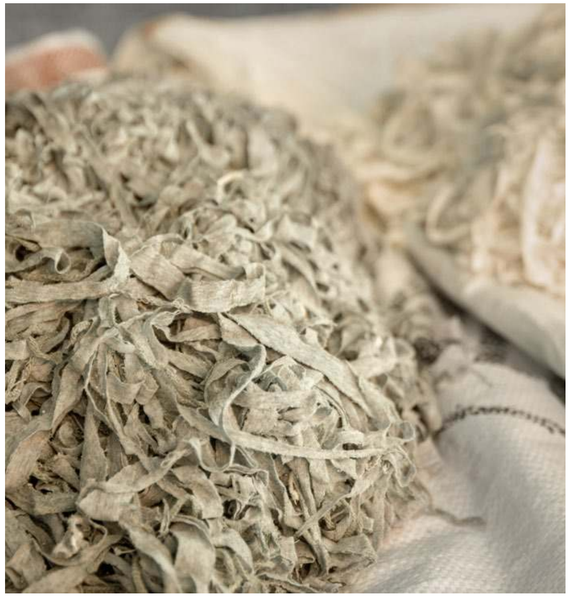
From a strategic perspective, the Group's business model shows limited resilience in relation to its material negative impacts on natural resources. The current sourcing and operating model is largely dependent on continued access to virgin raw materials, which constrains the Group's capacity to significantly reduce resource-related impacts in the short term. While elements of the strategy support gradual adaptation, including increased use of recycled materials and supplier engagement, the ability to address these impacts remains partly dependent on external factors such as material availability, supplier capabilities and the development of scalable circular solutions within the textile industry.

WASTE (DOWNSTREAM VALUE CHAIN)

The Group's predominantly linear business model contributes to the generation of textile waste in the downstream value chain, which may have negative environmental impacts at end-of-life. Products placed on the market are, to a large extent, not returned into closed-loop systems at end-of-life, due to limited access to textile-to-textile recycling within the industry.

While the Group has ongoing circular initiatives and supplier collaboration, systemic constraints remain. Limited large-scale recycling infrastructure and product designs involving mixed materials result in products being downcycled[6] or incinerated at end-of-life. This leads to loss of material value and continued demand for virgin resource inflows, creating long-term

[6] Downcycling refers to recycling processes where materials are converted into products of lower quality or reduced functional value compared to the original product, limiting the potential for repeated material reuse.



environmental pressure. The Group's response to these impacts is primarily focused on collaboration, preparatory initiatives and industry-wide solutions, rather than direct operational control over post-consumer waste flows.

Compared to the previous reporting period, textile waste in the downstream value chain has been identified as a new material impact in the 2025 DMA, reflecting increased relevance driven by regulatory developments and evolving expectations related to circular economy and extended producer responsibility.

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

As of the reporting period, the Group does not have a standalone policy specifically addressing resource use and circular economy.

The Group's Policy for Responsible Business Conduct includes overarching environmental principles, stating that negative environmental impacts shall be reduced throughout the value chain, and sets requirements related to selected certification schemes supporting responsible sourcing. However, the policy does not explicitly address the sourcing and use of renewable resources, the reduction of virgin material dependency or the transition towards circular business models.
Resource use and circular economy is a relatively new and evolving topic for the Group. Governance related to these areas, including considerations related to resource use, circularity and downstream waste, is currently addressed through a combination of general environmental principles, sourcing practices and operational guidelines rather than a dedicated policy framework.

Stakeholder engagement conducted in 2024 indicated increased expectations related to circular economy and responsible resource management. These perspectives are considered as part of the Group's ongoing assessment of sustainability priorities.
In the absence of a dedicated policy, the Group relies on existing governance structures, internal expertise and supplier requirements to manage resource-related impacts.

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

As a retailer, the Group's business model relies on raw materials and manufactured goods. Actions related to resource use and circular economy are primarily focused on mitigating negative environmental impacts associated with material sourcing and product end-of-life, rather than remediating existing environmental damage.

The actions described below are ongoing in nature and are implemented on a continuous basis over the short to medium term as part of the Group's regular sourcing, supplier collaboration and industry engagement activities.

ACTIONS RELATED TO RESOURCE INFLOWS (UPSTREAM VALUE CHAIN)

Actions related to resource inflows in the upstream value chain focus on continued material substitution through increased use of recycled inputs in selected product groups. During the reporting period, the Group continued to increase the share of recycled polyester and other recycled materials in its assortment. These actions are intended to reduce dependency on virgin raw materials and mitigate impacts related to resource depletion, greenhouse gas emissions and waste generation.

The actions related to material substitution are implemented through existing sourcing and supplier collaboration processes and are supported by internal resources within sourcing, sustainability and supplier management functions. No standalone action plans or targets specific to resource use and circular economy have been established beyond these measures.

ACTIONS RELATED TO TEXTILE WASTE (DOWNSTREAM VALUE CHAIN)

In relation to textile waste in the downstream value chain, the Group participates in industry collaboration through its involvement in TekstilPro AS, a producer responsibility organisation, established in 2025, to develop cost-efficient and competition-neutral textile return schemes aligned with forthcoming EU extended producer responsibility (EPR) requirements. The Group's participation is intended to strengthen industry collaboration, build competence and support the development of future solutions for responsible textile waste management in the Norwegian market.

In addition, the Group continued its collaboration with Norsk Tekstilgjenvinning (NTG) during the reporting period and collected and delivered more than six tonnes of used textiles for sorting and textile-to-textile recycling. This activity represents a downstream waste-related action that supports learning and capability-building in textile waste handling. Recycling processes and outcomes remain outside the Group's operational control.

Targets Related to Resource Use and Circular Economy // E5-3

RECYCLED POLYESTER TARGET

The Group has established a clearly defined and publicly communicated outcome-oriented target related to the increased use of recycled polyester, as part of its approach to resource use and material sourcing. Polyester represents a significant share of the Group's synthetic fibre use, and increasing the share of recycled polyester is intended to reduce dependency on virgin fossil-based materials in the upstream value chain.

The target primarily addresses resource inflows and supports material efficiency and circularity in product development and sourcing decisions. In addition, the use of recycled polyester is associated with lower greenhouse gas emission factors compared to virgin polyester according to Higg MSI, which also contributes to climate change mitigation.

- **Target:**
  95% share of recycled polyester by 2030, with an interim milestone of 50% by 2025. The baseline year for the target is 2020, when recycled polyester accounted for 3.6% of the Group's total polyester use.

- **Status and progress:**
  As of 2025, the share of recycled polyester has reached 41%, compared to 33% in 2024. While the interim milestone for 2025 was not achieved, progress has continued through changes implemented in selected product groups. Additional material substitutions made during 2025 are expected to affect the material mix in subsequent reporting periods.

The target was developed internally based on assessments of material impacts and sourcing feasibility. Stakeholder input has informed the relevance of the target, but external stakeholders were not involved in defining specific target levels or timelines. It is applied at Group level and is monitored through internal sourcing and material data. Progress is dependent on material availability, quality requirements, supplier readiness and commercial considerations. No changes to the target, underlying metrics, measurement methodologies, assumptions or data collection processes have been made during the reporting period

OTHER TARGETS

No quantitative targets, performance indicators or outcome-based metrics related to textile waste volumes, collection rates, recycling or broader circularity outcomes have been established in the downstream value chain.

Resource Inflows // E5-4

The Kid Group has a wide range of materials in the product assortment. During 2025 the Group used over 130 individual materials. This includes a detailed breakdown of different types of wood and plastics. In 2025, the Group slightly increased the total volume of sourced goods, resulting in a 1.3% rise in total weight. The share of recycled materials within the assortment also increased, showing the Group's commitment to sustainable sourcing.

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 fibres. The long-term ambition is to shift this share to textile-to-textile recycled materials, but 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 moulded to create new outdoor furniture pieces, ensuring a more sustainable approach to material use without compromising quality- or safety aspects of the products.

Beyond recycled inputs, recycled materials form part of the Group's broader approach to sustainable sourcing through the use of preferred fibres and materials across the major fibres and materials in the assortment. The Group follows Textile Exchange's definition of preferred fibres and raw materials[7] and monitors compliance through recognised third-party standards and certification schemes. These standards are used to verify material origin, production practices and traceability, and to support reduced environmental and social impacts compared to conventional equivalents.

Type of product	2025	2024	2023
Total weight of products (ton)	14,010	13,829	11,310
Technical products	-	-	-
Biological products (ton)	6,980	7,314	6,066
% of Biological products against total weight	50.0%	53.0%	54.0%
Recycled mass of products (ton)	1,582	1,331	733
% of recycled mass against total weight	11.0%	10.0%	6.5%

THIRD-PARTY STANDARDS AND CERTIFICATION SCHEMES FOR PREFERRED FIBRES AND MATERIALS

Compliance with preferred fibre and material standards is documented through scope certificates, transaction certificates or equivalent documentation provided by suppliers. Certification status and documentation are integrated into the Group's sourcing, compliance and quality assurance processes.

Recycled (GRS & RCS)
Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) verify the presence and proportion of recycled material in products through chain-of-custody certification. GRS additionally includes environmental and social criteria for processing and chemical use.

Organic (GOTS & OCS)
Global Organic Textile Standard (GOTS) and Organic Content Standard (OCS) verify the presence and amount of organically grown material in a product. GOTS includes additional environmental and social criteria covering processing and manufacturing stages.

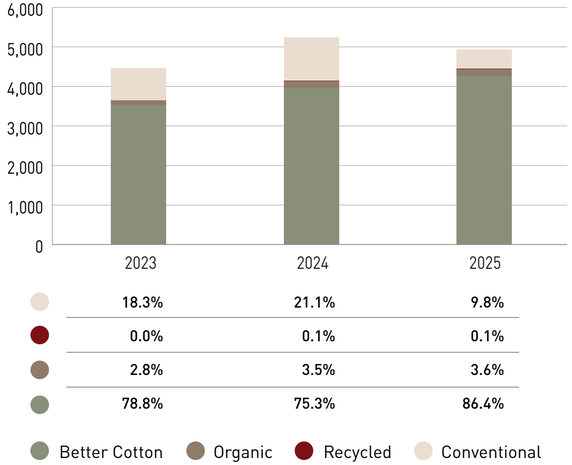
Better Cotton Initiative (BCI) Standard
The Better Cotton Initiative (BCI) Standard promotes improved environmental and social practices in cotton farming. The standard focuses on areas such as water stewardship, reduced use of harmful crop protection products, soil health, biodiversity and decent working conditions. Better Cotton is currently sourced through a mass-balance system, meaning that physical traceability of fibres is not required, but equivalent volumes of Better Cotton are purchased to support more sustainable cotton production. Under this system, physical segregation of Better Cotton from conventional cotton is not guaranteed at product level.

Responsible Down Standard (RDS)
A certification ensuring that down and feathers originate from animals treated in accordance with animal welfare requirements and verified traceability.

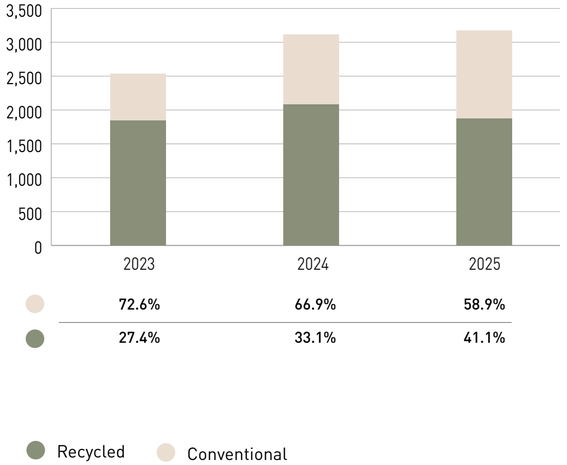
Downpass
A certification verifying traceability and animal welfare compliance in the down and feather supply chain.

Forest Stewardship Council (FSC)
A certification system ensuring that wood and forest-based materials originate from responsibly managed forests.

Cotton (ton)



Polyester (ton)



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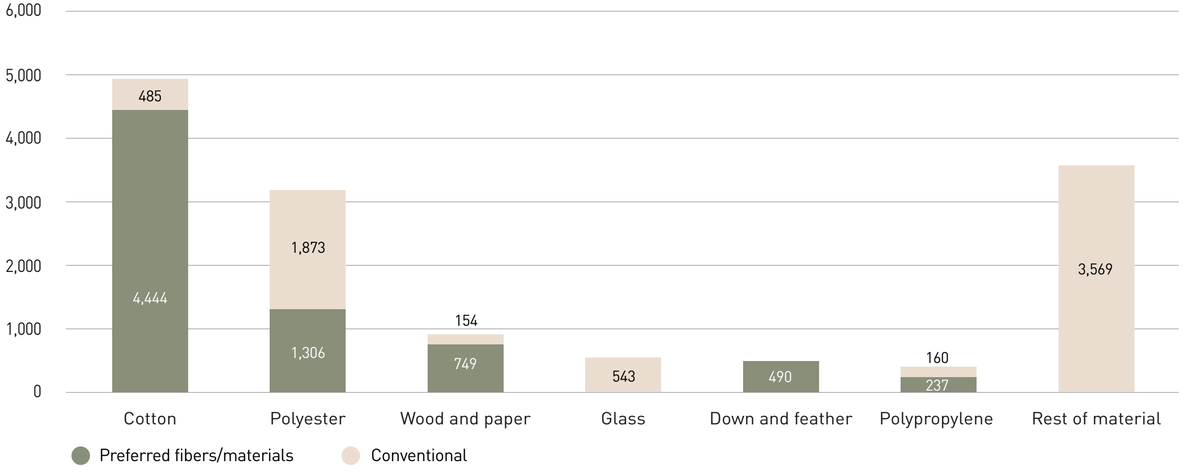
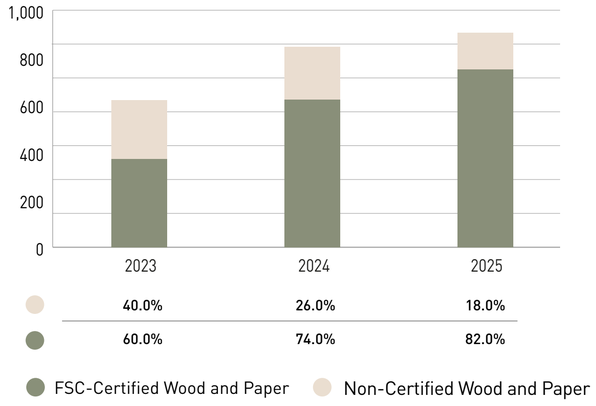
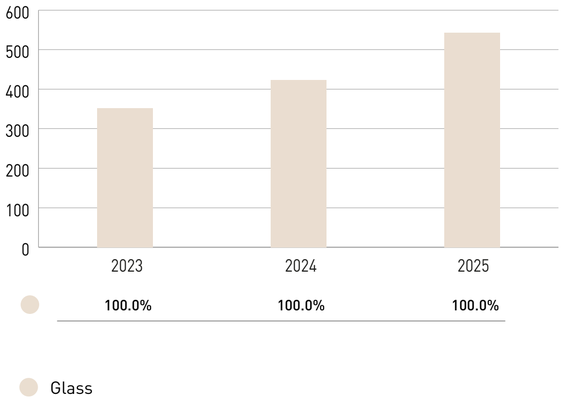


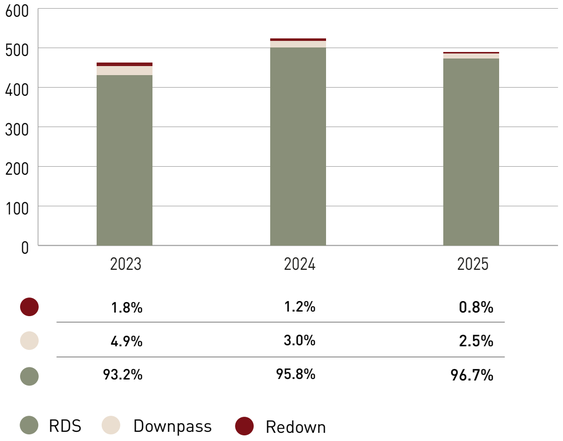
Wood and paper (ton)



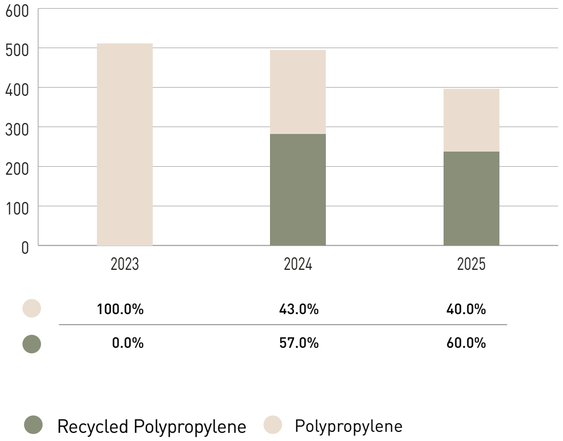
Glass (ton)



Down and Feather (ton)



Polypropylene (ton)



Cotton: Cotton is one of the Group's largest material inflows. The Group sources several types of preferred cotton, primarily Better Cotton, as well as organic and recycled cotton. In 2025, the share of preferred cotton exceeded 90% at Group level. Data quality and supplier engagement improved during the reporting period, contributing to a high share of preferred cotton.

Polyester: Polyester remains the Group's second largest fibre category. In 2025, the share of recycled polyester increased across the assortment.

Wood and Paper: The use of wood has increased significantly following the expansion into larger furniture categories. The share of FSC-certified materials is estimated due to limitations in certification granularity at component level.

Glass: Glass has significantly increased as a material inflow in recent years, driven by the Group's increased sales of consumable goods (food, soaps and creams, and container candles), packaged in glass. The current sourcing strategy is based on prevailing industry standards for glass.

Down and Feather: Down and feather used in the assortment is 100% traceable and certified under RDS, Downpass or GRS. Changes in certification mix reflect sourcing composition rather than changes in policy.

Polypropylene: Polypropylene is a significant material inflow for outdoor furniture and rugs. Between 2023 and 2025, the share of recycled polypropylene increased substantially following changes in the furniture assortment.

METHODOLOGIES USED TO CALCULATE DATA AND KEY ASSUMPTIONS USED

The Group calculates resource inflows based on a comprehensive annual review of the material composition of all sourced products, conducted by the Sustainability Controller within the Sustainability Department. In 2025, the assessment covered approximately 8,000 SKUs[8], with material composition data recorded for 100% of products.

For each SKU, the quantities of approximately 130 different fibres and materials are calculated by combining material composition data with sourced product volumes. Where material composition data is incomplete, suppliers are contacted to obtain additional information. In cases where detailed data is unavailable, assumptions are applied based on total product weight, adjusted for packaging and filling where relevant. As most products consist of mono-materials, the use of assumptions is limited and does not materially affect overall results.

All material calculations are based on received goods data from the Group's ERP system, which ensures full coverage of imported products and prevents double counting of materials in products with multiple components.

The resulting material data is used as input to the Group's emissions calculation portal and is subject to validation and review by external third-party consultants. Data quality varies across product groups but continues to improve year by year as supplier data availability increases.

Resource Outflows Related to Resource Use and Circular Economy // E5-5

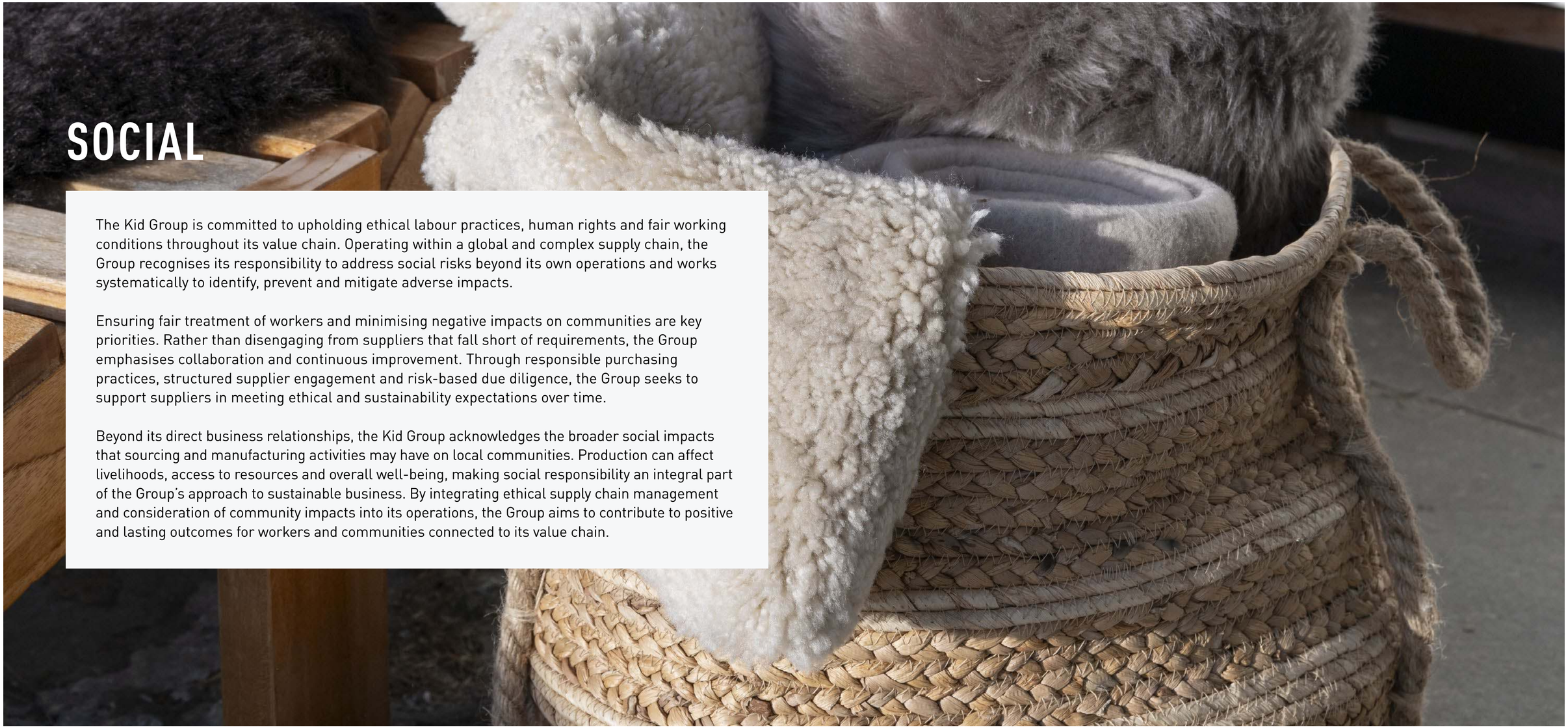
The Group's resource outflows primarily relate to products placed on the market and associated pre-consumer waste generated in the upstream and own operational stages of the value chain. The Group does not generate significant amounts of production waste within its own operations, as manufacturing is outsourced to external suppliers. Information on pre-consumer waste management is therefore largely dependent on supplier practices and available documentation.

Downstream post-consumer textile waste is generated after products are sold to customers and is not under the Group's direct operational control. As a result, the Group does not have comprehensive data on the volumes or treatment of post-consumer textile waste arising from its products.

In line with the principles of the circular economy, the Group contributes to the development of future waste handling and recirculation systems through industry collaboration and preparatory initiatives, rather than through direct waste processing activities. This includes participation in producer responsibility structures and cooperation with external partners focused on textile sorting and textile-to-textile recycling.

The Group's approach to resource outflows and textile waste management is therefore primarily based on collaboration, knowledge-building and system development. No quantitative metrics related to total waste volumes, recycling rates or recirculation outcomes are reported as of the reporting period, due to limited data availability and lack of operational control over downstream

[8] An SKU (Stock Keeping Unit) represents one specific, sellable product variant. Each SKU uniquely identifies a product based on its attributes, such as model, colour, size, or packaging.



SOCIAL

The Kid Group is committed to upholding ethical labour practices, human rights and fair working conditions throughout its value chain. Operating within a global and complex supply chain, the Group recognises its responsibility to address social risks beyond its own operations and works systematically to identify, prevent and mitigate adverse impacts.

Ensuring fair treatment of workers and minimising negative impacts on communities are key priorities. Rather than disengaging from suppliers that fall short of requirements, the Group emphasises collaboration and continuous improvement. Through responsible purchasing practices, structured supplier engagement and risk-based due diligence, the Group seeks to support suppliers in meeting ethical and sustainability expectations over time.

Beyond its direct business relationships, the Kid Group acknowledges the broader social impacts that sourcing and manufacturing activities may have on local communities. Production can affect livelihoods, access to resources and overall well-being, making social responsibility an integral part of the Group's approach to sustainable business. By integrating ethical supply chain management and consideration of community impacts into its operations, the Group aims to contribute to positive and lasting outcomes for workers and communities connected to its value chain.

S2 – WORKERS IN THE VALUE CHAIN

The Kid Group sources ready-made home textiles, furniture and interior goods from various parts of the world through external suppliers, resulting in a large and complex upstream supply chain outside of the Group's own operations. This business model creates an inherent exposure to social risks and potential negative impacts on workers in the value chain, particularly in relation to human rights and decent working conditions. The Group therefore recognises its responsibility to ensure that suppliers adhere to ethical and sustainable practices that promote fair treatment of workers.

Material Social Impact Related to Workers in the Value Chain // ESRS 2 SBM-3

The Group's upstream value chain spans multiple geographies in Europe and Asia and involves several production tiers. As a result of its sourcing model and reliance on external manufacturing, the Group's activities may give rise to negative impacts on workers in the value chain, particularly in relation to working conditions, equal treatment and other work-related rights during the production of raw materials and finished goods.

The severity and nature of impacts to workers vary across the value chain. The Group has identified a lower risk of severe human rights violations among tier 1 suppliers, where direct commercial relationships, audits and ongoing dialogue provide greater transparency and leverage. Further upstream, in tiers 2–4, risks of negative impacts are assessed to be higher due to reduced visibility, fragmented production structures and limited direct access to workers. These differences require differentiated approaches to risk mitigation across the upstream value chain.

Certain groups of workers are recognised as being particularly vulnerable to negative impacts in these contexts. This includes women, who make up a significant share of the workforce in textile and interior production and may face discrimination, unequal pay or limited access to development opportunities, as well as migrant workers, who may be exposed to precarious employment conditions or restricted mobility. In addition, home workers and workers engaged in manual or craft-based activities may be exposed to heightened risks related to child labour, forced labour or inadequate working conditions, particularly where work is performed outside formal factory settings.

Exposure to child labour and forced labour is assessed to be primarily linked to specific sourcing contexts and activities, rather than being present across all suppliers. Such exposure may potentially occur, for example, in parts of the supply chain

related to cotton harvesting in certain countries or handicraft and home-based production, where effective oversight is more challenging.

As the Kid Group primarily sells finished goods directly to end customers and does not engage in downstream manufacturing or processing, the Group has not identified any material impacts on workers in the downstream value chain.

UNDERSTANDING OF IMPACTS AND IMPLICATIONS FOR THE GROUP'S STRATEGY

The Group has developed its understanding of how workers in the value chain may be negatively affected by combining internal knowledge of its supply chain with external information relevant to labour rights and working conditions. This approach supports the identification of production contexts, geographies and activities where workers may be exposed to adverse impacts, particularly in upstream parts of the value chain where transparency and direct access to information are more limited. The third-party supplier data platform, Sedex[9], is used to complement this understanding and inform the prioritisation of engagement and follow-up.

These identified impacts on workers in the value chain inform and contribute to the adaptation of the Group's strategy and business model. Rather than disengaging from sourcing regions or suppliers where challenges exist, the Group's strategy emphasises long-term supplier relationships, collaboration and continuous improvement as key mechanisms for reducing negative impacts on workers over time. This approach is reflected in how the Group prioritises supplier engagement, due diligence activities and the use of intermediaries to strengthen oversight further upstream in the value chain.

S2 – WORKERS IN THE VALUE CHAIN			
Sub-topic	**Description of impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Working conditions	**Upstream:** Sourcing and labour-intensive manufacturing activities have a negative impact on factory workers in the value chain through inadequate working conditions.	In upstream production of textiles and interior goods, workers may be exposed to excessive working hours, insufficient wages, occupational health and safety incidents and limited job security. Impacts are concentrated in labour-intensive production stages and in parts of the value chain where oversight and transparency are more limited. In key sourcing markets in Asia, systemic challenges related to working hours, wages and occupational safety remain present, while risks may also occur in parts of Eastern Europe.	Actual negative impact in all time horizons
Equal treatment and opportunities for all	**Upstream:** Employment practices in textile and interior production may negatively impact workers in the value chain through unequal treatment and discrimination.	Impacts may include unequal pay, limited access to development opportunities and discrimination based on characteristics such as gender or migrant status. Women represent a significant share of the workforce in textile production and may face barriers related to pay, career progression and workplace treatment. In some contexts, migrant workers may experience precarious employment conditions or limited access to grievance mechanisms.	Potential negative impact in all time horizons
Other work-related rights	**Upstream:** Production activities and informal or home-based work arrangements may negatively impact workers in the value chain through violations of fundamental labour rights.	Impacts may include child labour, forced or compulsory labour, inadequate housing conditions and restrictions on privacy or freedom of movement. Exposure is primarily linked to specific sourcing contexts and activities, such as cotton harvesting in certain countries and handicraft or home-based production, rather than being present across all suppliers. Migrant workers and home workers may be particularly vulnerable in these contexts.	Potential negative impact in all time horizons

VALUE CHAIN STRUCTURE, RESILIENCE AND CHANGES OVER TIME

The structure of the supply chain also differs by sourcing country. In Pakistan and Bangladesh, suppliers are more often vertically integrated, with multiple production stages concentrated within the same corporate entity. This provides improved visibility and oversight further upstream in these countries. In contrast, in China and India, the Group's two largest sourcing markets, production is typically organised through horizontally fragmented structures, with separate entities responsible for individual production processes.

These differences in production structures across sourcing countries are taken into account in how the Group organises its sourcing and engagement activities. Through this differentiated approach, the Group seeks to mitigate the risk that its business model could contribute to adverse impacts on workers, while using its leverage as a buyer to promote improved working conditions and respect for human rights in the value chain.

The Group considers its sourcing strategy and supplier engagement model to be resilient in relation to the identified impacts on workers, as it is designed to maintain stable sourcing relationships while enabling continuous monitoring, follow-up and improvement. No material changes have been identified in the nature or scope of impacts on workers in the value chain compared to the previous reporting period.

Policies Related to Workers in the Value Chain // S2-1

POLICY FRAMEWORK AND SCOPE

The Kid Group's sourcing model relies on external suppliers to produce goods, with a significant share of production taking place in countries where the potential for adverse impacts on workers' rights and working conditions are inherently higher. To address these potential adverse impacts, the Group has established policies that define minimum standards and expectations for suppliers and business partners across the upstream value chain.

The Policy for Responsible Business Conduct forms the foundation framework for the Group's approach to ethical business practices and responsible supply chain management. The policy sets out the Group's commitments related to human rights and decent working conditions and applies to both the Group's own operations and its upstream value chain.

The framework is aligned with internationally recognised frameworks, including the UN Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises, and relevant ILO Conventions. It addresses the material topics related to workers in the value chain identified through the Group's double materiality assessment and covers all production countries. Requirements related to the use of social audits and follow-up mechanisms are adapted based on assessed country risk.

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

The commitments embedded in the framework reflect the Group's commitment to due diligence in relation to workers in the value chain. This includes commitments to identify and assess potential and actual negative impacts on workers' rights and working conditions, to prevent and mitigate identified adverse impacts, and to enable remediation where harm has occurred, either through the Group's own actions or through supplier-led remedy where the supplier is responsible.

IMPLEMENTATION THROUGH SUPPLIER REQUIREMENTS

The policy requirements are operationalised through the Purchase Agreement and Requirements (PAR), which acts as the Group's Supplier Code of Conduct. This document is distributed to all suppliers and is publicly available via the supplier website. Suppliers are required to comply with the Code of Conduct, which sets minimum expectations for responsible business conduct across the upstream value chain, covering human rights, labour rights, anti-corruption and environmental responsibility.

Suppliers are required to conduct their own due diligence to ensure ethical practices throughout their operations and supply chains and to be able to document compliance with the Code of Conduct and related requirements upon request.

The Group's policy approach emphasises collaboration and continuous improvement rather than immediate termination of business relationships where non-compliance is identified. The Group prioritises long-term partnerships with suppliers that demonstrate a commitment to ethical conduct and responsible labour practices and expects suppliers to take appropriate corrective measures where gaps are identified, in line with the Group's policy expectations.

The Policy for Responsible Business Conduct has been in place for several years and is reviewed through regular stakeholder dialogue to ensure continued relevance. No changes were made to the policy during the reporting period.

STRENGTHENING OVERSIGHT THROUGH INTERMEDIARIES AND 2025 DEVELOPMENTS

In 2025, the Group introduced a dedicated *Policy for Agents and Traders* to further strengthen the implementation of the Purchase Agreement and Requirements (PAR) across the supply chain. The policy clarifies the role and responsibilities of agents and traders acting as intermediaries between the Group and suppliers, with a particular focus on social requirements related to workers in the value chain.

The policy sets expectations for agents and traders to support the implementation of the Supplier Code of Conduct at supplier and producer level, including requirements related to social management systems, access to social audits, engagement on living wage topics and oversight of lower-tier suppliers. In addition, the policy establishes clearer responsibilities for the systematic collection and reporting of data, audit reports and certifications to the Group.

By introducing specific requirements for agents and traders, the Group aims to strengthen transparency, consistency and accountability in parts of the value chain where suppliers are represented by intermediaries.

In 2025, 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.

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 labour and child labour.
- Fair wages, working hours, and employment conditions.
- Non-discrimination and equal treatment.
- Safe & healthy working conditions.

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

The Kid Group considers ongoing engagement related to workers in the value chain to be a key element of its approach to identifying, preventing, mitigating and remediating negative impacts on workers' rights and working conditions in the upstream value chain.

Engagement related to social impacts is primarily conducted through a combination of structured assessments and dialogue with suppliers and factory management, complemented by recognised third-party mechanisms. A central component of this engagement is the use of regular social audits conducted in accordance with SMETA or Amfori BSCI audit protocols, which are aligned 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 freedom of association and collective bargaining.

As part of the audit process, workers and, where applicable, worker representatives and trade union representatives are engaged as legitimate stakeholders. Auditors conduct anonymous worker interviews, providing workers with the opportunity to freely express their experiences, raise concerns and demonstrate their awareness of rights and working conditions. These interviews are used to validate whether documented policies and procedures are reflected in actual working conditions.

In addition to audits, the Group engages with suppliers through factory visits conducted by representatives from the Sustainability Department. These visits aim to foster open and transparent dialogue with factory and supplier management to develop a shared understanding of expectations, risks and improvement needs related to social sustainability. During such visits, representatives from the Group are present at production sites and observe working conditions, although direct dialogue with individual workers is generally limited due to language barriers and the availability of appropriate engagement forums.

The Group also participates in regular retailer and brand-level meetings under the International Accord for Health and Safety in the Textile and Garment Industry (the Accord). These forums provide an additional mechanism for collective engagement related to workers' health, safety and working conditions in Pakistan and Bangladesh, two of the Group's high-risk sourcing countries, and complement the Group's direct supplier engagement.

Further engagement with suppliers takes place through ongoing supplier meetings, including meetings held at the Group's offices, which provide opportunities to strengthen relationships and gain insight into local challenges and conditions affecting workers in the value chain. Engagement with suppliers represented by agents or traders is supported by specific requirements set out in the Group's recently introduced Policy for Agents and Traders, which clarifies the role of intermediaries in facilitating audits, data collection and dialogue related to working conditions.

The Sustainability Department is responsible for the operational management of engagement related to workers in the upstream value chain, including the collection and documentation of audit findings and engagement outcomes. Information derived from engagement activities, including audits and follow-up on corrective action plans, is used as input to the Group's ongoing due diligence work and informs risk prioritisation and planning of future engagement activities. The Board of Directors is informed on bi-annual basis through the Sustainability Report and the Transparency Report prepared in accordance with the Norwegian Transparency Act (Åpenhetsloven).

The effectiveness of the Group's engagement with value chain workers is assessed through audit outcomes, follow-up on corrective action plans, and feedback obtained through worker interviews. Recurring findings, progress on remediation and agreed supplier actions are used to evaluate whether engagement contributes to improved working conditions and to inform future engagement priorities.

SOCIAL AUDIT FRAMEWORKS USED IN THE SUPPLY CHAIN

SMETA (Sedex Members Ethical Trade Audit) and Amfori BSCI (Business Social Compliance Initiative) are widely recognised social audit frameworks used to assess working conditions and labour rights in global supply chains.

Both audit protocols are aligned with international standards, including the UN Guiding Principles on Business and Human Rights, ILO Conventions, and the OECD Guidelines for Multinational Enterprises. They cover areas such as health and safety, working hours, wages, freedom of association and management systems.

SMETA and Amfori BSCI audits typically include on-site assessments conducted by independent third-party auditors, documentation reviews, management interviews and anonymous worker interviews. Within this process, auditors seek to capture the perspectives of workers who may be particularly vulnerable or marginalised, such as women workers and migrant workers, in line with the sampling and interview requirements of the audit protocols. Audit findings are categorised by severity and are used as a basis for identifying non-conformities and developing corrective action plans.

The Kid Group uses these audit frameworks as part of its engagement with suppliers to gain insight into working conditions, support dialogue with factory management and workers' representatives, and inform follow-up and prioritisation within its 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. Remediation is a core element of this process and aims to ensure that negative impacts on workers in the value chain are addressed in an appropriate and effective manner. The overall human rights due diligence framework is further described in the section on actions. The annual Transparency Report is published on the Group's investor website and on kid.no.

PROVIDING AND CONTRIBUTING TO REMEDIATION

The Group is committed to taking responsibility when material negative impacts occur within its value chain. Where the Group is found to have caused or contributed to an adverse impact on workers through its own actions, commercial practices or lack of oversight, the Group would take appropriate corrective action to address the harm and seek meaningful resolution. This may include adjusting its own practices, contributing to remediation measures or strengthening internal controls to prevent recurrence.

> Ensuring compliance with the Supplier Code of Conduct is fundamental to promoting decent work and safe working conditions throughout the supply chain.

Where a supplier is responsible for adverse impacts due to breaches of social requirements, the supplier is required to provide appropriate remediation to ensure that affected workers or communities receive fair and effective remedy.

Where adverse impacts are directly linked to the Group through business relationships but caused by suppliers, the supplier is expected to implement corrective actions and provide appropriate remediation. In such cases, the Group uses its leverage to support effective remedy and prevent recurrence.

Ensuring compliance with the Supplier Code of Conduct is fundamental to promoting decent work and safe working conditions throughout the supply chain. When non-compliance with the Code of Conduct or audit requirements is identified, the Group applies a structured approach to remediation. This process begins with a root cause analysis to identify underlying issues and systemic risks. Based on this analysis, the supplier is required to develop a Corrective Action Plan (CAP) outlining specific corrective and preventive measures. The CAP is shared with the Group for review to ensure a collaborative approach to implementation and follow-up.

Remediation progress is monitored through follow-up and integration with audit processes. For suppliers assessed under SMETA, corrective action plans are uploaded to the supplier's digital profile together with the audit report. For suppliers assessed under Amfori BSCI, audit reports and CAPs are shared with the Group's Sustainability Department, where they are assessed, discussed and tracked for progress. Suppliers identified with findings are given the opportunity to demonstrate willingness and capacity to address non-compliance. Where a supplier fails to demonstrate willingness or capacity to address serious or repeated violations, the Group may evaluate escalation measures, including the potential termination of the business relationship, in line with its remediation framework.

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

CHANNELS FOR WORKERS IN THE VALUE CHAIN TO RAISE CONCERNS

The Group recognises that audits provide a snapshot in time and that accessible and safe channels for raising concerns are essential to identify and address adverse impacts on an ongoing basis. In accordance with the Supplier Code of Conduct, it shall be safe for workers in the supply chain to raise concerns related to breaches of social requirements without fear of retaliation.

Workers in the value chain currently have access to several channels to raise concerns:

- Group-level whistleblowing channel: The Group has established a whistleblowing channel available to external parties[10]. While this channel is accessible via the Group's websites, the Group recognises that awareness and accessibility for workers in the upstream value chain may be limited. The whistleblowing framework is further described in the Governance section of this report.
- Factory-level grievance mechanisms and audits: Social audit protocols include assessments of local grievance mechanisms at factory level. Anonymous worker interviews conducted during audits also serve as a channel to identify concerns related to working conditions and potential breaches of the Code of Conduct. Audit results are communicated to the Group.
- Complaints mechanism under the International Accord: As a signatory to the International Accord for Health and Safety in the Textile and Garment Industry, the Group contributes to providing workers at Accord-covered factories in Pakistan and Bangladesh with access to a confidential complaints mechanism related to health and safety. Through *All Employee Meetings* at Accord-covered factories, workers are informed about the mechanism and provided with access to a dedicated phone number to raise occupational health and safety complaints. Complaints are investigated by the Accord, remediation requirements are communicated at factory level, and workers are protected against retaliation for using the mechanism. Summaries of closed complaints are published by the Accord in the interest of transparency. Where non-occupational health and safety complaints are identified at Accord-covered factories, the Accord informs the Group and other signatory brands through established notification processes.

As of the reporting period, the Group does not yet have a consolidated assessment of the effectiveness of these channels. The effectiveness of grievance mechanisms and remediation outcomes is monitored on a case-by-case basis as part of ongoing due diligence activities.

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

The Kid Group's approach aims to ensure that material impacts on workers in the value chain are continuously identified, addressed and mitigated. Through the application of human rights due diligence, supplier engagement, corrective action plans and follow-up of effectiveness, the Group works to support responsible and ethical practices in its upstream value chain. This work is managed by the Sustainability Department.

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

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 material impacts in the supply chain are addressed effectively.

ENGAGEMENT WITH SUPPLIERS AND CORRECTIVE ACTION PLANS (CAPS)

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

To strengthen supplier screening, in 2023, the Group introduced an updated checklist in the purchasing and buying department to enhance supplier due diligence. Through 2024 and 2025, this process was further improved 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 work, representatives from the Sustainability Department carry out regular supplier visits, typically 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.

As part of the Group's engagement with suppliers and follow-up of corrective action plans (CAPs), representatives from the Group's Sustainability Department conducted on-site visits to 18 factory sites operated by 14 different suppliers during 2025 across key sourcing markets.

In India, six suppliers were visited, representing approximately 35% of the Group's sourced value from the country in 2025. The visits primarily focused on suppliers critical to key commercial campaigns, as well as suppliers producing lamps, where particular attention was given to working conditions, social compliance and progress on identified improvement areas.

In China, eight suppliers were visited, together accounting for around 18% of the Group's sourced value from China in 2025. The scope of these visits included suppliers of outdoor furniture, trading companies, and selected tier 2 textile mills, reflecting areas where the Group has identified increased complexity or elevated risk and where follow-up on corrective actions was prioritised.

When non-conformities are identified through audits conducted in accordance with SMETA 4-Pillar, Amfori BSCI or SA8000 standards, the supplier is required to establish a CAP with defined timelines. CAPs may include measures such as process improvements, training activities and implementation of revised policies, depending on the severity and nature of the non-compliances identified. The implementation of corrective actions and follow-up activities is, where applicable, supported by requirements set for agents and traders, including responsibilities for collecting audit documentation and supplier data and reporting this information systematically to the Group.

Implementation of corrective actions is verified through follow-up assessments. Where a supplier fails to address serious or repeated violations, the business relationship may be reconsidered or terminated.

TRACKING EFFECTIVENESS OF ACTIONS AND INITIATIVES

To assess the effectiveness of actions taken, the Group tracks a set of supplier-level indicators, including:

- completion of audits and corrective action plans,
- validity of Sedex membership as an indicator of supplier engagement with social compliance frameworks, and
- completion of Supplier Self-Assessment Questionnaires

(SAQs) as a qualitative indicator of social risk awareness and improvement.

Due to the scale and complexity of the supply chain, the Group does not track individual worker-level data points, but instead focuses on aggregated indicators of supplier performance and progress over time.

REMEDIATION OF NEGATIVE IMPACTS AND WORKER ENGAGEMENT

In cases of severe non-compliance, the Group works collaboratively with suppliers to remediate negative impacts on workers in the value chain. Remediation measures may include improvements to health and safety conditions, actions to ensure fair wages and working hours, and training initiatives to increase awareness of labour rights and grievance mechanisms.

As part of remediation and follow-up, factory audits include anonymous worker interviews conducted by independent third-party auditors. These interviews are used to assess whether workers are aware of their rights and whether actual working conditions align with documented policies and procedures.

Targets Related to Managing Social Impact on Workers in the Value Chain // S2-5

Given the complexity of the upstream value chain and the current level of data availability, the Group has prioritised the establishment of process- and coverage-based targets to strengthen access to reliable data, audit coverage and monitoring of supplier performance. These targets are defined

using a coverage-based methodology, focusing on upstream parts of the value chain and sourcing contexts where impacts on workers are more likely to occur. The targets are based on data from established frameworks and mechanisms, including supplier self-assessments, social audits and reporting under the International Accord, and assume that increased data availability and audit coverage improve the Group's ability to identify, address and reduce negative impacts on workers in the value chain.

The targets described below remain applicable during 2025. Upon achievement, the level of performance will be maintained, while new and more outcome-oriented targets are expected to be introduced from 2026 onwards, subject to data quality and system readiness.

The Group's targets related to workers in the value chain have been informed by ongoing dialogue with suppliers and business partners, as well as insights from audits and engagement activities. As outcome-oriented targets are developed, relevant stakeholder perspectives will continue to be considered as part of the target-setting process.

Progress against Sedex and SAQ targets is followed up through data from the Sedex platform. Audit-related targets are monitored using audit reports and corrective action plan data from SMETA, Amfori BSCI and equivalent social audit frameworks. Targets related to the International Accord are followed up through reporting and progress data provided under the Accord's country-specific programmes.

> Representatives from the Sustainability Department carry out regular supplier visits, typically twice per year.

TARGETS RELATED TO ACCESS TO SUPPLIER DATA AND AUDIT COVERAGE 2025

Sedex registration and self-assessment questionnaires (SAQ)
The Group has set a target to ensure access to supplier-specific social data at producer level.

- **Target:** 100% of producers (tier 1 factories) to be registered on the Sedex platform and have a completed and scored SAQ by 2025, compared to a baseline of approximately 80% in 2023.
- **Status 2025:** 88% of the Group's active producers were active members of Sedex and had a completed and scored SAQ on the Sedex platform at the year-end (2024: 85%).

Valid social audits in high-risk countries
To strengthen oversight of working conditions in higher-risk contexts, the Group has established a target related to social audit coverage at producer level.

- **Target:** 100% of sourced value from producers in high-risk countries are to be covered by a valid social audit by 2025, compared to a baseline of approximately 80% in 2023.
- **Status 2025:** 94% of sourced value from producers in high-risk countries was covered by a valid social audit (2024: 92%). In addition, 83% of the number of producers had a valid social audit in place during 2025 (2024: 79%).

TARGETS RELATED TO THE INTERNATIONAL ACCORD FOR HEALTH AND SAFETY

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.

The Group has set specific targets related to participation in and progress under the International Accord for Health and Safety in the Textile and Garment Industry, which focuses on structural safety, fire safety and electrical safety in garment and textile factories.

Bangladesh Accord

- **Target:** 100% of textile factories to be enrolled in the Accord, with a progress rate[11] above 80%, compared to a baseline of 0% in 2013.
- **Status 2025:** Same as last year, 100% of the Group's active textile factories in Bangladesh were enrolled in the Accord. The overall progress rate during 2025 was 87%, same as previous year.

Pakistan Accord

- **Target:** 100% of textile factories to be enrolled in the Accord, compared to a baseline of 0% in 2023.
- **Status 2025:** 100% of the Group's active textile factories in Pakistan were enrolled in the Accord, same as in 2024. During 2025, inspections were initiated for 100% of suppliers in the country, representing 100% of sourced value, up from 71% in 2024. As the programme is newly established, no consolidated progress rate was available as of the reporting period.

[11] The progress rate refers to the average percentage of corrective actions identified during factory safety inspections under the International Accord that have been completed and verified. It reflects remediation of fire, electrical, structural, and boiler safety issues listed in Corrective Action Plans (CAPs). A rate of 87% indicates that 87% of all initially identified safety findings have been verified as resolved.

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:** Potential negative impact on local communities linked to outsourced production and raw material sourcing in the upstream value chain, potentially affecting communities' access to clean water, health and community well-being.	Kid Group's business model is based on outsourced production and raw material sourcing in the upstream value chain. These activities are resource-intensive and may contribute to environmental pollution and pressure on natural resources in sourcing regions such as China, India, Pakistan and Bangladesh. Such pressures may result in negative impacts on surrounding communities. The Group's reliance on indirect suppliers beyond Tier 1–2 limits its direct leverage at community level and may constrain the ability to prevent or mitigate adverse impacts through existing mechanisms.	Potential negative impact identified across short-, medium- and long-term time horizons, depending on severity, duration and reversibility of impacts on affected communities.

Material Impact on Affected Communities, and their Interaction with Strategy and Business Model // ESRS 2 SBM-3

Kid Group's business model and strategy rely on outsourced production of home textiles, interior goods and furniture, primarily through suppliers located in the Asia-Pacific region. This sourcing model supports cost efficiency and scalability but also results in indirect exposure to sustainability-related impacts occurring in the upstream value chain, where the Group has limited direct operational control and is involved through business relationships.

The Group's upstream activities are resource-intensive and may give rise to potential negative impacts on affected communities, particularly in regions where raw material extraction, agricultural production and textile manufacturing take place. Affected communities primarily include local populations living in proximity to cotton farming areas, raw material processing facilities and manufacturing sites.

The assessment of potential impacts on affected communities is primarily based on indirect sources, including supplier dialogue, audits, industry frameworks and publicly available information. No direct consultation with affected communities has been conducted in relation to water and biodiversity impacts, as further described in ESRS E3 and E4.As part of the 2025 Double Materiality Analysis (DMA), Kid Group reassessed actual and potential impacts on affected communities across its upstream value chain. The reassessment confirmed a material potential negative impact related to communities' economic, social and cultural rights. No material financial risks or opportunities were identified for this topic, and no new material IROs were identified compared to the previous reporting period.

The resilience of Kid Group's strategy and business model in relation to affected communities is primarily dependent on the effectiveness of indirect mechanisms, including supplier requirements, due diligence processes and participation in industry initiatives. In the short term, these mechanisms are considered sufficient to manage identified material impacts. In the medium to long term, the resilience of the business model is influenced by external factors such as supplier compliance, regulatory developments and evolving expectations related to human rights and environmental performance in sourcing regions. Structural limitations linked to indirect engagement and limited community-level leverage may pose challenges to addressing impacts solely through existing mechanisms over time.

Recognising these challenges, Kid Group remains committed to responsible business conduct, ethical sourcing and continuous improvement initiatives aimed at preventing and mitigating negative impacts on affected communities through its supplier relationships and due diligence processes.

Policies Related to Affected Communities // S3-1

The Kid Group has established policies and due diligence practices to indirectly address and seek to prevent negative impacts on all identified and materially affected communities, primarily through its Policy for Responsible Business Conduct[12], implemented via the Purchasing Agreement Requirements (PAR) (see Governance, page 80), and its human rights due diligence framework (see Workers in the Value Chain, pages 68–74). 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. These policies apply to the Group's own operations and to its upstream value chain through contractual requirements and expectations placed on suppliers and, where relevant, their sub-suppliers. The Group has not made any changes to policies applicable to affected communities during 2025.

As part of its due diligence efforts, Kid ASA conducts risk assessments to identify and mitigate potential negative

[12] See G1-1 for MDR-P for the Policy for Responsible Business Conduct.

impacts on people, society, and the environment throughout its supply chain. If the company is found to cause, contribute to, or be directly linked to such impacts, it is committed to taking corrective actions to stop, prevent and mitigate impacts and, where relevant, seek remediation through policy implementation and targeted interventions. For affected communities, Kid Group's due diligence relies primarily on supplier dialogue, audits, industry initiatives, grievance and feedback mechanisms available through business partners, and publicly available information, rather than direct, systematic engagement with local communities.

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, including through excessive land use, water extraction 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 human rights in high-risk regions, including risks related to indigenous and minority groups. In response to forced labour concerns in China's Xinjiang province, the company monitors the situation through available industry guidance and publicly available information. The Group 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.

Based on available information and due diligence activities conducted during the reporting period, the Kid Group has not identified confirmed cases of non-respect of human rights involving affected communities in its upstream value chain.

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

Kid Group's access to direct engagement with affected communities in the upstream value chain is limited. The Group does not have local offices in production countries, and its operations are governed from the headquarters in Norway. Consequently, the Group's understanding of potential impacts on affected communities is primarily informed through indirect means.

Engagement related to affected communities is coordinated by the sustainability department as part of the Group's ESG work. Information is gathered through ongoing dialogue with tier 1 suppliers, participation in industry initiatives and standards, and desk-based reviews of publicly available information. Relevant insights are shared internally and, where appropriate, reported to the management team and the Board of Directors to inform decision-making, policy development and risk management.

In tiers 1–3 of the supply chain, the sustainability team engages with suppliers and workers through ongoing communication and social audits, as described in the section on Workers in the Value Chain. These audits focus on labour standards, health and safety, business ethics and environmental performance at factory level and provide indirect insights into potential impacts and risks for surrounding communities related to factory operations.

To further inform its understanding of potential community impacts, Kid Group relies on indirect external sources, including participation in industry initiatives such as Better Cotton and Sedex, as well as desk-based reviews of NGO and civil society reports. This information is gathered on an ongoing basis and used to inform the Group's double materiality assessment and broader upstream risk assessments.

Kid Group does not currently engage in direct, systematic dialogue with affected communities. Instead, insights into community-related risks and impacts are obtained through industry frameworks, publicly available information and supplier-related sustainability processes, reflecting the Group's position and limited direct leverage in the upstream value chain.

For tier 4 of the supply chain, covering raw material production, the Group relies on industry initiatives to support improved practices and mitigate potential negative impacts. Cotton is the Group's most significant raw material by volume, and participation in the Better Cotton initiative enables the Group to indirectly reach cotton farming communities at scale, which would otherwise be challenging given the structure of the upstream supply chain.

Actions to Mitigate and Processes to Remediate Negative Impacts // S3-3 + S3-4

As of the reporting period, Kid Group has not implemented actions that are exclusively targeted at remediating negative impacts on affected communities. Given the Group's position in the value chain and its indirect involvement through suppliers, impacts on affected communities are generally linked to upstream activities where Kid Group does not have direct operational control.

However, Kid Group has implemented actions under other sustainability topics that are expected to indirectly mitigate negative impacts on affected communities. These actions include participation in industry initiatives such as Better Cotton, which aims to improve farming practices, reduce environmental pressures and strengthen livelihoods in cotton-producing communities. In addition, requirements related to environmental performance, chemical management and responsible production practices placed on suppliers are expected to contribute to reducing risks for surrounding communities over time.

CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

Kid Group does not have grievance mechanisms specifically designed for direct use by affected communities. Existing grievance and reporting channels are primarily intended for workers in the value chain, suppliers and business partners, as described in the sections on Workers in the Value Chain and Business Conduct.

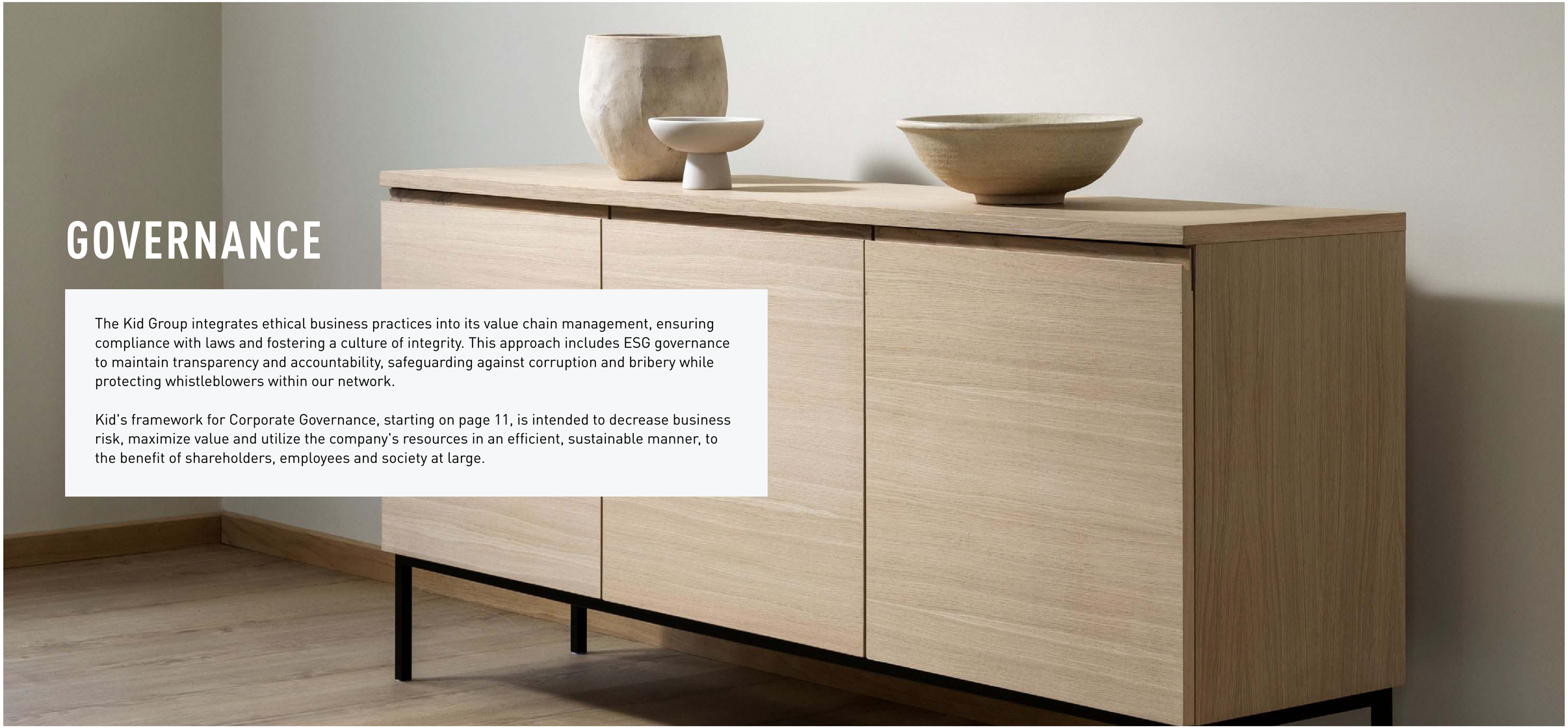
Due to the Group's indirect involvement in upstream activities and the lack of local operational presence, these channels are generally accessed through suppliers or intermediaries rather than directly by members of affected communities. Information from these channels, together with other indirect sources, is considered as part of the Group's due diligence and risk assessment processes.

Targets Related to Managing Material Negative Impact on Affected Communities // S3-5

Kid Group has not established measurable, outcome-oriented targets related to affected communities. This is due to the Group's limited direct leverage over community-level outcomes in the value chain.

While no formal targets have been set for affected communities, the Group monitors the effectiveness of its policies and actions through qualitative assessments and internal follow-up processes, including information gathered via supplier engagement, industry initiatives and other indirect sources described in this report. Actions and targets defined under other sustainability topics are also expected to indirectly contribute to mitigating negative impacts on affected communities.

At this stage, no base year has been defined for measuring progress related specifically to 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 11, 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.

G1- BUSINESS CONDUCT

G1- BUSINESS CONDUCT			
Sub-topic	**Descriptionof impact**	**Quantification and/or detailed description**	**Outcome of Assessment**
Corporate culture and business conduct	**Upstream:** Weak corporate culture and unclear business conduct expectations can contribute to unethical behaviour and weak accountability in the upstream value chain. **Own operations:** Corporate culture influences business conduct, decision-making and employee behaviour within the Group's own operations.	**Upstream:** The Group relies on external suppliers and subcontractors for the production of goods and has limited direct operational control upstream. Corporate culture and business conduct policies therefore function as key governance mechanisms to set clear expectations, promote ethical behaviour and support accountability across the value chain, primarily through contractual requirements and Codes of Conduct. **Own operations:** A well-embedded corporate culture supports consistent application of business conduct policies, ethical decision-making and compliance across decentralised operations. Conversely, weak cultural alignment may lead to inconsistent practices, reduced engagement and weakened organisational integrity.	Potential negative impact in all time horizons
Corruption and bribery	**Upstream and own operations:** Corruption and bribery can undermine ethical business conduct, compliance and trust in business relationships.	A significant share of the Group's sourcing is conducted in countries with a Corruption Perceptions Index below the global average, increasing inherent corruption and bribery risks in the upstream value chain. These risks may affect audit outcomes, supplier behaviour, worker safety and environmental protection. While the Group's own operations and downstream activities are mainly located in lower-risk jurisdictions, residual risks remain due to interactions with suppliers, agents and third parties.	Potential negative impact in all time horizons
Manage-ment of relation-ships with suppliers	**Upstream:** Ineffective supplier relationship management can negatively affect responsible production and compliance in the supply chain.	The Group's business model is dependent on external suppliers for the production of goods. Effective supplier relationship management is therefore critical to achieving responsible sourcing, compliance with social and environmental requirements and delivery of sustainability objectives. Weak alignment, insufficient oversight or ineffective remediation may reduce the Group's ability to influence supplier behaviour and manage ESG-related risks.	Potential negative impact in all time horizons

Interaction between Business Conduct Topics, Strategy and Business Model
// ESRS 2 SBM-3

The Group's business model is characterised by extensive sourcing from external suppliers and limited direct operational control in the upstream value chain. As a result, governance-related topics such as corporate culture, business conduct, corruption and bribery prevention, and supplier relationship management play a critical role in managing material impacts.

Corporate culture and business conduct policies function as foundational governance mechanisms that support consistent ethical behaviour, compliance and accountability across decentralised operations and the value chain. The Group's reliance on suppliers for the production of goods means that responsible purchasing practices and effective supplier relationship management are essential to achieving responsible production and meeting sustainability objectives.

Corruption and bribery risks arise primarily from sourcing activities in higher-risk geographies and interactions with suppliers and third parties. These risks are managed through a combination of policies, preventive controls and monitoring mechanisms. Failure to effectively manage these governance topics could adversely affect the Group's operational performance, reputation and ability to deliver on its strategic and sustainability ambitions across all time horizons.

In assessing resilience, the Group has considered the identified material impacts across short-, medium- and long-term time horizons as part of the DMA process. The assessment included consideration of the Group's dependency on external suppliers, geographic sourcing exposure and evolving regulatory developments. While no separate quantitative scenario-based resilience analysis has been conducted for governance topics, the Group's diversified supplier base, established governance framework and integrated monitoring processes are assessed to support resilience within the defined planning horizon.

Corporate Culture and Business Conduct Policies // G1-1

The Kid Group operates in a manner consistent with international and national laws and regulations in the countries in which it operates and takes stakeholders' interests into consideration. The Group's core values – Commercial Edge, Inspiration, and Dedication – define its culture and guide its actions, both in interactions with customers and suppliers and in day-to-day collaboration among employees. 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, the Group's values are introduced during onboarding programmes for new employees and are continuously emphasised through annual kick-off meetings and key initiatives. Every year, all employees are invited to share feedback and provide input through an employee survey. The survey includes questions related to how employees experience and relate to the Group's policies, values and corporate culture, and is used as one input to assess how well the values are embedded in the organisation. These efforts strengthen the Group's corporate culture and support a work environment in which the values serve as a practical foundation for decision-making and professional development.

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 the Group's investor page, supplier portal and customer websites.

The Board of Directors (BoD) has implemented a Policy for Responsible Business Conduct (the Policy). The Policy outlines the Group'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 prepares amendments to the Policy for approval by the BoD. The Policy is operationalised in the upstream value chain through the Group's Purchase Agreement and Requirements (PAR). The Group's Head of Sourcing is responsible for the implementation of the PAR, together with the Sustainability and Quality Assurance Manager who coordinates annual revisions.

The Policy for Responsible Business Conduct has been distributed and implemented within the Group's own operations through local Codes of Conduct for the workforce. Internal introductions and training sessions on ethical values are integrated into onboarding programs for new employees. In 2026, the company will evaluate the effectiveness of the training program and assess whether further internal implementation procedures are necessary.

WHISTLEBLOWING MECHANISMS AND PROTECTION OF WHISTLEBLOWERS

Whistleblowing is an integral part of the Group's business conduct framework and supports the identification, reporting and investigation of unlawful or unethical behaviour across the Group's own operations and value chain. The Group is committed to ensuring that concerns can be raised without fear of retaliation and that reported matters are handled confidentially and objectively.

The Group has established both internal and external whistleblowing channels. External stakeholders may submit concerns through an online reporting channel or in writing, which are received by a designated whistleblowing council. The council conducts an initial assessment of reported concerns and, where relevant, initiates further investigation. Investigations are carried out promptly and independently, and relevant parties are given the opportunity to provide input.

Internal whistleblowing arrangements are adapted to local legal requirements. In Norway, employees may report concerns anonymously via internal reporting channels, which are handled by the designated whistleblowing council led by the Group's Chief People and Culture Officer (CPO). Members of the council responsible for receiving and handling reports are informed of their roles and responsibilities. In the EU, including Hemtex (all markets) and Kid International Logistic AB (KIL AB), the Group complies with Directive (EU) 2019/1937 and has implemented a third-party whistleblowing solution to ensure confidentiality and protection of whistleblowers. Reports submitted through this channel are initially assessed by external legal advisors engaged through the whistleblowing service provider, who are trained and qualified to handle whistleblowing cases in accordance with the Directive. Cases are subsequently escalated and handled in line with defined procedures.

The Group has measures in place to protect whistleblowers against retaliation in accordance with applicable law. Information on whistleblowing channels and procedures is available to employees, and training on whistleblowing procedures is provided through "Hemtex Academy" to the Hemtex employees to help implement the third-party whistleblowing solution. As of the reporting period, no Group-wide training programme on whistleblowing procedures has been implemented in own operations; the need for further information and training will be evaluated in 2026, as part of the planned implementation of a new Group-level Code of Conduct for own workforce which include information about whistleblowing.

Management of Relationships with Suppliers // G1-2

The Kid Group views responsible purchasing practices as one of the most vital tools for ensuring responsible business conduct in the upstream value chain. The Group is committed to adapting its purchasing practices to support – rather than hinder – suppliers' ability to meet the requirements regarding people, society and the environment. The goal is to foster long-term relationships with suppliers who demonstrate a strong commitment and capability to drive positive developments within the supply chain.

The Purchase Agreement and Requirements (PAR) acts as the Group's Supplier Code of Conduct and its content is based on the Policy for Responsible Business Conduct (see G1-1). Suppliers contractually commit to comply with the Group's requirements for responsible business conduct before the first order is placed. The PAR includes requirements related to working conditions, prohibition of child and forced labour, environmental considerations, animal welfare practices, and compliance with applicable laws. The PAR is revised annually, and the official version can always be found at www.kid.no/supplier.

All suppliers are screened for environmental and social criteria prior to entering into business relationships. A collaborative procedure between the buying and product development departments and the sustainability department ensures that due diligence processes are applied, risks are identified, and corrective actions are implemented where necessary. Supplier adherence is monitored through audits and regular assessments.

Where necessary, the Group considers providing capacity-building support or allocating resources to support supplier compliance. Non-compliances are addressed through corrective action plans, and repeated violations without adequate remediation may result in termination of the business relationship. In 2025, no supplier relationship was terminated due to ESG-related non-compliance. However, one supplier was temporarily suspended from receiving new orders until identified corrective actions are completed.

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

The Group applies a risk-based approach to prevent and detect corruption and bribery across its operations and value chain.

In 2025, the Group sourced 86% (83) of the value of goods from countries in Asia. These sourcing countries have a Corruption Perceptions Index below the global average, leading to increased inherent risk in the upstream value chain. The Group's own operations and downstream value chain are located in countries with lower perceived corruption risk.

The Group has a zero-tolerance policy for corruption and bribery. The ethics policy provides guidance on handling gifts, samples, trips, discounts and other benefits, and applies equally to employees and external contacts. Risk screening of suppliers and segregation of duties in financial processes are key preventive measures. Automated multi-level approval processes are in place for outgoing payments to prevent fraud and detect irregularities.

The product development and buying functions are identified as higher-risk roles due to close interaction with suppliers. Controls, approvals and monitoring are applied accordingly. Whistleblowing mechanisms are used as one of several detection channels for suspected corruption or bribery.

As of the reporting period 2025, the Group does not have formally documented procedures for the investigation of corruption or bribery cases. Suspected or identified cases are handled on a case-by-case basis by relevant management functions and, where necessary, legal expertise. Confirmed corruption or bribery cases are reported to the BoD. Decisions on corrective actions and consequences are based on the severity, scope and nature of the case and may include contractual, disciplinary or legal measures. The Group plans to implement a revised and unified Group-level Code of Conduct for its own workforce in 2026, which will include more formalised information and procedures for the handling and investigation of business conduct incidents.

As of 2025, no targeted training programs on corruption and bribery have been implemented in own operations. The Group evaluates training as a potential risk-reducing measure and will assess its scope and relevance in 2026.

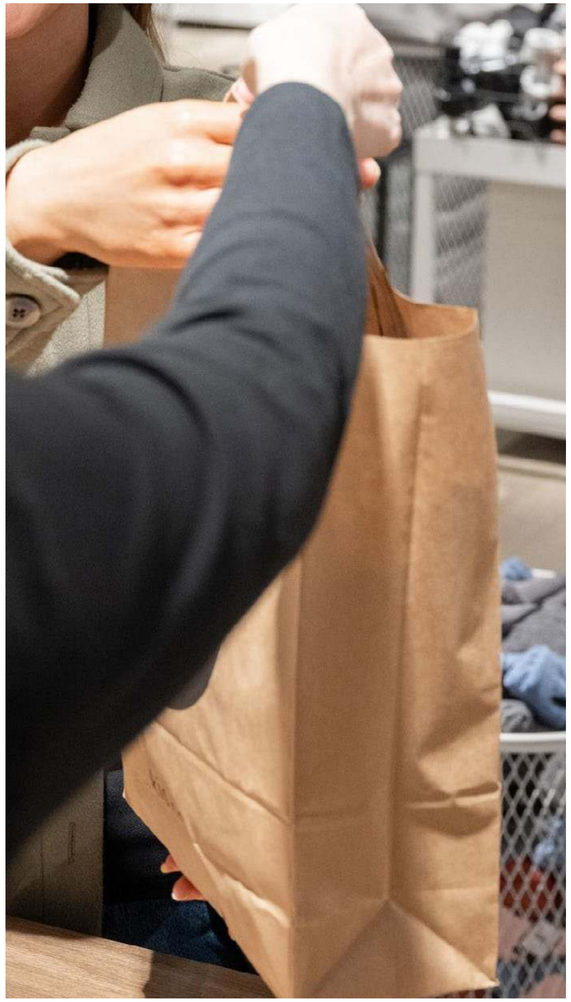
Confirmed Incidents of Corruption or Bribery // G1-4

There were no fines for violation of anti-corruption and antibribery laws in the reporting period, nor any reported or identified incidents[13] involving actors in our value chain.

Upstream Value Chain: There were no reported incidents of bribery or corruption in the upstream value chain in 2025, compared to one identified case in the upstream value chain in 2024.

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 have been identified in 2025, same as in 2024.

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.



[13] An incident is considered "confirmed" when, following internal assessment and investigation, there is sufficient evidence to conclude that a violation of internal policy or applicable law has occurred. Reported incidents include cases raised through internal reporting channels, whistleblowing mechanisms or identified through management review.
The measurement of these metrics is based on internal case documentation and reporting processes. No external body, other than the statutory assurance provider, has validated these metrics.

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ESRS G1. BUSINESS CONDUCT

INDICATOR NO.	TITLE	PAGE
ESRS G1-1	Business conduct policies and corporate culture	79
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ESRS G1-4	Incidents of corruption or bribery	80

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 paragraph 21 (d)	Indicator number 13 of 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 paragraph 21 €			Delegated Regulation (EU) 2020/1816, Annex II		Material
ESRS 2 GOV-4	Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 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 paragraph 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 paragraph 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 paragraph 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 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 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 paragraph 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
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material. Kid ASA is not in a high impact sector
ESRS E1-5	Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 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 paragraph 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

INDICATOR NUMBER	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 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 paragraph 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 paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not applicable. Kid is not a financial institution and does not manage or report on a benchmark or investment portfolio. This disclosure is therefore not relevant to the Company's business model.
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 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.			Not applicable. Kid does not operate as a financial institution and does not hold financial portfolios requiring disaggregation of exposures to acute and chronic physical risks. The Company's climate risk assessment is conducted at operational and supply chain level and not through financial asset exposure metrics.

INDICATOR NUMBER	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS E1-9	Location of significant assets at material physical risk paragraph 66 (c).		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.			Not applicable. Kid does not hold a significant owned asset portfolio exposed to climate-related physical risks. The Company operates primarily through leased retail locations and outsourced production. Physical climate risks are assessed qualitatively at supply chain level rather than through owned fixed assets.
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 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			Not applicable. Kid does not own a material real estate portfolio and therefore does not report on carrying values of real estate assets by energy performance class. The Company primarily operates through leased premises.
ESRS E1-9	Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not applicable. Kid does not manage a financial or investment portfolio. Climate-related opportunities are assessed in relation to product development, sourcing, and operational efficiency rather than portfolio allocation metrics.
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, paragraph 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

INDICATOR NUMBER	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 paragraph 9	Indicator number 7 Table #2 of Annex 1				Material
ESRS E3-1	Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Material
ESRS E3-1	Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	Total water recycled and reused paragraph 28 ©	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 paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2-SBM 3-E4 paragraph 16 (a) i		Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2-SBM 3-E4 paragraph 16 (b)		Indicator number 10 Table #2 of Annex 1				Material
ESRS 2-SBM 3-E4 paragraph 16 (c)		Indicator number 14 Table #2 of Annex 1				Material
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 ©	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material
ESRS E5-5	Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not Material
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2-SBM3-S1	Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2-SBM3-S1	Risk of incidents of child labour paragraph 14 (g)"	Indicator number 12 Table #3 of Annex I				Not material

INDICATOR NUMBER	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS S1-1	Human rights policy commitments paragraph 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, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-1	processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1	workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Not material
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 ©	Indicator number 5 Table #3 of Annex I				Material
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and ©	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 paragraph 88 €	Indicator number 3 Table #3 of Annex I				Not material
ESRS S1-16	Unadjusted gender pay gap paragraph 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 paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material
ESRS S1-17	Incidents of discrimination paragraph 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 paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 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 paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material
ESRS S2-1	Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material

INDICATOR NUMBER	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS S2-1	Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 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, paragraph 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 paragraph 36	Indicator number 14 Table #3 of Annex 1				Material
ESRS S3-1	Human rights policy commitments paragraph 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 paragraph 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 paragraph 36	Indicator number 14 Table #3 of Annex 1				Material
ESRS S4-1	Policies related to consumers and end-users paragraph 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 paragraph 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 paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material

INDICATOR NUMBER	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIALITY FOR KID
ESRS G1-1	Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 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 paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material

Lier, 8 April 2026

The board of directors, Kid ASA

Espen Gundersen
Chair
(Sign.)

Karin Bing Orgland
Board member
(Sign.)

Liv Berstad
Board member
(Sign.)

Gyrid Skalleberg Ingerø
Board member
(Sign.)

Jon Brannsten
Board Member
(Sign.)

Marianne Fulford
Chief Executive Officer
(Sign.)

CONSOLIDATED FINANCIAL STATEMENT 2025

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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 2025	2024
Revenue	4	3,944,569	3,784,944
Other operating income		5,227	4,837
Total revenue		**3,949,796**	**3,789,781**
Purchased goods and change in inventory	15	1,520,285	1,443,224
Employee benefits expense	6, 20	791,786	783,001
Depreciation and amortisation expense	11, 12, 24	555,254	471,662
Other operating expenses	19	688,631	536,595
Total operating expenses		**3,555,957**	**3,234,482**
Operating profit		**393,840**	**555,299**
Financial income	7	10,347	10,609
Financial expense	7	119,872	101,077
Net financial income (+) / expense (-)		**-109,525**	**-90,468**
Share of result from joint ventures	8	**3,544**	**33,317**
Profit before tax		**287,859**	**498,149**
Income tax expense	9	58,611	99,558
Net profit		**229,248**	**398,591**
Attributable to the owners of the parent		**229,248**	**398,591**

Other comprehensive income			
Items that may be reclassified to P&L			
Cash flow hedges	22	-123,485	97,031
Tax effect from cash flow hedges	22	27,103	-21,387
Currency translation differences	22	32,885	7,022
Total other comprehensive income net of tax		**-63,497**	**82,669**
Total comprehensive income		165,751	481,260
Attributable to the owners of the parent		**165,751**	**481,260**
Basic and diluted Earnings per share (EPS):	10	**5.64**	**9.81**

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 2025**	31st December 2024
ASSETS			
Goodwill	5, 12	75,807	71,298
Trademark	5, 12	1,518,211	1,514,724
Other intangible assets	12	81,837	54,934
Deferred tax asset	9	6,852	0
Total intangible assets		**1,682,707**	**1,640,955**
Right of use asset	5, 24	1,311,380	1,198,483
Property, plant and equipment	11	487,194	383,495
Total fixed assets		**1,798,574**	**1,581,977**
Investments in joint ventures	8	4,375	34,331
Investments in shares	8	5	0
Loans to associated companies and joint ventures	21	500	0
Total financial fixed assets		**4,880**	**34,331**
TOTAL NON CURRENT ASSETS		**3,486,161**	**3,257,264**
Inventories	**15**	**934,484**	**775,911**
Trade receivables	13, 14	27,415	31,511
Other receivables	9, 14	113,864	52,794
Derivative financial instruments	3, 13, 22	28,569	76,057
Total receivables		**169,847**	**160,362**
Cash and cash equivalents	**13, 16, 23**	**0**	**228,534**
TOTAL CURRENT ASSETS		**1,104,332**	**1,164,807**
TOTAL ASSETS		**4,590,493**	**4,422,070**
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**	**434,440**
Other reserves	22	70,173	81,073
Retained earnings		947,220	1,022,814
TOTAL EQUITY		**1,451,832**	**1,538,326**
Deferred tax liability	9	311,777	322,628
Long term lease liabilities	24	979,978	891,620
Long term liabilities to financial institutions	3, 13, 18, 23	579,984	461,668
Total long-term liabilities		**1,871,740**	**1,675,915**

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 2025	Group 31st December 2024
Short term lease liabilities	24	402,989	354,093
Short term liabilities to financial institutions	3,13,18, 23	142,388	30,000
Trade creditors	13	193,188	235,910
Taxes payable	9	52,707	84,699
Public duties payable		237,722	228,109
Derivatives	3,13, 22	5,961	169
Other short-term liabilities	19	231,966	274,851
Total short-term liabilities		**1,266,920**	**1,207,831**
TOTAL LIABILITIES		**3,138,660**	**2,883,746**
TOTAL EQUITY AND LIABILITIES		**4,590,493**	**4,422,070**

Lier, 8 April 2026

The board of directors, Kid ASA

Espen Gundersen
Chair
(Sign.)

Karin Bing Orgland
Board member
(Sign.)

Liv Berstad
Board member
(Sign.)

Gyrid Skalleberg Ingerø
Board member
(Sign.)

Jon Brannsten
Board Member
(Sign.)

Marianne Fulford
Chief Executive Officer
(Sign.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in NOK 1000 unless otherwise stated)

		Group As at 31st December					
	Note	**Share capital**	**Share premium**	**Other paid - in equity**	**Other reserves**	**Retained earnings**	**Total equity**
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
Transfer of cash flow hedge reserve to inventory net of tax	22				5,976	-	5,976
Transactions with owners – Dividends		-	-	-	-	-264,194	-264,194
Balance as at 31 December 2024		**48,770**	**321,050**	**64,617**	**81,071**	**1,022,811**	**1,538,326**
Balance at 1 January 2025		48,770	321,050	64,617	81,071	1,022,811	1,538,326
Profit for the year						229,248	229,248
Other comprehensive income		-	-	-	-63,497	-	-63,497
Total comprehensive income for the year		-	-	-	-63,497	229,248	165,751
Transfer of cash flow hedge reserve to inventory net of tax	22				52,599		52,599
Transactions with owners – Dividends		-	-	-	-	-304,839	-304,839
Balance as at 31 December 2025		**48,770**	**321,050**	**64,617**	**70,173**	**947,220**	**1,451,832**

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	**2025**	2024
Cash flow from operations			
Profit before income taxes		287,859	498,149
Share of result from joint ventures		-3,544	-33,317
Taxes paid in the period	9	-121,860	-107,865
Depreciation & impairment	11, 12, 24	555,254	471,662
Net interest expense		120,941	97,052
Effect of exchange fluctuations		-14,961	-1,527
Change in working capital			
Change in inventory	15	-140,137	-195,415
Change in trade receivables	14	5,483	1,498
Change in trade creditors		-43,291	29,869
Change in other short-term liabilities		-87,183	102,833
Net cash flow from operations		**558,562**	**862,939**
Cash flow from investments			
Purchase of fixed assets	11, 12	-254,043	-208,326
Loans and dividends from investments in associated companies and joint ventures	21, 8	33,000	72,061
Net cash flow from investments		**-221,043**	**-136,265**
Cash flow from financing			
Proceeds from long term borrowings	18, 23	148,000	0
Proceeds from revolving credit facility	18, 23	300,000	230,000
Repayment of revolving credit facility	18, 23	-300,000	-230,000
Repayment of Term loans	18, 23	-30,000	-30,000
Net change in bank overdraft		112,388	0
Net interest paid	7	-111,779	-97,052
Lease payments for the principal portion of lease liability	24	-387,889	-340,540
Dividend payments to shareholders		-304,839	-264,194
Net cash flow from financing		**-574,118**	**-731,786**
Cash and cash equivalents at the beginning of the period	**16**	**228,534**	**225,065**
Net change in cash and cash equivalents		-236,600	-5,112
Exchange gains / (losses) on cash and cash equivalents		8,067	8,580
Cash and cash equivalents at the end of the period	**16**	**0**	**228,534**

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 has 160 stores in Norway under the brand name Kid. Hemtex has 116 stores in Sweden, 11 in Finland and 7 in Estonia. Out of the 134 Hemtex stores, 123 is owned by Hemtex and 11 is operated through franchise. The Group also has 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 8. April 2026.

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

Kid is in the process of assessing the impact of applying IFRS 18 to the Group. Based on the Group's preliminary analysis, no major effects on the Group's financial position or overall performance measures are expected. Some presentational changes may be required in the statement of profit or loss and the statement of cash flows. At this stage, the Group does not expect significant changes to the composition of its operating profit, although limited reclassifications of certain items (such as foreign exchange gains and losses or income from joint ventures) may be required. The Group also expects to make some changes to the aggregation and disaggregation of line items to align with the new requirements, without materially affecting reported totals.

Kid ASA currently discloses alternative performance measures such as EBITDA to investors and other stakeholders. The Group is reviewing other performance measures presented outside the primary financial statements to determine whether they meet this definition and to identify any additional disclosure requirements. No significant changes to the measures themselves are anticipated.

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 2025, 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 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 2025	+10% change	-10% change
Effect on OCI (FX derivatives NOK/USD)	38,765	-38,765

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

(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 2025. 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 2025	**+1% change**	**-1% change**
Effect on OCI	9,207	-9,207
At 31 December 2024	**+1% change**	**-1% change**
Effect on OCI	9,841	-9,841

	Cross currency interest swap	
At 31 December 2025	**+1% change**	**-1% change**
Effect on interest cost	2,150	-2,150
At 31 December 2024	**+1% change**	**-1% change**
Effect on interest cost	967	-967

(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 capitalintensive 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 2025	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)	153,550,	40,599	667,672	-	-
Lease liabilities	441,541,	372,083	299,554	220,560	256,695
Trade creditors and other short term liabilities	425,154	-	-	-	-
	1,020,245	**412,682**	**967,226**	**220,560**	**256,695**

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 creditors and other short term liabilities	510,760	-	-	-	-
	914,065	**337,195**	**678,304**	**179,801**	**378,297**

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 2025 and 2024 were as follows:

	2025	2024
Total external borrowings (note 18)	722,372	491,668
Less: cash and cash equivalents (note 16)	(0)	(228,534)
Net interest bearing debt	722,372	263,134
EBITDA excl IFRS 16	495,274	630,701
Gearing ratio	**1.46**	**0.42**

The Group has covenants limits related to gearing ratio and EBITDA. For more information about covenant-limits, refer note 18. The increase reflects the full-year result, including the effects of the warehouse transition and related non-recurring costs.

	2025	2024
Total external borrowings (note 18)	722,372	491,668
Less: cash and cash equivalents (note 16)	(0)	(228,534)
Net interest bearing debt	722,372	263,134
EBITDA incl IFRS 16	949,094	1,026,961
Covenants	**0.76**	**0.26**

The board of directors has proposed a dividend of NOK 2.50 per share to be paid in May 2026. Including the prepayment of NOK 2.5 per share paid in November 2025, the total dividend of NOK 5.00 represents 89 % of Group net income for 2025.

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 design, source and sell home interior products in 160 fully owned stores across Norway and 134 stores across EU, of which 116 were in Sweden, 11 in Finland and 7 in Estonia. Of the stores in EU, 123 are owned by Hemtex and 11 are franchises.

Goods are sourced through a wholly owned wholesaler and stored in the Group's new common bonded warehouse in Sweden, before being distributed to the Norwegian, Swedish, Finnish or Estonian markets. The expenses from the new warehouse is presented proportionally in each segment. Following its implementation in February 2025, the principles for allocating costs and balance sheet items between Kid Interior and Hemtex were updated. Consequently, figures are not fully comparable at segment level to previous year.

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

	2025	2024
Norway	2,435,516	2,337,460
Sweden	1,319,622	1,277,953
Finland	127,560	104,051
Estonia	61,871	65,481
Total	**3,944,569**	**3,784,944**

2025

	KID Interior	Hemtex	Total
Revenue	2,435,516	1,509,052	3,944,569
Purchased goods and change in inventory	-945,237	-575,048	-1,520,285
Gross profit	1,490,279	934,004	2,424,283
Other operating revenue	934	4,293	5,227
Operating expense (OPEX)	-865,122	-615,296	-1,480,417
EBITDA	626,092	323,002	949,094
Operating profit	315,916	77,923	393,840
Gross margin (%)	61.19%	61.89%	61.46%
OPEX to sales margin (%)	35.52%	40.77%	37.53%
EBITDA margin (%)	25.71%	21.40%	24.06%
	-	-	-
Inventory	578,297	356,187	934,484
Total assets	2,862,169	1,721,473	4,583,642

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%	61.87%
OPEX to sales margin (%)	32.5%	38.7%	34.86%
EBITDA margin (%)	29.3%	23.6%	27.13%
	-	-	-
Inventory	497,849	278,062	775,911
Total assets	2,977,807	1 444,263	4 422,070

NOTE 5 | CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

Estimates and judgements are subject to contiuous evaluation 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.

Please refer to note 12 for more information.

5.2 Critical judgements in applying the entity's accounting policies

5.2.1 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.

Please refer to note 24 for more information.

NOTE 6 | EMPLOYEE REMUNERATION AND AUDIT FEES

6a Employee benefit expense

	2025	2024
Wages and salaries	623,975	624,201
Social security costs	127,624	122,096
Pension costs – defined contribution plans (note 20)	23,328	22,110
Other benefits	16,859	14,594
Total employee benefit expense	**791,787**	**783,001**
Average number of full-time employees	1,071	1,018

There has not been any loans to employees or guarantees granted to employees for either 2024 or 2025.
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

	2025				
Key Management Personnel	**Salary**	**Pension**	**Accrued bonus**	**Other Benefits**	**Total**
CEO, CFO, VD Hemtex	10,021	666	-1,015	362	**10,034**
Board of directors				2,913	**2,913**

	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**

There has not been any loans or guarantees granted to key management personnel for either 2024 or 2025.
CEO has 6 months salary as termination benefit.
There are no share based payments.

For more information on remuneration, please refer to Remuneration report 2025 as approved by the Board of Directors. The Remuneration report is subject to an advisory vote by the General Meeting in 2026, and published as part of the appendices to the Notice of Annual General Meeting at investor.kid.no

6c Audit fees

	2025	2024
Statutory audit	3,605	3,247
Other assurance services	1,637	282
Tax related services	0	0
Other assistance	0	0
Total fees	**5,242**	**3,529**

NOTE 7 | FINANCE INCOME AND COSTS

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

	2025	2024
Finance costs		
Bank interest cost	47,883	39,771
Bank charges	4,221	3,353
Other finance costs*	1,838	2,232
Interest on lease liability	65,931	55,720
Total finance costs	**119,873**	**101,076**
Finance income		
Interest income on short-term bank deposits	7,836	12,704
Other finance income*	2,512	-2,096
Total finance income	**10,348**	**10,609**
Net finance costs	**-109,525**	**-90,468**

*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 2025

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 investments at 31 December 2025

Name	Place of business	Nature of relationship	Measurement method	Ownership share	Carrying amount
Tekstilpro AS	Norway	Investment	Cost method	17%	5

Tekstilpro AS has been established to develop cost-efficient and competition-neutral textile return schemes aligned with the EU extended producer responsibility regulations. Kid ASA is participating to this development to strengthen industry collaboration, build competence, and work towards responsible textile waste management and circular solutions in the Norwegian market.

The Group had the following joint ventures at 31 December 2025

Name	Place of business	Nature of relationship	Measurement method	Ownership share	Carrying amount
Prognosgatan Holding AS	Norway	Joint venture	Equity method	50%	4,375

Balance at 1 January 2025	34,331
Dividend received	-33,500
This years result	3,544
Balance at 31 December 2025	**4,375**

As per year-end the the joint venture is reflected in the statement of financial position. Per 31 December 2025, the share of result from joint ventures is MNOK 3.5 (MNOK 33.3). The carrying amount is MNOK 4.4 (MNOK 34.3). 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 2024. The profit from the sale was recognised in Q4-24, with a preliminary settlement during Q1 2025 resulting in a dividend payment of MNOK 33,5. The final settlement is expected during 2026 in which the Group plans to liquidate the company.

The warehouse property is an expansion of the warehouse in Viared, Borås which is leased by Kid International Logistic AB. The operations for Hemtex commenced from the new facilities during Q1 2025, and served all markets for the Kid Group during Q2 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.

	2025	2024
Current tax		
Current tax on profits for the year Norway	52,280	84,699
Current tax on profits for the year Sweden*	10,499	20,794
Total current tax in income tax expense	**62,779**	**105,493**
*Of which is prepaid during the year. Refer to reconciliation of payable tax below		
Changes in deferred tax related to income tax expense	-4,167	-5,935
Income tax expense	**58,612**	**99,557**

Reconciliation between tax expense and product of accounting profit, multiplied by the applicable tax rate:

	2025	2024
Profit before tax	**287,859**	**498,149**
Tax calculated at domestic tax rate (22%) applicable to profits	63,329	109,593
Tax effects of:		
Expenses not deductible for tax purposes/(Income not subject to tax)	-5,049	-7,667
Effect of different tax rates	331	-2,368
Income tax expense	**58,611**	**99,558**
Tax charge in percent of profit before tax	20%	20%

Reconciliation of payable tax

	Norway	Sweden	Total
Payable tax 31.12.24	**84,699**	**0**	**84,699**
Paid taxes during the year	-84,581	-37,278	**-121,860**
Payable tax on this years result	52,590	10,499	**63,089**
Payable tax classified as short term receivables		26,779	**26,779**
Payable tax 31.12.25	**52,707**	**-0**	**52,707**

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 2025	PP&E	Trademark and other intangible assets	Right of use asset/ Lease liability	Derivatives	Other	Sum
Deferred tax assets/Deferred tax liabilities (-) Norway	217	-321,109	13,596	-5,922	1,440	-311,777
Deferred tax assets/Deferred tax liabilities (-) Sweden	11,749	-11,464	11,729		-5,162	6,852
Net deferred tax	**11,966**	**-332,573**	**25,325**	**-5,922**	**-3,722**	**-304,925**

At 31 December 2024	PP&E	Trademark and other intangible assets	Right of use asset/ Lease liability	Derivatives	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**

The change in net deferred tax was:

		2025	2024
Net deferred tax opening balance		-322,628	-305,625
Recognized in P&L		-4,167	-5,935
Recognized in OCI	22	27,103	-21,387
Recognized directly in equity		-14,821	-1,608
Translation differences		9,587	11,927
Net deferred tax closing balance		**-304,925**	**-322,628**

NOTE 10 | EARNINGS PER SHARE

There exists only one class of shares. The Group has no instruments that would have a dilutive effect on earnings per share. Accordingly, basic and diluted earnings per share are identical.

	2025	2024
Weighted average number of shares	40,645,162	40 645,162
Net profit for the year	**229,248**	**398,591**
Earnings per share (basic and diluted) (Expressed in NOK per share)	**5.64**	**9.81**
Dividends per share paid in May	**5.00**	**3.50**
Dividends per share paid in November	**2.5**	**3.00**

*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 2025				
Opening net book amount	64,478	283,005	36,009	383,495
Additions	12,777	179,243	11,404	203,424
Depreciation charge	0	-101,857	-9,169	-111,026
Currency translation differences	0	9,348	1,954	11,302
Closing net book amount	**77,255**	**369,739**	**40,199**	**487,194**
At 31 December 2025				
Cost or valuation	77,255	1,199,960	85,424	1,362,639
Accumulated depreciation	0	-840,808	-46,980	-887,788
Currency translation differences	0	10,587	1,754	12,341
Net book amount	**77,255**	**369,738**	**40,198**	**487,193**
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	0
Depreciation charge	-	-84,641	-12,372	-97,013
Currency translation differences	-	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	-	-738,951	-37,811	-776,761
Currency translation differences	-	1,239	-200	1,039
Net book amount	**64,478**	**283,005**	**36,009**	**383,495**

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 2025.

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 2024	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**
Additions	49,635			49,635
Reclassification				-
Currency translation differences	520	3 487	4,509	8,516
As at 31 December 2025	**160,180**	**1,518,211**	**75,807**	**1,754,201**
Accumulated amortisation and impairment				
At 1 January 2024	-37,367	-	-	-37,367
Amortisation charge	-17,721	-	-	-17,721
As at 31 December 2024	**-55,088**	**-**	**-**	**-55,088**
At 1 January 2025	-55,088	-	-	-55,088
Amortisation charge	-23,252	-	-	-23,252
As at 31 December 2025	**-78,340**	**-**	**-**	**-78,340**
Net book value				
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**
Cost	160,180	1,518,211	75,807	1,754,198
Accumulated amortisation and impairment	-78,340	-	-	-78,340
As at 31 December 2025	**81,837**	**1,518,211**	**75,807**	**1,675,855**
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:	2025	2024
Sales volume (% annual growth rate)	3.0	3.0
Gross margin (%)	61.0	61.0
Other operating costs (%)	45.9	43.8
Annual capital expenditure (MNOK)	75.0	80.0
Discount rate pre tax (%)	**8.3**	**9.5**

The recoverable amount of the trademark is estimated to be MNOK 2,898.5 (2024 – MNOK 2,561.7). This exceeds the carrying amount of the trademark Kid Interiør at 31 December 2025 which is MNOK 1,460 (2024 – MNOK 1,460).

The recoverable amount of the trademark would equal the carrying amount if the key assumptions were to change as follows:

	2025		2024	
	From	To	From	To
Sales volume (% annual growth rate)	3.0	-1.0	3.0	-1.5
Budgeted gross margin (%)	61.0	53.5	61.0	53.5
Discount rate pre tax (%)	9.5	18.5	9.5	20.3

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:	2025	2024
Sales volume (% annual growth rate)	3.0	3.0
Gross margin (%)	61.0	61.0
Other operating costs (% of revenue)	50.7	47.5
Annual capital expenditure (MNOK)	50.0	50.0
Discount rate pre tax (%)	7.1	8.4

The recoverable amount of the trademark and goodwill is estimated to be MNOK 1 661 (MNOK 2 051). This exceeds the carrying amount of the trademark and goodwill in Hemtex at 31 December 2025 which is MNOK 134,4 (MNOK 126.4).

The recoverable amount of the trademark and goodwill would equal its carrying amount if the key assumptions were to change as follows:

	2025		2024	
	From	To	From	To
Sales volume (% annual growth rate)	3.0	-1.5	3.0	-1.5
Budgeted gross margin (%)	61.0	55.5	61.0	52.5
Discount rate pre tax (%)	10.2	25.0	10.2	47.0

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 2025			
	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	-	28,569	-	28,569
Trade receivables	27,415	-	-	27,415
Cash and bank deposits	0	-	-	0
Total	27,415	28,569	0	55,984

	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	579,984	-	-	579,984
Long term lease liability	979,978	-	-	979,978
Short term liabilities to financial institutions	142,388	-	-	142,388
Short term lease liability	402,989	-	-	402,989
Derivatives	-	5,961	-	5,961
Trade creditors	193,188	-	-	193,188
Total	2,298,527	5,961	-	2,304,488

	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**

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.

	2025	2024
Inventory at purchase cost	934,672	779,392
Inventory write-downs to net realizable value	-187	-3,480
Inventories	**934,484**	**775,911**

Recognized loss on inventories

	2025	2024
Lost and damaged goods	29,693	40,018
Change in provision for obsolescence	-3,293	-2,599
Recognized loss on inventories in purchased goods and change in inventory	**26,400**	**37,419**

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 2024 and 2025 the Group had a bank overdraft of MNOK 112,388 (MNOK 0) at year end.

Cash is initially recognised at fair value and subsequently measured at amortised cost.

	2025	2024
Cash in bank and in hand	0	228,534
Cash and cash equivalents (excluding bank overdrafts)	**0**	**228,534**

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 2025	40,645,162	40,645,162	1.2	48,774,194
At 31 December 2024	40,645,162	40,645,162	1.2	48,774,194

The top 20 shareholders per 31.12 are the following:

	31 December 2025	
Company	**# Shares**	**Ownership**
Folketrygdfondet	4,755,099	11.70%
Pareto Aksje Norge Verdipapirfond	2,690,190	6.62%
Verdipapirfondet Alfred Berg Gamba	2,557,806	6.29%
Varner Equities AS	2,031,914	5.00%
Verdipapirfondet Holberg Norge	1,625,000	4.00%
Salt Value AS	1,167,499	2.87%
J.P. Morgan SE	1,064,993	2.62%
Verdipapirfondet KLP Aksjenorge	1,003,947	2.47%
Landkreditt Utbytte	981,500	2.41%
Vevlen Kapital AS	933,068	2.30%
VPF Sparebank 1 Norge Verdi	927,319	2.28%
Forsvarets Personellservice	849,600	2.09%
J.P. Morgan SE	742,149	1.83%
Verdipapirfondet DNB SMB	711,990	1.75%
Verdipapirfondet Alfred Berg Norge	584,852	1.44%
Verdipapirfondet DNB Norge	572,682	1.41%
The Bank of New York Mellon SA/NV	566,396	1.39%
Hausta Investor AS	500,000	1.23%
The Bank of New York Mellon SA/NV	486,828	1.20%
Verdipapirfondet DNB Norge Indeks	449,151	1.11%

	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%

Share premium	Amount
At 31 December 2014	156,874
Equity issue November 2015	164,175
At 31 December 2025	**321,049**

Key Management Personnel Share holdings	31.12.2025	31.12.2024
Marianne Fulford	14,327	na
Mads Kigen	3,100	2,000
Anders Fjeld	na	138,000
Anders Lorentzson	na	na
Board of Directors		
Liv Berstad	1,270	1,270
Gyrid Skalleberg Ingerø	3,007	3,007
Karin Bing Orgland	32,629	32,629
Espen Gundersen	7,000	7,000
Jon Brannsten	1,000	-

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.

	2025	2024
Long term		
Bank loans	579,984	461,668
Total long term liabilities to financial institutions	**579,984**	**461,668**
Short term		
Bank loans	142,388	30,000
Total short term liabilities to financial institutions	**142,388**	**30,000**
Total liabilities to financial institutions	**722,372**	**491,668**

(a) Bank loans

During 2025 the revolving credit facility as well as the bank overdraft was increased to MNOK 300 and a seasonal overdraft facility of MNOK 100 was granted. Furthermore, the term loan was increased by MNOK 148.

2025	Utilised 31.12.2025	Facility	Maturity	Repayment
Term loan	610,000	610,000	30.03.2028*	MNOK 30 in annual installments
Revolving credit facility	-	300,000	30.03.2028	At maturity
Seasonal overdraft	-	100,000	3 months	
Facility				At maturity
Overdraft	112,388	300,000	12 months	At maturity

*The agreement with Nordea includes two optional one-year extension periods. If both options are exercised, the latest possible maturity date will be 30 March 2030.

2024	Utilised 31.12.2024	Facility	Maturity	Repayment
Term loan	491,700	491,700	15.05.2026	MNOK 30 in annual installments
New term loan	-	125,000	01.05.2027	MNOK 25 in annual installments
Revolving credit facility	-	125,000	27.04.2026	At maturity
Overdraft	-	247,000	12 months	At maturity

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.

The bank loans are secured by 100% of the shares in Kid Interior AS. 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 Lier.

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:

	2025	2024
6 months or less	10,000	10,000
6-12 months	132,388	20,000
1-5 years	579,984	461,668
Total liabilities to financial institutions	**722,372**	**491,668**

The carrying amounts and fair value of the loans are as follows:

	2025	2024
Bank loans	722,372	491,668
Total carrying amount of liabilities to financial institutions	**722,372**	**491,668**

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 610,000 loan, where the group entered an interest swap agreement in 2019 covering TNOK 395,000.

The carrying amounts of the Group's loans are denominated in the following currencies:

	2025	2024
NOK	722,372	491,668
Total	**722,372**	**491,668**

The Group has the following granted loan facilities and guarantees:

	2025	2024
Term loan	-	125,000
Revolving credit facility	300,000	230,000
Unused bank overdraft	134,612	247,000
Employee tax guarantee	30,000	27,300
Letter of credit limit	115,000	115,000

Following covenants is regulated by contract:

	Interval	Limit 2025	Limit 2024
NIBD/EBITDA incl IFRS 16	annually	2.25	2.25
EBITDA Last twelve months (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	2025	2024
Rental costs for shops and storage (incl shared operating expenses)	136,493	125,777
Advertising and other marketing costs	182,722	151,314
Other expenses	369,416	259,503
Total other expenses	**688,631**	**536,594**

Other short term liabilities	2025	2024
Salary related accruals	101,033	131,782
Goods in transit accrual	-	59,657
Giftcards, store credits and other sales related accruals	38,292	29,537
Accrued rental expenses	5,155	3,438
Other accruals	87,486	50,437
Total other short term liabilities	**231,966**	**274,850**

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:	2025	2024
Pensions earned this year - the group pension scheme	23,060	21,181
Pensions earned this year - the agreed early retirement scheme (AFP)	268	929
Social security fees	4,440	4,229
Net pension expenses	**27,768**	**26,339**

20.1 AFP scheme

17 of our stores in Norway 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 2025 and 2024:

Related party	2025	2024
Loan to Tekstilpro AS	500	-
Total	**500**	**-**

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 2025, approximately 100% of inventory purchases were hedged in respect of foreign currency risk. At 31 December 2025, approximately 100% of forecasted US dollar inventory purchases during 2025 qualified as 'highly probable' forecast transactions for hedge accounting purposes (for 2024, approximately 100% of inventory purchases were hedged and approximately 100% of the purchases qualified as 'highly probable' as at 31 December 2024). As such, no inefficiency was recognised in 2025 (or in 2024). The weighted average buy rate for NOK/USD currency hedges realized in 2025 was 10.93 (10.68) compared to a weighted average spot rate of 10.38 (10.72).

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, 2025 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 2025 related to the interest rate swap was NOK 10,339,805 (NOK 11,416,488).

Hedge ineffectiveness recognised in profit or loss was immaterial in 2025 and 2024.

Reconciliation of Other reserves	Currency cash flow hedges	Interest cash flow hedges	Translation difference	Total
Opening balance net of tax 01.01.2025	-30,644	93,226	18,489	81,070
Changes in fair value through OCI	-115,768	-18,057		-123,485
Changes in deferred tax on cash flow hedges through OCI	25,406	1,698		27,103
Realized cash flow hedges net of tax	52,599	10,340		52,599
Translation difference			32,885	32,885
Closing balance net of tax 31.12.2025	**-68,408**	**87,207**	**51,373**	**70,172**

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	79,283		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	11,416		5,976
Translation difference			7,022	7,022
Closing balance net of tax 31.12.2024	**-30,644**	**93,226**	**18,489**	**81,071**

At year end the fair value of the hedging instruments were as follows:

	Changes over OCI		Changes over P&L	
31 December 2025	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
Currency cash flow hedges	782	5,961		
Interest cash flow hedges	27,787	-		-
Sum	**28,569**	**5,961**	**-**	**-**

	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	-	-	-
Sum	**76,057**	**169**	**-**	**-**

Amounts reclassified from the cash flow hedge reserve are recognised as follows: (i) for currency cash flow hedges (using forward contracts), in the carrying amount of inventory and subsequently in 'Purchased goods and changes in inventory', and (ii) for interest cash flow hedges, in 'Financial expenses'.

NOTE 23 | NET DEBT RECONCILIATION

The below table sets out an overview over net debt.

	2025	2024
Cash and cash equivalents	0	228,534
Borrowings - repayable within one year (including overdraft)	-142,388	-30,000
Borrowings - repayable after one year	-579,984	-461,668
Lease liabilities - payed within one year	-402,989	-354,093
Lease liabilities - payed after one year	-979,978	-891,620
Net debt	**-2,105,339**	**-1,508,848**
Cash and liquid investments	0	228,534
Gross debt - fixed interest rates	-722,372	-491,668
Gross debt - variable interest rates	-	0
Lease liabilities	-1,382,967	-1,245,714
Net debt	**-2,105,339**	**-1,508,848**

	Lease liabilty	Borrowings	Total debt	Cash / bank overdraft	Total net debt
Opening balanse at 1 January 2025	**-1,245,713**	**-491,668**	**-1,737,381**	**228,534**	**-1,508,848**
Cash flows	-	-	-	-236,601	-236,601
Proceeds from borrowings	-	-560,388	-560,388	-	-560,388
Repayment of principals	387,889	330,000	717,889	-	717,889
Non Cashflow activities			**-**		
New lease liabilities	-515,917	-	-515,917	-	-515,917
Foreign exchange adjustments and other adjustments	-9,226	-316	-9,542	8,067	-1,475
Closing balanse at 31 December 2025	**-1,382,968**	**-722,372**	**-2,105,340**	**0**	**-2,105,339**
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**	**228,534**	**-1,508,848**

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.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- 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	2025	2024
Carrying amount at 01.01.	1,198,483	1,050,028
Additions and adjustments*	515,917	494,534
Depreciation	-395,976	-356,928
Impairment	-25,000	0
Currency translation differences	17,956	10,849
Net carrying amount 31.12.	**1,311,380**	**1,198,483**

Lease liabilities	2025	2024
Carrying amount at 01.01.	1,245,714	1,084,927
Additions and adjustments*	515,917	494,534
Interest expense	65,931	55,720
Lease payments	-453,820	-396,260
Currency translation differences	9,225	6,793
Total lease liabilities 31.12.	**1,382,967**	**1,245,714**

* Included in additions and adjustments are new contracts, renegotiated contracts, extentions and index adjustments on existing contracts. In 2024 and 2025 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 is 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 2025 for the store lease contracts.

Due to the commencement of the new common warehouse in Viared, Sweden and the termination of the warehouse in Norway, a subleasing process for the warehouse in Lier was initiated early 2024 and remains ongoing. During Q1 2025, Kid Group reached a preliminary agreement with a prospective tenant and the landlord regarding the terms for transferring the lease. However, in Q2 this agreement fell through due to external factors. Management continues to work actively on identifying a solution. As a result, the warehouse will be empty for a period and an impairment assessment has been performed on the right-of-use ("RoU") asset for the lease contract, resulting in an impairment expense of MNOK 25.0.

The group have lease contracts with turnover based lease payments. This represent 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:

		2025	2024
Variable lease payments		18,220	12,847
Shared operating costs		93,981	89,709
Marketing costs		24,292	23,222
Sum	**19**	**136,493**	**125,777**
Lease payments		453,820	396,260
Total payments related to lease contracts		**590,312**	**522,038**

	2025	2024
Number of lease contracts	291	288
Right to renewal of lease contract	103	98
Percentage of lease contracts with option to renewal	35%	34%

Number of lease contracts by geography	2025	2024
Norway	153	153
Sweden	119	120
Finland	12	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 2025

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KID ASA – STATEMENT OF INCOME

(All amounts in NOK 1000 unless otherwise stated)

	Note	2025	2024
Management fee	1	25,749	8,652
Personnel expenses	2	2,179	6,993
Other operating expenses	2	10,723	6,614
Total operating expenses		**12,902**	**13,608**
Depreciation		19,048	14,572
Operating profit		**-6,201**	**-19,527**
Income from subsidiaries and associated companies	3	340,116	415,133
Interest income from group companies		2,165	6,916
Other interest income	4	5,800	7,565
Other financial income	4	-	-
Other interest expenses	4	49,630	40,219
Other financial expenses		3,281	1,753
Profit before tax		**288,969**	**368,115**
Tax on ordinary result	5	52,407	81,089
Net profit or loss for the year		**236,563**	**287,026**

Profit attributable to:		
Allocated dividend	101,613	203,226
Dividend prepayment 2025	101,613	121,935
Allocated to other equity	33,337	-38,135
Total allocation	**236,563**	**287,026**

KID ASA – BALANCE SHEET / ASSETS

(All amounts in NOK 1000 unless otherwise stated)

	Note	2025	2024
NON-CURRENT ASSETS			
Investments in subsidiaries	3, 6	1,324,530	1,324,530
Investments in associates and joint ventures	3, 6	5	0
Loan to group companies, associates and joint ventures	7	500	0
Total financial fixed assets		**1,325,035**	**1,324,530**
Deferred tax asset		267	326
Software	8	73,669	47,424
Total intangible assets		**73,936**	**47,750**
Total non-current assets		**1,398,971**	**1,372,280**
CURRENT ASSETS			
Other receivables	7	323,587	518,745
Cash and bank deposits	9	-125,648	206,506
Total current assets		**197,939**	**725,251**
TOTAL ASSETS		**1,596,911**	**2,097,532**

KID ASA – BALANCE SHEET / EQUITY & LIABILITIES

(All amounts in NOK 1000 unless otherwise stated)

	Note	2025	2024
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	365,840	332,503
Total retained earnings		**365,840**	**332,503**
TOTAL EQUITY	**11**	**800,279**	**766,943**
Deferred tax	5	-	-
Other long-term liabilities			
Liabilities to financial institutions	6, 12	579,988	461,639
Total other long term liabilities		**579,988**	**461,639**
CURRENT LIABILITIES			
Liabilities to financial institutions	6, 12	30,000	30,000
Trade creditors		22,201	10,915
Tax payable	5	52,106	83,023
Dividend		101,613	203,226
Other current debt	7, 9	10,723	541,786
Total short term liabilities		**216,643**	**868,950**
Total liabilities		**796,631**	**1,330,589**
TOTAL EQUITY AND LIABILITIES		**1,596,911**	**2,097,532**

Lier, 8 April 2026

The board of directors, Kid ASA

Espen Gundersen Chair (Sign.)	Karin Bing Orgland Board member (Sign.)	Liv Berstad Board member (Sign.)
Gyrid Skalleberg Ingerø Board member (Sign.)	Jon Brannsten Board Member (Sign.)	Marianne Fulford Chief Executive Officer (Sign.)

KID ASA – CASH FLOW STATEMENT

(All amounts in NOK 1000 unless otherwise stated)

	Note	2025	2024
CASH FLOW FROM OPERATIONS			
Profit before income taxes		288,969	368,115
Depreciation	8	19,048	14,572
Taxes paid in the period	5	-83,265	-73,424
Change in trade creditors		11,287	7,852
Change in other provisions and cash pool arrangement	9	-335,556	14,281
Net cash flow from operations		**-99,517**	**302,833**
CASH FLOW FROM INVESTMENTS			
Increase in investments in subsidiaries		-505	-30
Investment in software		-45,293	-24,394
Net cash flow from investments		**-45,798**	**-24,424**
CASH FLOW FROM FINANCING			
Proceeds from short/long term loans	12	448,000	230,000
Repayment of short/long term loans	12	-330,000	-260,000
Change in borrowings to group companies		-	53,560
Payment of dividends		-304,839	-264,194
Net cash flow from financing		**-186,839**	**-240,634**
Net change in cash and cash equivalents		**-332,154**	**37,775**
Exchange gain /(losses) on cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		206,506	168,731
Cash and cash equivalents at the end of the period		**-125,648**	**206,506**

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. Inareas which either to a great extent contain such assessments, a high degree of complexity, or areas in whichassumptions 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 carryforward 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

	2025	2024
Transactions with Group companies	25,749	8,652
Interest income from Group companies	2,165	6,916

NOTE 2 | PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC.

Payroll expenses

	2025	2024
Salaries/wages	-	-
Social security fees	405	430
Board remuneration	2,765	3,135
Pension expenses	-	-
Other remuneration	-992	3,429
Total	**2,179**	**6,993**

There are no employees in Kid ASA.

The CEO of Kid ASA has not received salary in relation to her role in this company.

No loans/securities have been granted to the CEO, board chairman or other related parties.

Expensed audit fees

	2025	2024
Audit fees	1,148	773
Assurance services incl. CSRD	1,409	46
Tax advisory fee (incl. technical assistance with tax return)	-	-
Other assistance (IFRS conversion and quarterly reports)		
Total audit fees	**2,557**	**819**

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%	129,737	228,308	1,204,158
Hemtex AB*	Borås, Sweden	100%	328,605	32,361	81,942
Kid Eiendom AS	Lier, Norway	100%	35,149	33,185	30
Kid Sourcing AS	Lier, Norway	100%	3,031	2,714	30
Kid International Logistics AB	Borås, Sweden	100%	46,537	8,097	38,369
Balance sheet value 31.12.25					1,324,530

*Figures from Hemtex AB Group

NOTE 4 | SPECIFICATION OF FINANCIAL INCOME AND EXPENSES

Financial income

	2025	2024
Interest income from group entities	2,165	6916
Interest income	5,800	7,565
Other financial income incl currency gain	-	-
Total financial income	**7,965**	**14,481**

Financial expenses

	2025	2024
Interest expenses	48,849	40,219
Other financial expenses incl currency loss	4,062	1,753
Total financial expenses	**52,911**	**41,972**

NOTE 5 | TAXES

Basis for income tax expenses, changes in deferred tax and tax payable

	2025	2024
Result before taxes	288,969	368,115
Permanent differences	-52,340	471
Basis for the tax expense for the year	236,630	368,586
Change in temporary differences	-267	8,986
Basis for payable taxes in the income statement	**236,363**	**377,572**
+/- Group contributions received/given	-	-
Taxable income (basis for payable taxes in the balance sheet)	**236,363**	**377,572**

Components of the income tax expenses

	2024	2023
Tax rate	22%	22%
Payable tax on this year's result	52,000	83,066
Tax effect of differences between reported and booked tax last year	348	-
Total payable tax	52,348	83,066
Change in deferred tax based on original tax rate	59	-1,977
Change in deferred tax due to change in tax rate	-	-
Tax expense	**52,407**	**81,089**
Tax expense as a percentage of profit before tax	18%	22%
Payable taxes in the balance sheet		
Payable tax in the tax charge	52,106	83,066
Tax effect of group contribution	-	-
Tax effect of Skattefunn		
Payable tax in the balance sheet	**52,106**	**83,066**

Temporary differences included in the basis of deferred tax/tax asset		
Unrealized currency gain/loss long term	-	-
Interest rate swap	-1,214	-1,482
Basis for deferred tax/tax asset	-1,214	-1,482
Deferred tax/(tax asset) recognised	**-267**	**-326**

NOTE 6 | DEBTORS AND LIABILITIES

	2025	2024
Liabilities secured by mortgage	**610,000**	**491,700**
Balance sheet value of assets placed as security:		
Shares	1,286,130	1,286,130
Total	1,286,130	1,286,130

NOTE 7 | BALANCE WITH GROUP COMPANIES, ETC.

	Loan to group comapnies		Other receivables	
	2025	2024	2025	2024
Group companies	500	-	312,788	506,333
Total	**500**	**-**	**312,788**	**506,333**

	Other current debt	
	2025	2024
Debt to Group companies	17,005	527,441
Total	**17,005**	**527,441**

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 2024	37,602
Additions	24,394
Depreciation	-14,572
Net book value as at 31 December 2024	**47,424**
At 1 January 2025	47,424
Additions	45,293
Depreciation	-19,048
Net book value as at 31 December 2025	**73,669**

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 300, which has not been used at year end.

The following balances relate to the cash pool arrangement:

	2025	2024
Cash and bank deposits	-125,648	206,506
Current debt to Group companies	1,468	524,894

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 01.01.25	48,774	321,049	64,617	332,503	766,942
Profit for the year	-	-	-	236,563	236,563
Dividend pre-payment nov 25	-	-	-	-101,612.9	-101,613
Proposed dividends 31.12.25	-	-	-	-101,612.9	-101,613
Equity 31.12.25	**48,774**	**321,049**	**64,617**	**365,840**	**800,279**

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	11.70%
Pareto Aksje Norge Verdipapirfond	6.62%
Verdipapirfondet Alfred Berg Gamba	6.29%
Varner Equities AS	5.00%
Verdipapirfondet Holberg Norge	4.00%
Salt Value AS	2.87%
J.P. Morgan SE	2.62%
Verdipapirfondet KLP Aksjenorge	2.47%
Landkreditt Utbytte	2.41%
Vevlen Kapital AS	2.30%
VPF Sparebank 1 Norge Verdi	2.28%
Forsvarets Personellservice	2.09%
J.P. Morgan SE	1.83%
Verdipapirfondet DNB SMB	1.75%
Verdipapirfondet Alfred Berg Norge	1.44%
Verdipapirfondet DNB Norge	1.41%
The Bank of New York Mellon SA/NV	1.39%
Hausta Investor AS	1.23%
The Bank of New York Mellon SA/NV	1.20%
Verdipapirfondet DNB Norge Indeks	1.11%

Key Management Personnel Share holdings	31.12.2025	31.12.2024
Marianne Fulford	14,327	na
Mads Kigen	3,100	2,000
Anders Fjeld	na	138,000
Anders Lorentzson	na	na
Board of Directors		
Liv Berstad	1,270	1,270
Gyrid Skalleberg Ingerø	3,007	3,007
Karin Bing Orgland	32,629	32,629
Espen Gundersen	7,000	7,000
Jon Brannsten	1,000	-

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 610.0 term loan, Kid ASA also have a MNOK 300 flexible credit facility and a MNOK 300 overdraft credit facility that are used during the year. At year-end MNOK 112.4 (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 27.80 (MNOK 35.50). Gains or losses on the derivative instrument is recognised when the instrument expires, is sold or terminated. 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 2025 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, 8 April 2026

The board of directors, Kid ASA

Espen Gundersen Chair (Sign.)	Karin Bing Orgland Board member (Sign.)	Liv Berstad Board member (Sign.)
Gyrid Skalleberg Ingerø Board member (Sign.)	Jon Brannsten Board Member (Sign.)	Marianne Fulford Chief Executive Officer (Sign.)

Financial calendar 2026

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:

Q2-2025 revenue – 08.07.2026

Q3-2025 revenue – 08.10.2026

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