

M A T A S

Nordic strategy drives high revenue and earnings growth - revenue guidance narrowed upwards

Interim report H1 2024/25

(1 APRIL - 30 SEPTEMBER 2024)

G R O U P

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Webcast

Matas Group will host a webcast for investors and analysts on Friday, 15 November at 10:00 a.m. CET. The webcast and the presentation can be accessed from Matas’ investor website: <https://matasgroup.com/investors>.

Webcast access numbers for investors and analysts

DK: +45 78 76 84 90

SE: +46 8 1241 0952

NO: +47 2195 6342

UK: +44 203 769 6819

US: +1 646 787 0157

PIN for all countries: 915912

Link to webcast

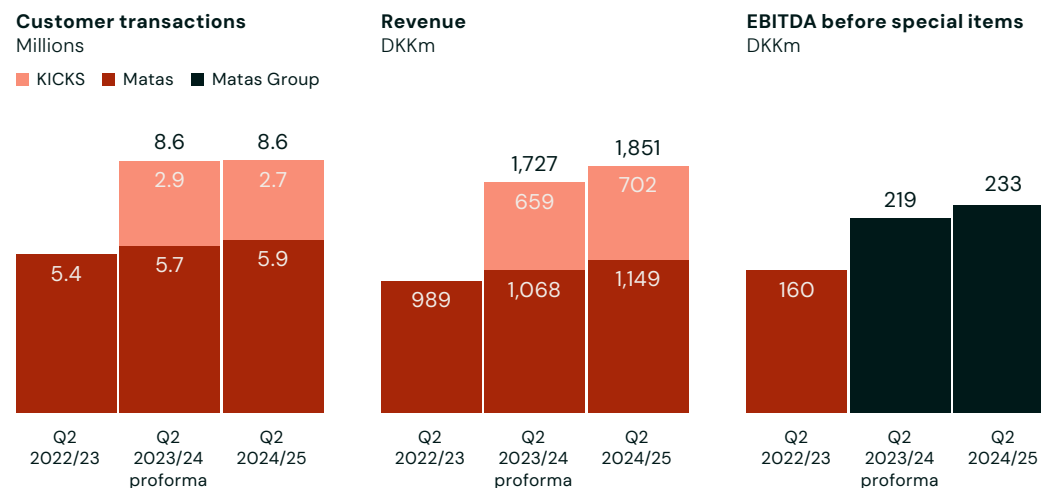
<https://matas-events.eventcdn.net/events/q2-report-2024>

Nordic strategy drives high revenue and earnings growth - revenue guidance narrowed upwards

- Matas Group generated a total revenue of DKK 1,851 million in Q2 2024/25 corresponding to a year-on-year increase of 44.0% from DKK 1,285 million in Q2 2023/24. Matas stand-alone growth in Q2 was 7.6% and KICKS stand-alone 5.7% currency neutral (10.4% excluding Skincity). Group proforma growth was 7.2% and with currency neutral growth of 6.8%.
 - Gross margin was 46.0% in the quarter, compared to 46.4% last year. Proforma gross margin was 45.8%. Key drivers in the improved margin were matured assortment expansion and synergies offset by price initiatives, discontinuation of certain in-house brands and Skincity impact at KICKS.
 - EBITDA before special items came to DKK 233 million in Q2 2024/25 compared to DKK 177 million last year. Proforma EBITDA currency neutral was DKK 218 million in Q2 2023/24. The EBITDA margin before special items was 12.6% in the quarter against 13.8% last year (12.6% proforma currency neutral).
 - Profit for the period amounted to DKK 24 million after tax compared to DKK 2 million last year
- (proforma loss of DKK 3 million). Q2 2024/25 was impacted by special items, net income of DKK 5 million, compared to special items, net expenses of DKK 39 million in Q2 2023/24.
- Free cash flow was an outflow of DKK 105 million in Q2 2024/25, reflecting early inventory build-up to de-risk KICKS' Logistics Center for Q3 and the construction of Matas' Logistics Center, compared with an outflow of DKK 781 million in Q2 2023/24, driven by the acquisition of KICKS.
 - Matas Group adjusts its revenue guidance for the financial year 2024/25. Group revenue is now expected to grow between 5% and 7% (from 4% to 7%) currency neutral, corresponding to ~4.6% to 6.6% exchange rate adjusted* (previously ~3.2% to 6.2%), from the proforma revenue for 2023/24 of DKK 7.8 billion. The EBITDA margin before special items in 2024/25 is expected to be in the range of 14.5% and 15.5% (from proforma base of 14.3% in 2023/24). Investments, excluding M&A, are expected to be DKK ~650 million, including approximately DKK 325 million for Matas' Logistics Center.

“Customers continue to show their passion for beauty across the Nordics. Our growth accelerated to 7% in Q2 with standout growth of 24% online in KICKS. After one year as a Nordic Group, we are offering more deals and better prices, introducing more brands and delivering products faster while keeping margins stable. We passed one million members in Norway and two millions members in Denmark, orchestrated our very first pan-Nordic introduction of a new brand, and launched Matas Striberne in KICKS. Behind the scenes, KICKS' Logistics Center is ramped up and Matas' Logistics Center is nearing completion. We remain confident in delivering synergies on time. We are now ready for the all-important Christmas quarter with stores packed with products. We adjust our revenue guidance for the financial year to 5-7%.”

Gregers Wedell-Wedellsborg, Group CEO



* Based on actual exchange rates for H1 2024/25 and forward rates for H2 2024/25 for NOK/DKK of 0.621 and SEK/DKK of 0.643 as of 13 November 2024.

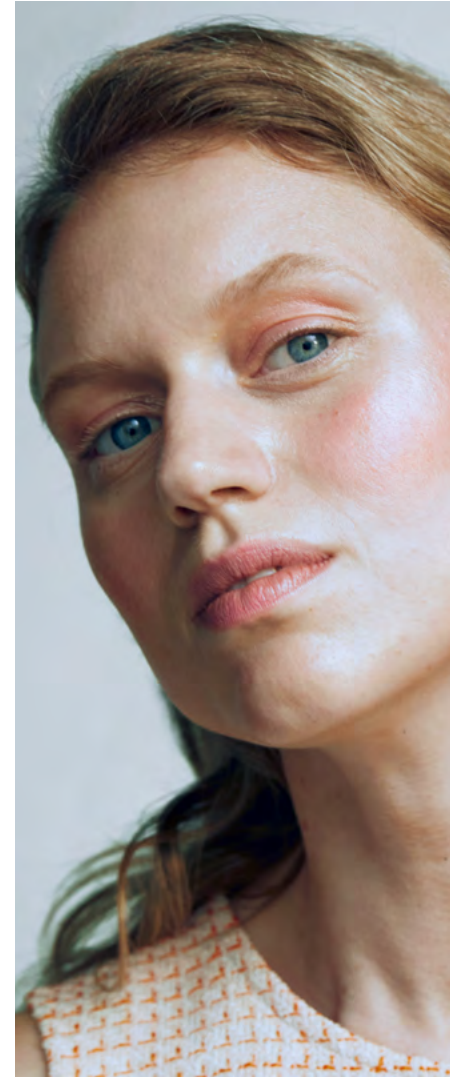
Q2 2024/25 highlights

- Matas Group's strategy to Win the Nordics is delivering as expected with proforma revenue growth of 6.8% currency neutral in Q2 and proforma EBITDA before special items growth of 6.8% currency neutral.
- Matas stand-alone growth in Q2 was 7.6%, online was 18.7% and Matas stores grew 2.4% like-for-like. KICKS stand-alone grew 5.7% currency neutral. KICKS excluding Skincity grew 10.4% currency neutral, and KICKS online excluding Skincity grew 24% and stores grew 2.4% like-for-like.
- Customer traffic was good, and the number of transactions came to 8.6 million in Q2 2024/25 which were at level with proforma numbers in Q2 2023/24. The average basket size grew by 7.6% to DKK 212 per transaction compared to proforma Q2 last year.
- Gross profit for Q2 2024/25 amounted to DKK 852 million, up from DKK 596 million in Q2 2023/24 (proforma gross profit in Q2 2023/24 amounted to DKK 791 million). The gross margin was 46.0% in the quarter, compared to 46.4% last year. Proforma gross margin was 45.8%. Key drivers in the improved margin were matured assortment expansion and synergies offset by price initiatives, discontinuation of certain in-house brands and Skincity impact at KICKS.
- Other external costs amounted to DKK 235 million in Q2 2024/25, up from DKK 150 million in Q2 2023/24 (proforma DKK 215 million) driven by the KICKS acquisition and high digital growth.
- Q2 2024/25 staff costs amounted to DKK 389 million, up from DKK 272 million in Q2 2023/24 (proforma DKK 362 million) driven by the KICKS acquisition, annual salary adjustments and increased online sales as well as recruitment of new competencies. Q2 2024/25 staff costs were negatively impacted by around DKK 10 million relating to KICKS' Logistics Center inventory build-up for Q3 and learning curve.
- Special items amounted to DKK 5 million net income from a reversal of an accrual for deferred acquisition cost in Q2 2024/25, compared to DKK 39 million net expense in Q2 2023/24 related to the KICKS acquisition.
- EBITDA before special items came to DKK 233 million in Q2 2024/25 compared to DKK 177 million last year (proforma currency neutral DKK 218 million), and the EBITDA margin before special items was 12.6% in the quarter against 13.8% last year (12.6% proforma currency neutral).
- The total depreciation, amortisation and impairment charges amounted to DKK 157 million in Q2 2024/25, up by DKK 44 million and mainly attributable to the acquisition of KICKS.
- Profit for the period amounted to DKK 24 million after tax compared to DKK 2 million last year (proforma loss of DKK 3 million). The increase reflects the continued growth of Matas Group.
- Free cash flow was an outflow of DKK 105 million in Q2 2024/25 compared with an outflow of DKK 781 million in Q2 2023/24.



H1 2024/25 highlights

- Matas Group's strategy to Win the Nordics is delivering as expected with proforma revenue growth of 6.4% currency neutral in H1 2024/25 and proforma EBITDA before special items growth of 7.6% currency neutral.
- Matas stand-alone growth in H1 was 7.8%. Growth online was 20% and stores grew 3.1%. KICKS stand-alone grew 4.2% currency neutral in H1. KICKS excluding Skincity grew 8.6% currency neutral, and KICKS online excluding Skincity grew 22.4% and stores grew 4.5%.
- Customer traffic was good and the number of transactions came to 17.5 million in H1 similar to proforma numbers for H1 2023/24. The average basket size grew by 6.5% to DKK 214 per transaction compared to proforma H1 last year.
- Gross profit for H1 2024/25 amounted to DKK 1,755 million, up from DKK 1,118 million in H1 2023/24 (proforma gross profit in H1 2023/24 amounted to DKK 1,630 million). The gross margin was 46.1%, up from 45.9% in H1 2023/24. The proforma gross margin was 45.7%. Key drivers in the improved margin were matured assortment expansion, higher subsidies from suppliers and synergies, offset by price initiatives, discontinuation of certain in-house brands and Skincity impact at KICKS.
- Other external costs amounted to DKK 451 million in H1 2024/25, up from DKK 257 million in H1 2023/24 (proforma DKK 417 million), driven by the KICKS acquisition and high digital growth.
- H1 2024/25 staff costs amounted to DKK 788 million, up from DKK 487 million (proforma DKK 734 million) in H1 2023/24 driven by the KICKS acquisition, salary increases, supply chain transformation at KICKS and increased online sales as well as recruitment of new competencies.
- Special items amounted to DKK 12 million in H1 2024/25, compared to DKK 60 million in H1 2023/24, which related to the acquisition of KICKS.
- EBITDA before special items came to DKK 526 million in H1 2024/25 compared to DKK 378 million last year (proforma currency neutral DKK 489 million), and the EBITDA margin before special items was 13.8% in H1 against 15.5% last year (13.7% proforma currency neutral).
- The total depreciation, amortisation and impairment charges were DKK 315 million in H1 2024/25, up by DKK 111 million and mainly attributable to the acquisition of KICKS.
- Profit for the period amounted to DKK 83 million after tax compared to DKK 51 million last year (proforma DKK 39 million). The increase reflects the continued growth of Matas Group and the improved gross margin.
- Free cash flow was an outflow of DKK 73 million in H1 2024/25, reflecting early inventory build-up to de-risk KICKS' Logistics Center for Q3 and the construction of Matas' Logistics Center, compared with an outflow of DKK 580 million in H1 2023/24, which related to the acquisition of KICKS.



Key financials

| (DKKm) | Q2 2024/25 | Q2 2023/24 | Growth (%) | Proforma Q2 2023/24 | Proforma Growth (%) | Proforma currency neutral growth (%) | H1 2024/25 | H1 2023/24 | Growth (%) | Proforma H1 2023/24 | Proforma Growth (%) | Proforma currency neutral growth (%) |
|--|---------------|---------------|---------------|---------------------------|---------------------------|--|---------------|---------------|---------------|---------------------------|---------------------------|--|
| Statement of comprehensive income | | | | | | | | | | | | |
| Revenue | 1,851 | 1,285 | 44.0% | 1,727 | 7.2% | 6.8% | 3,807 | 2,435 | 56.3% | 3,568 | 6.7% | 6.4% |
| Gross profit * | 852 | 596 | 42.9% | 791 | 7.7% | 7.2% | 1,755 | 1,118 | 56.9% | 1,630 | 7.6% | 7.3% |
| EBITDA | 238 | 138 | 72.3% | 180 | 32.5% | 32.9% | 514 | 318 | 61.7% | 428 | 20.1% | 19.9% |
| EBIT | 81 | 25 | 224.0% | 24 | 239.7% | | 199 | 114 | 74.8% | 117 | 69.5% | |
| Net financials | (50) | (21) | 131.5% | (27) | 87.6% | | (92) | (44) | 104.4% | (62) | 46.8% | |
| Profit before tax | 31 | 4 | 778.1% | (3) | - | | 107 | 70 | 55.6% | 55 | 95.3% | |
| Profit for the period | 24 | 2 | 1,448.1% | (3) | - | | 83 | 51 | 65.3% | 39 | 112.0% | |
| Special items included in EBITDA | 5 | (39) | - | (39) | - | | (12) | (60) | (80.1)% | (60) | (80.1)% | |
| EBITDA before special items | 233 | 177 | 31.4% | 219 | 6.5% | 6.8% | 526 | 378 | 39.1% | 489 | 7.7% | 7.6% |
| Adjusted profit after tax | 26 | 47 | (44.8)% | 42 | (38.4)% | | 111 | 125 | (11.5)% | 114 | (2.8)% | |
| Statement of financial position | | | | | | | | | | | | |
| Total assets | | | | | | | 9,284 | 8,625 | | | | |
| Total equity | | | | | | | 3,501 | 3,364 | | | | |
| Net working capital | | | | | | | 656 | 261 | | | | |
| Net interest-bearing debt | | | | | | | 3,478 | 3,003 | | | | |
| Statement of cash flows | | | | | | | | | | | | |
| Cash flow from operating activities | 39 | (74) | | | | | 280 | 178 | | | | |
| Cash flow from investing activities | (144) | (707) | | | | | (353) | (758) | | | | |
| Free cash flow | (105) | (781) | | | | | (73) | (580) | | | | |

Q2 and H1 2023/24 include KICKS acquired and consolidated as of 1 September 2023, and Proforma Q2 and H1 2023/24 include KICKS as if Matas Group had owned KICKS since 1 April 2023.

* Gross profit and other external costs for Q2 and H1 2023/24 have been restated in accordance with the change in accounting policies in 2023/24 as described in the Annual Report for 2023/24 note 1.

Key financials

| (DKKm) | Q2 2024/25 | Q2 2023/24 | Proforma Q2 2023/24 | H1 2024/25 | H1 2023/24 | Proforma H1 2023/24 |
|---|---------------|---------------|---------------------------|---------------|---------------|---------------------------|
| Ratios | | | | | | |
| Revenue growth | 44.0% | 29.9% | 7.2% | 56.3% | 19.2% | 6.7% |
| Gross margin | 46.0% | 46.4% | 45.8% | 46.1% | 45.9% | 45.7% |
| EBITDA margin | 12.8% | 10.7% | 10.4% | 13.5% | 13.1% | 12.0% |
| EBITDA margin before special items | 12.6% | 13.8% | 12.7% | 13.8% | 15.5% | 13.7% |
| EBIT margin | 4.4% | 1.9% | 1.4% | 5.2% | 4.7% | 3.3% |
| Cash conversion | (49.2)% | (72.5)% | | (10.2)% | 24.2% | |
| Earnings per share, DKK | 0.64 | 0.04 | (0.09) | 2.20 | 1.33 | 1.04 |
| Diluted earnings per share, DKK | 0.64 | 0.04 | (0.09) | 2.19 | 1.32 | 1.03 |
| Share price, end of period, DKK | | | | 124.6 | 97.6 | |
| ROIC before tax including goodwill | | | | 8.4% | 8.3% | |
| ROIC before tax excluding goodwill | | | | 21.1% | 28.0% | |
| Net working capital as a percentage of LTM revenue | | | | 8.1% | 5.4% | |
| Investments as a percentage of revenue | 7.8% | 55.0% | | 8.9% | 31.1% | |
| Net interest-bearing debt/LTM EBITDA before special items | | | | 3.0 | 2.8 | |
| Number of transactions (millions)* | 8.6 | 6.6 | 8.6 | 17.5 | 12.6 | 17.5 |
| Average basket size (DKK)* | 212 | 189 | 197 | 214 | 189 | 201 |
| Number of stores | | | | 496 | 488 | |
| Club members Matas and KICKS (millions) | | | | 5.8 | 5.5 | |
| Club Matas Plus members (thousands) | | | | 111.5 | 85.7 | |
| Average number of employees (FTE) | 3,468 | 2,620 | 3,479 | 3,414 | 2,337 | 3,347 |

* For definitions of key financials, see page 106 of the 2023/24 Annual Report.

Management's review

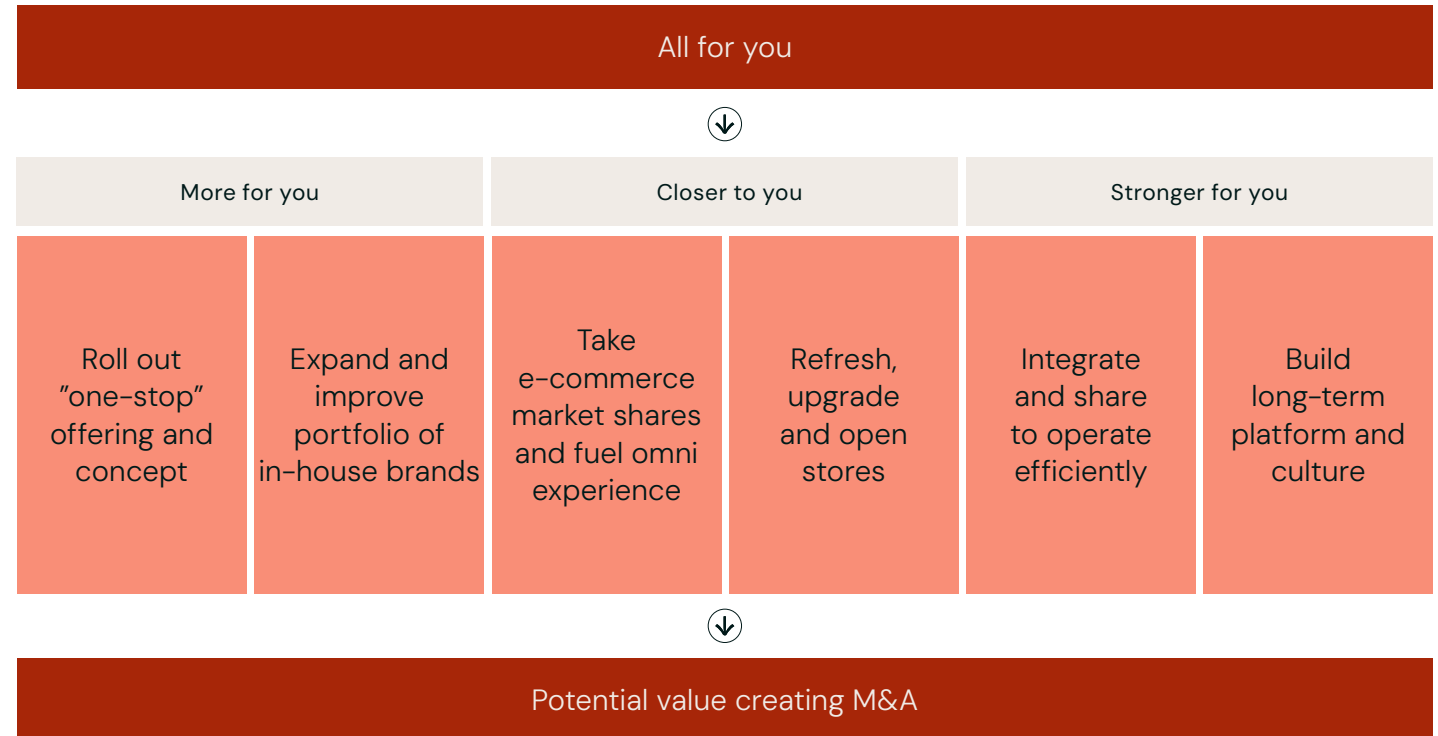
On 28 May 2024, Matas Group announced its new strategy, Win the Nordics, in connection with the Annual Report for 2023/24 and the Capital Markets Day.

Win the Nordics is a growth strategy with six customer centric strategic priorities for the mid-term to outgrow the market while improving margins and building the long-term platform. The strategy continued to progress as planned.

Synergies are on track to deliver improvements of DKK >100 million fully phased in by 2025/26. The implementation of a new Nordic organisation was completed in April 2024, while synergies from the Group sourcing setup and other effects from scale and best practice sharing are on track. Matas Group is re-investing in growth and capabilities, as well as in Matas' Logistics Center (MLC) and IT to support future growth and margins.



Matas Group strategic priorities



Win the Nordics – Strategic initiatives in Q2 2024/25

More for you

01 Roll out "one-stop" offering and concept

- Matas Group successfully launched the Gen Z brand e.l.f. online and in stores in September, creating hype on social media and attracting new Gen Z customers.
- Matas Group also successfully launched the hyped brand MILK in July.
- Matas launched Dyson Beauty (hair tools) online and in stores in July. In total, Matas launched 50 new brands in Q2.
- KICKS launched 11 new Pro-hair brands, including Kevin Murphy, to strengthen its position within Hair. In total, KICKS launched 18 new brands in Q2 2024/25.

02 Expand and improve portfolio of in-house brands

- KICKS launched Matas Striber (haircare and bodycare) in stores and online across Sweden, Norway and Finland in September 2024. The launch is off to a good start.
- Matas in-house brands delivered growth compared Q2 last year, driven by growth in Matas Striber across Skincare, Haircare and Vital (Vitamins and Supplements). Key brand Nilens Jord generated more than 9% growth in Q2 2024/25. Matas in-house brands accounted for 17.9% of revenues from stores and matas.dk.
- To focus on power brands, KICKS have discontinued 5 non-performing in-house brands in the last 12 months.

Closer to you

03 Take e-commerce market shares and fuel omni experience

- Group proforma online growth was 14.4% in Q2, despite continued integration of Skincity into KICKS online offering. Online growth in Matas was 18.7%. KICKS online excluding Skincity grew 24% in Q2.
- Skincity on track to be fully integrated into KICKS by year-end.
- Club Matas passed 2 million members during the quarter. KICKS passed one million members in Norway. In total, Matas Group has 5.8 million club members.

04 Refresh, upgrade and open stores

- With ~500 stores across Denmark, Sweden, Norway and Finland, the stores play an important role in the omni-channel and still account for two thirds of revenues.
- During the quarter, Matas opened one new store and relocated one store. The store NPS improved from Q2 last year.
- Both connected retail (sale of online products from the stores) and click and collect increased significantly in Q2 compared to the same period last year.
- KICKS opened a new store in Norway during Q2 and also opened a new flagship store in Helsinki in a prime location in October 2024. With over a thousand enthusiastic customers in line, significant attention on social media and extensive media coverage, the opening was a success.

Stronger for you

05 Integrate and share to operate efficiently

- As of 1 April 2024, our new organisational structure was implemented with focus on closeness to the markets and with three Nordic Groupwide functions to drive efficiency, synergies and leverage our scale.
- Our new automated distribution centers are a platform for long-term profitable growth across the Nordics. The two logistics centers will facilitate expanded assortment, strengthen fast and efficient deliveries and contribute to reducing overall logistic costs.
- The new KICKS Logistics Center outside of Stockholm is in operation and ramped up for the important Christmas quarter.
- The construction of Matas' Logistics Center (MLC), which will more than double Matas overall capacity of web orders when fully operational in 2025, is progressing according to plan.

06 Build long-term platform and culture

- We continue to build a long-term platform and culture. This includes a consolidated Group IT platform to foster collaboration and scale benefits to among others drive enhanced investments in AI and analytics, both in the front-end and back-end as this is fundamental to maintain a competitive advantage.

Q2 and H1 2024/25 performance

Revenue

Matas Group generated total revenue of DKK 1,851 million in Q2 2024/25, a year-on-year increase of 44.0% from DKK 1,285 million in Q2 2023/24. Retail sales were up by 45.3% to DKK 1,825 million.

Total revenue grew DKK 566 million compared to Q2 2023/24 (proforma growth DKK 124 million). Matas stand-alone grew DKK 81 million or 7.6%. The remaining growth of DKK 485 million (proforma growth DKK 42 million) reflects KICKS, and KICKS stand-alone grew 5.7% proforma currency neutral. KICKS growth was impacted by the integration of Skincity into KICKS. KICKS excluding Skincity grew 10.4% proforma currency neutral, and KICKS online excluding Skincity grew 24.0% in Q2.

DKK 540 million of the KICKS revenue was within the High-end Beauty category in Q2 2024/25 and the rest in Mass Beauty. The total revenue for Q2 2024/25 within Beauty grew DKK 89 million or 6.6% compared to proforma Q2 2023/24.

Growing sales by DKK 365 million, the physical stores recorded the largest absolute increase and online grew sales by DKK 204 million mainly due to the acquisition of KICKS. Store revenue for Q2 2024/25 grew DKK 54 million or 4.5% compared to

Revenue by categories and sales channels

| (DKKm) | Q2 2024/25 | Q2 2023/24 | Growth (%) | Proforma Q2 2023/24 | Proforma Growth (%) | H1 2024/25 | H1 2023/24 | Growth (%) | Proforma H1 2023/24 | Proforma Growth (%) |
|---------------------------------------|---------------|---------------|---------------|---------------------------|---------------------------|---------------|---------------|---------------|---------------------------|---------------------------|
| Categories | | | | | | | | | | |
| High-end Beauty | 899 | 491 | 82.9% | 818 | 9.9% | 1,858 | 863 | 115.2% | 1,698 | 9.4% |
| Mass Beauty | 537 | 415 | 29.3% | 529 | 1.5% | 1,117 | 826 | 35.2% | 1,113 | 0.4% |
| Health and Wellbeing | 338 | 323 | 4.8% | 323 | 4.6% | 699 | 636 | 10.0% | 637 | 9.8% |
| Other | 51 | 27 | 89.7% | 28 | 83.3% | 77 | 52 | 47.7% | 62 | 24.5% |
| Retail revenue | 1,825 | 1,256 | 45.3% | 1,698 | 7.5% | 3,751 | 2,377 | 57.8% | 3,510 | 6.9% |
| Retail revenue by category (%) | | | | | | | | | | |
| High-end Beauty | 49% | 39% | | 48% | | 49% | 36% | | 48% | |
| Mass Beauty | 29% | 33% | | 31% | | 30% | 35% | | 32% | |
| Health and Wellbeing | 19% | 26% | | 19% | | 19% | 27% | | 18% | |
| Other | 3% | 2% | | 2% | | 2% | 2% | | 2% | |
| | 100% | 100% | | 100% | | 100% | 100% | | 100% | |
| Sales channels | | | | | | | | | | |
| Physical stores | 1,247 | 882 | 41.4% | 1,193 | 4.5% | 2,574 | 1,677 | 53.5% | 2,482 | 3.7% |
| Online | 578 | 374 | 54.4% | 505 | 14.4% | 1,177 | 700 | 68.0% | 1,028 | 14.5% |
| Wholesale | 26 | 29 | (8.5)% | 29 | -8.5% | 56 | 58 | (3.5)% | 58 | (3.5)% |
| Total revenue | 1,851 | 1,285 | 44.0% | 1,727 | 7.2% | 3,807 | 2,435 | 56.3% | 3,568 | 6.7% |
| Revenue by sales channel (%) | | | | | | | | | | |
| Physical stores | 67% | 69% | | | | 68% | 69% | | 69% | |
| Online | 31% | 29% | | | | 31% | 29% | | 29% | |
| Wholesale | 2% | 2% | | | | 1% | 2% | | 2% | |
| | 100% | 100% | | | | 100% | 100% | | 100% | |

proforma Q2 2023/24. Matas stand-alone revenue in stores grew by 3.5%, while online Matas stand-alone had a growth rate of 18.7% compared to Q2 2023/24.

The number of transactions increased by 29.7% to 8.6 million compared to 6.6 million in Q2 2023/24, while the average basket size increased by 12% to DKK 212 per transaction in the quarter compared to DKK 189 in Q2 2023/24. The increase was mainly attributable to the KICKS transaction. Proforma number of transactions came to 8.6 million in Q2 2024/25 as in Q2 2023/24, and the average basket size increased by 7.6% to DKK 212 per transaction compared to proforma Q2 2023/24.

Revenue for H1 2024/25 amounted to DKK 3,807 million corresponding to an increase of 56.3% from the year-earlier period (proforma increase of 6.7%), while Matas stand-alone sales grew by 7.8% and KICKS stand-alone grew 4.2% proforma currency neutral.

In H1 2024/25 the number of transactions increased by 39.0%, while the average basket size grew 13.5%. The increase was mainly attributable to the KICKS transaction. The number of transactions came to 17.5 million in H1 similar to proforma numbers for H1 2023/24. The average basket size grew by 6.5% to DKK 214 per transaction compared to proforma H1 last year.



Performance by category

Both High-end and Mass Beauty reported significantly higher sales in Q2 2024/25 compared to Q2 2023/24 mainly due to the acquisition of KICKS.

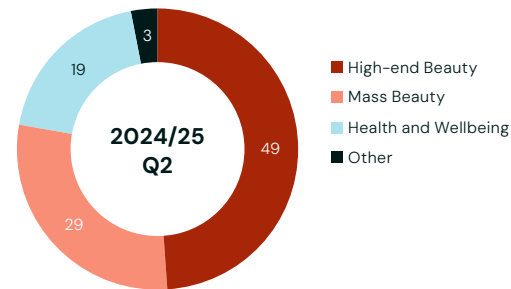
The Beauty segment accounted for 78% of the retail revenue, compared to 72% in Q2 2023/24.

High-end Beauty was the primary growth driver with 9.9% growth when looking at the proforma performance for Q2. Sales of make-up, women's fragrances and professional haircare and salon treatments recorded ongoing significant growth during the quarter.

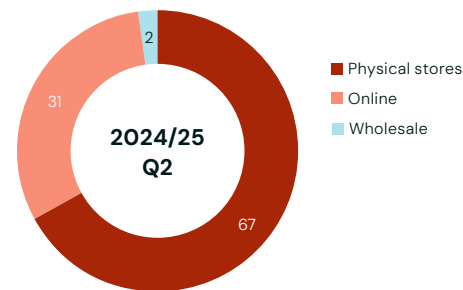
For Matas stand-alone, the in-house brands sales, including Nilens Jord, Flora Danica and Miild, accounted for 17.9% of the revenue generated by Matas stores and matas.dk in Q2 2024/25, a decrease of 0.4 percentage points compared to Q2 2023/24.

For HI, the beauty categories had the highest absolute growth mainly due to the acquisition of KICKS.

Retail revenue by category (%)



Revenue by sales channel (%)



Categories

Matas Group is characterised by its wide assortment of beauty, personal care, health, wellbeing and problem-solving household products. This broad product range creates a unique one-stop retail value proposition for the Group's customers in the shape of four categories.

High-end Beauty

Luxury beauty products, including cosmetics, skin and haircare products and fragrances. High-end beauty is the largest category in KICKS.

Mass Beauty

Everyday beauty products and personal care, including cosmetics, skin and haircare products.

Health and Wellbeing

MediCare (OTC medicine and nursing products). Vitamins, minerals, health supplements, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Mother and child. Sexual wellness, Personal care products (oral, foot and intimate care and hair removal) and special skincare.

Other

Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and gardening (cleaning and maintenance, electrical products, interior decoration and textiles) and other.

Performance by sales channel

Physical stores grew revenue by 41.4% or DKK 365 million to DKK 1,247 million compared to Q2 2023/24. Proforma growth Q2 amounted DKK 54 million or 4.5%. Matas stand-alone grew revenues in stores by 3.5%, including four additional stores. KICKS stand-alone grew 5.9% proforma currency neutral in Q2, including four additional stores. The number of stores end of September was 266 in Matas and 230 in KICKS.

Like-for-like Matas stores grew 2.4% and KICKS stores grew 2.4%.

Online sales were up by 54.4% or DKK 204 million to DKK 578 million. Proforma growth Q2 amounted DKK 73 million or 14.4%. Matas stand-alone online business grew 18.7%. KICKS stand-alone grew 5.1% proforma currency neutral in Q2. KICKS online excluding Skincity grew 24% in Q2. Overall, online sales accounted for 31% of Q2 2024/25 revenue against 29% in Q2 2023/24.

In Q2 2024/25, wholesale decreased by DKK 3 million to DKK 26 million.

Wholesale reported a revenue decline of DKK 2 million to DKK 56 million in H1 2024/25.

Sales channels

At 30 September 2024, Matas consisted of 266 physical stores – 265 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. KICKS added 230 physical stores at 30 September 2024. 67% of Q2 2024/25 revenue was generated by the Group's 496 physical stores.

In addition, the Group was present online through matas.dk, nilensjord.dk and several web shops operated by Firtal. KICKS is present online through kicks.se/no/fi and skincity.com/se/no/fi. 31% of consolidated revenue was generated through Matas Group's online channels.

Wholesale mainly consists of wholesale from Web Sundhed, Grænn and international wholesale of Matas' house brands in Germany. Wholesale accounted for 2% of revenue for the quarter.



Costs and operating performance

Gross profit for Q2 2024/25 amounted to DKK 852 million, up from DKK 596 million (proforma DKK 791 million) in Q2 2023/24.

The gross margin was 46.0% in the quarter, compared to 46.4% last year. Proforma gross margin was 45.8%. Key drivers in the improved margin were matured assortment expansion and synergies offset by price initiatives, discontinuation of certain in-house brands and Skincity impact at KICKS.

The gross margin was 46.1%, up from 45.9% in H1 2023/24. The proforma gross margin was 45.7%. Key drivers in the improved margin were matured assortment expansion, higher subsidies from suppliers and synergies, offset by price initiatives, discontinuation of certain in-house brands and Skincity impact at KICKS.

Adjusted for special items, overall costs (other external costs and staff costs) increased in line with revenues and accounted for 33.7% of revenue in Q2 2024/25 against 32.8% the year before and 33.4% proforma Q2 2023/24.

Other external costs amounted to DKK 235 million in Q2 2024/25 or 12.7% of revenue, up from DKK 150 million in Q2 2023/24 equal to 11.7% of

revenue, (proforma DKK 215 million or 12.5% of revenue in Q2 2023/24).

Other external costs amounted to DKK 451 million in H1 2024/25, up from DKK 257 million in H1 2023/24, (proforma DKK 417 million).

Increase in other external cost was due to the acquisition of KICKS as well as continued execution of Win the Nordics Group strategy and digital growth which impacted marketing and freight costs.

Staff costs amounted to DKK 389 million or 21.0% of revenue in Q2 against DKK 272 million or 21.1% of revenue in the year-earlier period, (proforma DKK 362 million or 20.9% of revenue in Q2 2023/24). Q2 2024/25 staff costs were negatively impacted by around DKK 10 million relating to KICKS' Logistics Center inventory build-up for Q3 and learning curve.

In H1 2024/25, the staff costs amounted to DKK 788 million compared to DKK 487 million in the year-earlier period and DKK 734 million proforma H1 2023/24.

The increase in staff costs was besides KICKS acquisition related to salary increases (collective

wage agreements), supply chain transformation at KICKS and increased online sales as well as recruitment of new competencies to execute the Win the Nordics strategy.

In H1 2024/25, Matas Group had 3,414 full-time employees, against 2,337 in the year-earlier period. The addition mainly relates to KICKS acquisition.

EBITDA before special items in Q2 2024/25 came to DKK 233 million against DKK 177 million in Q2 2023/24 (DKK 218 million proforma currency neutral). EBITDA margin before special items was 12.6% in Q2 2024/25, against 13.8% in the year-earlier period (12.6% proforma currency neutral).

Special items amounted to net income of DKK 5 million in Q2 2024/25 where DKK 7 million related to reversal of accrual for deferred acquisition cost in respect of Web Sundhed.

| Costs (DKKm) | Q2 2024/25 | Q2 2023/24 | Growth (%) | Proforma Q2 2023/24 | Proforma growth (%) |
|----------------------------|------------|------------|------------|---------------------|---------------------|
| Other external costs | 235 | 150 | 56.9% | 215 | 9.4% |
| As a percentage of revenue | 12.7% | 11.7% | | 12.5% | |
| Staff costs | 389 | 272 | 43.2% | 362 | 7.5% |
| As a percentage of revenue | 21.0% | 21.1% | | 20.9% | |

| Costs (DKKm) | H1 2024/25 | H1 2023/24 | Growth (%) | Proforma H1 2023/24 | Proforma growth (%) |
|----------------------------|------------|------------|------------|---------------------|---------------------|
| Other external costs | 451 | 257 | 75.2% | 417 | 8.1% |
| As a percentage of revenue | 11.9% | 10.6% | | 11.7% | |
| Staff costs | 788 | 487 | 61.9% | 734 | 7.3% |
| As a percentage of revenue | 20.7% | 20.0% | | 20.6% | |

EBITDA before special items in H1 2024 came to DKK 526 million against DKK 378 million in H1 2023/24 and DKK 489 million proforma H1 2023/24. EBITDA margin before special items was 13.8% in H1 2024/25, against 15.5% in the year-earlier period (13.7% proforma currency neutral).

Special items amounted to net expense of DKK 12 million in H1 2024/25 compared to DKK 60 million in H1 2023/24.

In H1 2024/25, DKK 9 million of the special items related to integration cost and DKK 10 million to celebrating Matas' 75-year anniversary, less income of DKK 7 million from reversal of accrual for deferred acquisition cost. In H1 2023/24, special items amounted to DKK 60 million related to the KICKS acquisition.

Since the acquisition of KICKS, DKK 82 million of integration cost has been expensed and up to DKK 18 million is expected as integration cost in the remaining of the financial year 2024/25.

Depreciation, amortisation and impairment

The total amortisation, depreciation and impairment charges were up by DKK 44 million to DKK 157 million in Q2 2024/25, mainly attributable to KICKS.

In H1 2024/25, total amortisation, depreciation and impairment charges amounted to DKK 315 million compared to DKK 204 million in H1 2023/24 (proforma DKK 311 million), mainly attributable to KICKS.

Net financials

Net financial expenses increased by DKK 29 million to a net expense of DKK 50 million in Q2 2024/25.

In H1 2024/25, net financial expenses increased by DKK 48 million to a net expense of DKK 92 million compared to the year-earlier period. Increase in Q2 and H1 is mainly driven by higher interest-bearing debt reflecting the acquisition of KICKS.

Profit for the period

Profit for the period amounted to DKK 24 million after tax, against DKK 2 million in Q2 2023/24 (proforma loss of DKK 3 million).

Adjusted profit after tax amounted to DKK 26 million in Q2 2024/25 compared to DKK 47 million in the year-earlier period (proforma DKK 42 million).

In H1 2024/25, profit for the period amounted to DKK 83 million after tax, against DKK 51 million in H1 2023/24 (proforma DKK 39 million).

In H1 2024/25, adjusted profit after tax amounted to DKK 111 million against DKK 125 million in H1 2023/24 (proforma DKK 114 million).

Statement of financial position

Total assets amounted to DKK 9,284 million on 30 September 2024, up from DKK 8,625 million at 30 September 2023.

Non-current assets increased by DKK 198 million to DKK 6,579 million.

| Cash flows (DKKm) | Q2 2024/25 | Q2 2023/24 | H1 2024/25 | H1 2023/24 |
|--|------------|------------|------------|------------|
| Cash generated from operations | 39 | (74) | 280 | 178 |
| Cash flow from investing activities | (144) | (707) | (353) | (758) |
| Free cash flow excl. acquisitions of subs. | (105) | (164) | (58) | 37 |
| Acquisition of subsidiaries and operations | - | (617) | (15) | (617) |
| Free cash flow | (105) | (781) | (73) | (580) |
| Cash flows from financing activities | 51 | 974 | 41 | 803 |

Current assets totalled DKK 2,705 million, a year-on-year rise of DKK 463 million.

Inventories amounted to DKK 2,396 million at 30 September 2024 which is an increase of DKK 641 million compared to the end of Q2 2023/24. KICKS accounted for DKK 1,160 million. Inventories accounted for 29.7% of LTM revenue at 30 September 2024 compared to 23.0% at 30 September 2023. Matas stand-alone inventories accounted for 24.7% of LTM revenue at 30 September 2024 compared to Matas stand-alone 23.0% at 30 September 2023. The inventory increase is mainly early build-up for Q3, but also reflects our assortment expansion.

Trade receivables increased by DKK 15 million to DKK 83 million. KICKS accounted for DKK 59 million. Trade payables increased by DKK 334 million year-on-year. KICKS accounted for DKK 712 million of total trade payables of DKK 1,471 million.

Net working capital excluding deposits amounted to DKK 656 million at 30 September 2024 against

DKK 261 million at 30 September 2023. The increase is due to higher inventory of which more than half was financed with supplier debt.

Cash and cash equivalents amounted to DKK 102 million, down from DKK 261 million the year before.

Equity amounted to DKK 3,501 million at 30 September 2024 compared to DKK 3,365 million at 30 September 2023.

Net interest-bearing debt amounted to DKK 3,478 million at 30 September 2024, a year-on-year increase of DKK 472 million. The gearing ratio was 3.0 times LTM EBITDA before special items, which is in line with our long-term target of a level between 2 and 3.

Gross interest-bearing debt stood at DKK 3,580 million at 30 September 2024, including lease liabilities of DKK 1,123 million. At 30 September 2023 gross interest-bearing debt stood at DKK 3,265 million, including lease liabilities of DKK 1,226 million.

At 30 September 2024, the Company's share capital consisted of 38,291,492 shares of DKK 2.50 each, corresponding to a share capital of DKK 95,728,730. 190,241 treasury shares were vested in the period under review in connection with the exercise of the 2021/22 incentive programme, Matas held 107,474 treasury shares at 30 September 2024.

Statement of cash flows

Cash generated from operations was an inflow of DKK 39 million in Q2 2024/25 against an outflow of DKK 74 million in Q2 2023/24 corresponding to an increase of DKK 113 million.

In H1 2024/25, cash generated from operations was an inflow of DKK 280 million compared to an inflow of DKK 178 million in H1 2023/24.

In H1 2024/25, changes in working capital were an outflow of DKK 242 million compared to an outflow of DKK 145 in the year-earlier period, the increase is mainly due to earlier inventory build-up for Q3.

For Q2 2024/25, cash flows from investing activities were an outflow of DKK 144 million against an outflow of DKK 707 million in Q2 2023/24.

For H1 2024/25, cash flows from investing activities were an outflow of DKK 353 million against an outflow of DKK 758 million in H1 2023/24. In 2024/25, the outflow mainly related to construction of Matas' Logistics Center while the outflow in

the year-earlier period mainly related to the KICKS acquisition.

The Q2 2024/25 free cash flow was an outflow of DKK 105 million compared to an outflow of DKK 781 million in Q2 2023/24.

The H1 2024/25 free cash flow was an outflow of DKK 73 million, compared to an outflow of DKK 580 million in H1 2023/24.

Return on invested capital

The return on LTM invested capital before tax was 8.4% at 30 September 2024 against 11.3% at 30 September 2023. ROIC before tax excluding goodwill was 21.1% at 30 September 2024 against 28.2% at 30 September 2023.

Events after the date of the statement of financial position

No subsequent events have occurred that materially affect the Matas Group's financial position.

Significant risks

Matas Group is exposed to operational risks affecting the retail industry in general as well as in the health and beauty industry. If the current macroeconomic environment leads to a slowing down of the economic activity, Matas Group's business could suffer. In addition, Matas Group is to some extent exposed to financial risks such as interest rate, liquidity, currency and credit risk.



Statement by the Board of Directors and the Executive Committee

The Board of Directors and the Executive Committee have today considered and approved the interim report of Matas A/S for the period 1 April to 30 September 2024.

The interim report, which has been neither audited nor reviewed by the Company's auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 30 September 2024 and of the results of the Group's operations and cash flows for the period 1 April to 30 September 2024.

Furthermore, in our opinion, the management's review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that the Group faces.

Allerød, 15 November 2024

Executive Committee

Gregers Wedell-Wedellsborg
Group CEO

Per Johannesen Madsen
Group CFO

Board of Directors

Lars Vinge Frederiksen
Chair

Mette Maix
Deputy Chair

Kenneth Melchior

Barbara Plucnar Jensen

Malou Aamund

Henrik Taudorf Lorensen

Espen Eldal

Statement of comprehensive income

| (DKKm) | Note | Q2 2024/25 | Q2 2023/24 | H1 2024/25 | H1 2023/24 |
|---|------|---------------|---------------|---------------|---------------|
| Revenue | 4, 5 | 1,851 | 1,285 | 3,807 | 2,435 |
| Cost of goods sold | | (999) | (689) | (2,052) | (1,317) |
| Gross profit | | 852 | 596 | 1,755 | 1,118 |
| Other external costs | | (235) | (150) | (451) | (257) |
| Staff costs | | (389) | (272) | (788) | (487) |
| Other operating income and expenses, net | | 5 | 3 | 10 | 4 |
| EBITDA before special items | | 233 | 177 | 526 | 378 |
| Special items | | 5 | (39) | (12) | (60) |
| EBITDA | | 238 | 138 | 514 | 318 |
| Depreciation, amortisation and impairment | | (157) | (113) | (315) | (204) |
| EBIT | | 81 | 25 | 199 | 114 |
| Share of profit or loss after tax of associates | | 0 | 0 | 0 | 0 |
| Financial income | | 0 | 3 | 2 | 3 |
| Financial expenses | | (50) | (24) | (94) | (47) |
| Profit before tax | | 31 | 4 | 107 | 70 |
| Tax on profit for the period | | (7) | (2) | (24) | (19) |
| Profit for the period | | 24 | 2 | 83 | 51 |
| Currency adjustment of foreign entities and loan | | 11 | 28 | 3 | 28 |
| Tax on currency adjustment of foreign entities and loan | | (2) | (6) | 0 | (6) |
| Other comprehensive income after tax | | 9 | 22 | 3 | 22 |
| Total comprehensive income | | 33 | 24 | 86 | 73 |
| Distributed as follows: | | | | | |
| Shareholders of Matas A/S | | 33 | 24 | 86 | 73 |
| Minority shareholders | | - | - | - | - |
| | | 33 | 24 | 86 | 73 |
| Earnings per share | | | | | |
| Earnings per share, DKK | | 0.64 | 0.04 | 2.20 | 1.33 |
| Diluted earnings per share, DKK | | 0.64 | 0.04 | 2.19 | 1.32 |



Statement of cash flows

| (DKKm) | Q2 2024/25 | Q2 2023/24 | H1 2024/25 | H1 2023/24 |
|---|---------------|---------------|---------------|---------------|
| Profit before tax | 31 | 4 | 107 | 70 |
| Depreciation, amortisations and impairment | 157 | 113 | 315 | 204 |
| Other non-cash operating items, net | 5 | 3 | 8 | 5 |
| Share of profit or loss after tax of associates | 0 | 0 | 0 | 0 |
| Financial income | 0 | (3) | (2) | (3) |
| Financial expenses | 50 | 24 | 94 | 47 |
| Cash generated from operations before changes in working capital | 243 | 141 | 522 | 323 |
| Changes in working capital | (204) | (215) | (242) | (145) |
| Cash generated from operations | 39 | (74) | 280 | 178 |
| Corporation tax paid | - | - | - | - |
| Cash flow from operating activities | 39 | (74) | 280 | 178 |
| Acquisition of intangible assets | (36) | (39) | (81) | (74) |
| Acquisition of property, plant and equipment | (108) | (51) | (257) | (67) |
| Acquisition of subsidiaries and operations | - | (617) | (15) | (617) |
| Cash flow from investing activities | (144) | (707) | (353) | (758) |
| Free cash flow | (105) | (781) | (73) | (580) |

| (DKKm) | Q2 2024/25 | Q2 2023/24 | H1 2024/25 | H1 2023/24 |
|---|---------------|---------------|---------------|---------------|
| Debt raised with credit institutions | 200 | 1,121 | 395 | 1,121 |
| Debt settled with credit institutions | - | - | - | (110) |
| Interest received | 0 | 3 | 2 | 3 |
| Interest paid | (50) | (22) | (94) | (44) |
| Repayment of lease liabilities | (99) | (52) | (196) | (91) |
| Dividend paid | - | (76) | (76) | (76) |
| Option agreement, received | - | - | 10 | - |
| Cash flow from financing activities | 51 | 974 | 41 | 803 |
| Net cash flow from operating, investing and financing activities | (54) | 193 | (32) | 223 |
| Currency adjustment | 2 | 2 | 3 | 2 |
| Cash and cash equivalents, beginning of period | 154 | 66 | 131 | 36 |
| Cash and cash equivalents, end of period | 102 | 261 | 102 | 261 |

The above cannot be derived directly from the statement of comprehensive income and the statement of financial position.

Statement of financial position

| (DKKm) | Note | 30 Sept 2024 | 30 Sept 2023 | 31 March 2024 |
|--|------|--------------|--------------|---------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Goodwill | | 4,098 | 4,094 | 4,096 |
| Trademarks and trade names | | 182 | 189 | 184 |
| Software | | 251 | 261 | 258 |
| Other intangible assets | | 138 | 142 | 132 |
| Total intangible assets | | 4,669 | 4,686 | 4,670 |
| Property, plant and equipment | | | | |
| Lease assets | 6 | 1,062 | 1,190 | 1,157 |
| Land and buildings | | 104 | 93 | 108 |
| Other fixtures and fittings, tools and equipment | | 90 | 79 | 89 |
| Leasehold improvements | | 205 | 70 | 208 |
| Plant in progress | | 384 | 207 | 170 |
| Total property, plant and equipment | | 1,845 | 1,639 | 1,732 |
| Investments in associates | | 1 | 1 | 1 |
| Deferred tax | | 17 | 9 | 17 |
| Deposits | | 47 | 48 | 47 |
| Other securities and equity investments | | 0 | 0 | 1 |
| Total other non-current assets | | 65 | 58 | 66 |
| Total non-current assets | | 6,579 | 6,383 | 6,468 |
| Current assets | | | | |
| Inventories | | 2,396 | 1,755 | 1,864 |
| Trade receivables | | 83 | 98 | 76 |
| Corporation tax receivable | | 6 | 3 | 17 |
| Other receivables | | 21 | 49 | 38 |
| Prepayments | | 97 | 76 | 74 |
| Cash and cash equivalents | | 102 | 261 | 131 |
| Total current assets | | 2,705 | 2,242 | 2,200 |
| Total assets | | 9,284 | 8,625 | 8,668 |

| (DKKm) | Note | 30 Sept 2024 | 30 Sept 2023 | 31 March 2024 |
|--|------|--------------|--------------|---------------|
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | | 96 | 96 | 96 |
| Translation reserve | | 20 | 22 | 17 |
| Treasury share reserve | | (12) | (21) | (43) |
| Retained earnings | | 3,396 | 3,267 | 3,315 |
| Dividend proposed for the financial year | | - | - | 76 |
| Equity, shareholders in Matas A/S | | 3,500 | 3,364 | 3,461 |
| Non-controlling interests | | 1 | 1 | 1 |
| Total equity | | 3,501 | 3,365 | 3,462 |
| Liabilities | | | | |
| Deferred tax | | 226 | 239 | 227 |
| Lease liabilities | 6 | 767 | 877 | 850 |
| Provisions | 7 | 28 | 28 | 28 |
| Credit institutions | | 2,258 | 1,848 | 2,007 |
| Other payables | 8 | 5 | 12 | 5 |
| Total non-current liabilities | | 3,284 | 3,004 | 3,117 |
| Credit institutions | | 199 | 191 | 55 |
| Lease liabilities | 6 | 356 | 349 | 360 |
| Provisions | 7 | 3 | - | 19 |
| Prepayments from customers | | 212 | 191 | 221 |
| Dividend | | - | - | - |
| Trade payables | | 1,471 | 1,137 | 1,070 |
| Corporation tax payable | | - | - | - |
| Other payables | 8 | 258 | 388 | 364 |
| Total current liabilities | | 2,499 | 2,256 | 2,089 |
| Total liabilities | | 5,783 | 5,260 | 5,206 |
| Total equity and liabilities | | 9,284 | 8,625 | 8,668 |

Statement of changes in equity

| (DKKm) | Share capital | Translation reserve | Treasury share reserve | Proposed dividend | Retained earnings | Total | Minority interests | Total equity |
|---|---------------|---------------------|------------------------|-------------------|-------------------|--------------|--------------------|--------------|
| Equity at 1 April 2024 | 96 | 17 | (43) | 76 | 3,315 | 3,461 | 1 | 3,462 |
| Currency adjustment of foreign entities and loan | - | 3 | - | - | - | 3 | - | 3 |
| Tax on currency adjustment of foreign entities and loan | - | 0 | - | - | - | 0 | - | 0 |
| Other comprehensive income | - | 3 | - | - | - | 3 | - | 3 |
| Profit for the period | - | - | - | - | 83 | 83 | - | 83 |
| Total comprehensive income | - | 3 | - | - | 83 | 86 | - | 86 |
| Transactions with owners | | | | | | | | |
| Dividend paid | - | - | - | (76) | - | (76) | - | (76) |
| Dividend on treasury shares | - | - | - | (0) | - | (0) | - | (0) |
| Exercise of incentive programme | - | - | 21 | - | (21) | - | - | - |
| Option agreement * | - | - | - | - | 10 | 10 | - | 10 |
| Deferred acquisition ** | - | - | 10 | - | - | 10 | - | 10 |
| Share-based payment | - | - | - | - | 9 | 9 | - | 9 |
| Total transactions with owners | - | - | 31 | (76) | (2) | (47) | - | (47) |
| Equity at 30 September 2024 | 96 | 20 | (12) | - | 3,396 | 3,500 | 1 | 3,501 |

* In april, Matas completed an option agreement with the former owners of Firtal Group ApS and received an option premium payment of DKK 10 million which is recognised in the equity. The option allows the former owners to acquire 20% of the shares in Firtal Group ApS for a predetermined amount. The option can be exercised from 1 May 2024 and expires 31 March 2029. After the option has been exercised, Matas has a right to acquire the shares at a consideration calculated based on a predetermined formula with a cap. There will not be any impact on the Matas Group profit and loss accounts from the option agreement nor the shareholder agreement.

** Related to Web Sundhed.

Statement of changes in equity

| (DKKm) | Share capital | Translation reserve | Treasury share reserve | Proposed dividend | Retained earnings | Total | Minority interests | Total equity |
|---------------------------------------|---------------|---------------------|------------------------|-------------------|-------------------|--------------|--------------------|--------------|
| 1 April 2023 | 96 | 0 | (44) | 76 | 3,234 | 3,362 | 1 | 3,363 |
| Other comprehensive income | - | 22 | - | - | - | 22 | - | 22 |
| Profit for the period | - | - | - | - | 51 | 51 | - | 51 |
| Total comprehensive income | - | 22 | - | - | 51 | 73 | - | 73 |
| Transactions with owners | | | | | | | | |
| Dividend paid | - | - | - | (76) | - | (76) | - | (76) |
| Dividend on treasury shares | - | - | - | (0) | 0 | - | - | - |
| Exercise of incentive programme | - | - | 23 | - | (23) | - | - | - |
| Share-based payment | - | - | - | - | 5 | 5 | - | 5 |
| Total transactions with owners | - | - | 23 | (76) | (18) | (71) | - | (71) |
| Equity at 30 September 2023 | 96 | 22 | (21) | - | 3,267 | 3,364 | 1 | 3,365 |

Notes

Note 1 – Accounting policies

This interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and additional disclosure requirements under the Danish Financial Statements Act.

Matas Group supports its suppliers with a range of activities, such as marketing of brands, advertising and promotions etc. These costs have previously been deducted in other external cost. Support from suppliers not directly linked to a specific activity was in the consolidated financial statements for 2023/24 reclassified to a reduction in cost of goods sold in accordance with the standards.

This change has resulted in a reallocation of the comparison figures in the statement of comprehensive income decreasing cost of goods sold for Q2 2023/24 by DKK 24 million (H1 2023/24 by DKK 40 million) and increasing other external cost with the same amount. Consequently, gross profit for Q2 2023/24 improved by DKK 24 million increasing the gross margin by 1.9 percentage points (H1 2023/24 improved by DKK 40 million increasing the gross margin by 1.6 percentage points), but there is no impact on EBITDA for neither Q2 2023/24 nor H1 2023/24.

Except as set out below, the accounting policies are consistent with the accounting policies applied in the Annual Report for 2023/24 to which reference is made.

Changes of accounting policies

Matas Group has implemented amendments to the IFRS accounting standards effective as of 1 April 2024 as adopted by the EU.

None of those amendments have significantly affected recognition and measurement, nor are they expected to have a material effect on Matas Group's financial statements in the near future.

Note 2 – Accounting estimates and judgments

The preparation of interim financial statements requires Management to make accounting judgments and estimates that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The critical accounting estimates and judgments applied are consistent with those applied in the Annual Report for 2023/24.

Note 3 – Seasonality

The Group's activities in the interim period were only to a limited extent affected by seasonal fluctuations.

Note 4 – Segment information

Matas Group is segmented in two reportable segments Matas and KICKS. Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Management has aggregated the operational segments Matas, Firtal, Grænn and Web Sundhed as one reportable segment due to similarities in operations. Segment results are measured at gross profit as presented in the table below. Group costs are currently not separated from the segments below gross profit, why management when looking at financial performance below gross profit are looking at the consolidated Group figures.

| (DKKm) | Matas Q2 2024/25 | KICKS Q2 2024/25 | Total Q2 2024/25 | Matas Q2 2023/24 | KICKS Q2 2023/24 | Total Q2 2023/24 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | 1,149 | 702 | 1,851 | 1,068 | 217 | 1,285 |
| Cost of goods sold | (611) | (388) | (999) | (574) | (115) | (689) |
| Gross profit | 538 | 314 | 852 | 494 | 102 | 596 |
| Gross margin | 46.8% | 44.8% | 46.0% | 46.3% | 47.0% | 46.4% |
| Other external costs | | | (235) | | | (150) |
| Staff costs | | | (389) | | | (272) |
| Other operating income and expenses, net | | | 5 | | | 3 |
| EBITDA before special items | | | 233 | | | 177 |
| Special items | | | 5 | | | (39) |
| EBITDA | | | 238 | | | 138 |

Q2 2023/24 includes KICKS with only 1 month as of 1 September 2023.

Notes

Note 4 – Segment information continued

| (DKKm) | Matas H1 2024/25 | KICKS H1 2024/25 | Total H1 2024/25 | Matas H1 2023/24 | KICKS H1 2023/24 | Total H1 2023/24 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue | 2,391 | 1,416 | 3,807 | 2,218 | 217 | 2,435 |
| Cost of goods sold | (1,274) | (778) | (2,052) | (1,202) | (115) | (1,317) |
| Gross profit | 1,117 | 638 | 1,755 | 1,016 | 102 | 1,118 |
| Gross margin | 46.7% | 45.0% | 46.1% | 45.8% | 47.0% | 45.9% |
| Other external costs | | | (451) | | | (257) |
| Staff costs | | | (788) | | | (487) |
| Other operating income and expenses, net | | | 10 | | | 4 |
| EBITDA before special items | | | 526 | | | 378 |
| Special items | | | (12) | | | (60) |
| EBITDA | | | 514 | | | 318 |

H1 2023/24 includes KICKS with only 1 month as of 1 September 2023.

Note 5 – Revenue

| (DKKm) | Q2 2024/25 | Q2 2023/24 | H1 2024/25 | H1 2023/24 |
|-------------------------------|---------------|---------------|---------------|---------------|
| Retail sales, physical stores | 1,247 | 881 | 2,274 | 1,677 |
| Retail sales, online | 578 | 375 | 1,177 | 700 |
| Wholesale | 26 | 29 | 56 | 58 |
| Total revenue | 1,851 | 1,285 | 3,807 | 2,435 |

In Q2 2024/25, 31% of Matas Group's revenue was generated by its online channels, compared to 29% in the year-earlier period.

Note 5 – Revenue continued

Revenue break-down by product groups is as follows:

| (DKKm) | Q2 2024/25 | Q2 2023/24 | H1 2024/25 | H1 2023/24 |
|-----------------------|---------------|---------------|---------------|---------------|
| High-end Beauty | 899 | 492 | 1,858 | 863 |
| Mass Beauty | 537 | 415 | 1,117 | 827 |
| Health and Wellbeing | 338 | 322 | 699 | 635 |
| Other | 51 | 27 | 77 | 52 |
| Wholesale sales, etc. | 26 | 29 | 56 | 58 |
| Total revenue | 1,851 | 1,285 | 3,807 | 2,435 |

Revenue from sales of products through Matas Group stores is recognised when a store sells the product to the customer. Payment is usually received when the customer receives the product, or, if the customer pays by credit card, a few days later. Revenue from sales through web shops is recognised and payment is received when the product is sent to the customer.

A small proportion of Matas Group's revenue is invoiced, e.g. wholesale sales, in which connection a receivable is recognised.

Income from the sale of gift vouchers is recognised as revenue upon redemption, alternatively upon expiry of the validity period. In estimating the redemption rate, Matas Group considers breakage which represents the portion of gift vouchers issued that will never be redeemed.

For the customer loyalty programme at Matas and KICKS, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of loyalty points. The performance obligation is measured at the estimated fair value of the points allocated and amounted to DKK 70 million at 30 September 2024 (30 September 2023: DKK 68 million). The estimated fair value is inherently subject to some uncertainty with respect to actual future redemption and considering the flexibility of the customer loyalty programme. Revenue is recognised when the customer uses points, usually over an average period of three months.

Customers have the option of returning products, but the volume of returns at 30 September 2024 was insignificant as was the amount of guarantee commitments, similar to last year.

Notes

Note 6 – Leases

Matas Group's lease assets are as follows:

| (DKKm) | 30 Sept. 2024 | 30 Sept. 2023 | 31 March 2024 |
|--|------------------|------------------|------------------|
| Store leases | 908 | 1,005 | 986 |
| Administration and warehouse buildings, etc. | 147 | 179 | 164 |
| Cars and other leases | 7 | 6 | 7 |
| Total lease assets | 1,062 | 1,190 | 1,157 |

Matas Group's lease liabilities are as follows:

| (DKKm) | 30 Sept. 2024 | 30 Sept. 2023 | 31 March 2024 |
|--------------------------------|------------------|------------------|------------------|
| Non-current liabilities | 767 | 877 | 850 |
| Current liabilities | 356 | 349 | 360 |
| Total lease liabilities | 1,123 | 1,226 | 1,210 |

Most store leases in Denmark are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice of 3-12 months. Commercial renting of shops, etc., in the other Nordic countries are not similar to the practice in Denmark, as extensions take place at fixed intervals and with fixed deadlines for termination/extension. This has been accounted for in recognising the KICKS leases.

Depreciation as set out below is recognised in the statement of comprehensive income:

| (DKKm) | H1 2024/25 | H1 2023/24 |
|--|---------------|---------------|
| Store leases, etc. | 158 | 87 |
| Administration and warehouse buildings, etc. | 19 | 10 |
| Cars and other leases | 2 | 1 |
| Total depreciation of lease assets | 178 | 98 |

Lease payments in the amount of DKK 195 million were made in H1 2024/25 (H1 2023/24: DKK 107 million).

Interest in the amount of DKK 26 million was expensed in H1 2024/25 (H1 2023/24: DKK 17 million).

Matas Group is the lessee of a limited number of premises. For some of these leases, the rent is fully or partially based on revenue.

Revenue-based rent is not comprised by IFRS 16 and is therefore not included in the above tables. Revenue-based rent is, as before, recognised under other external costs and amounted to DKK 40 million in H1 2024/25 (H1 2023/24: DKK 5 million).

A total of DKK zero million in H1 2024/25 (H1 2023/24: DKK zero million) was recognised in the statement of comprehensive income regarding short-term, leases and leases of low-value assets. Lease liabilities relating to non-recognised short-term leases and leases of low-value assets amounted to DKK zero at 30 September 2024 (30 September 2023: DKK zero million).

Notes

Note 7 – Provisions

| (DKKm) | 30 Sept. 2024 | 30 Sept. 2023 | 31 March 2024 |
|--|------------------|------------------|------------------|
| Included in non-current liabilities | | | |
| Obligation for reinstatement of tenancies | 28 | 28 | 28 |
| Total provision, non-current | 28 | 28 | 28 |
| Included in current liabilities | | | |
| Restructuring provisions | 3 | - | 19 |
| Total provision, current | 3 | - | 19 |

Note 8 – Other payables

| (DKKm) | 30 Sept. 2024 | 30 Sept. 2023 | 31 March 2024 |
|--|------------------|------------------|------------------|
| Other non-current payables | | | |
| Contingent consideration and deferred purchase price | 5 | 12 | 5 |
| Total other non-current payables | 5 | 12 | 5 |
| Other current payables | | | |
| VAT payable | 26 | 50 | 56 |
| Holiday pay obligations etc. | 107 | 112 | 122 |
| Pay-related liabilities (A tax/social security contributions) | 109 | 171 | 136 |
| Contingent consideration and deferred purchase price | 3 | 35 | 34 |
| Other creditors | 13 | 20 | 16 |
| Total other current payables | 258 | 388 | 364 |

Note 9 – Transactions with related parties

Matas Group's related parties comprise the companies' board of directors and executive boards and their related family members. Further, related parties comprise companies in which the above-mentioned persons have significant interest as well as associates.

Pursuant to Matas A/S' Remuneration Policy, a total of 190,241 Performance Share Units (PSUs) related to the Company's long-term incentive programme (LTIP) for 2021/22 were vested at 14 June 2024.

PSUs were vested at 150% of the original grant. Based on a closing price at 13 June 2024 of DKK 121.4, the total value of vested PSUs amounted to DKK 23.1 million.

On 30 June 2024, a total of 181,823 PSUs have been granted related to the long-term incentive programme for 2024/25. A total of 53,196 PSUs were granted to Group CEO Gregers Wedell-Wedellsborg and a total of 29,258 PSUs were granted to Group CFO Per Johannesen Madsen.

Related party transactions with associates recognised in the income statement and the statement of financial position.

| (DKKm) | H1 2024/25 | H1 2023/24 |
|----------------------|---------------|---------------|
| Revenue | 0 | 0 |
| Other external costs | (9) | (9) |
| Receivables | 1 | 1 |
| Trade payables | 0 | 0 |

Note 10 – Subsequent events

No subsequent events have occurred that materially affect the Matas Group's financial position.

Interim financial highlights

| (DKKm) | Q2 2024/25 | Q1 2024/25 | Q4 2023/24 | Q3 2023/24 | Q2 2023/24 |
|--|---------------|---------------|---------------|---------------|---------------|
| Statement of comprehensive income | | | | | |
| Revenue | 1,851 | 1,956 | 1,758 | 2,508 | 1,285 |
| Gross profit | 852 | 903 | 845 | 1,115 | 596 |
| EBITDA | 238 | 276 | 182 | 404 | 138 |
| EBIT | 81 | 118 | 16 | 249 | 25 |
| Net financials | (50) | (42) | (58) | (29) | (21) |
| Profit before tax | 31 | 76 | (42) | 220 | 4 |
| Profit for the period | 24 | 59 | (45) | 163 | 2 |
| Statement of financial position | | | | | |
| Total assets | 9,284 | 8,943 | 8,668 | 8,879 | 8,625 |
| Total equity | 3,501 | 3,462 | 3,462 | 3,527 | 3,364 |
| Net working capital | 656 | 441 | 378 | (46) | 261 |
| Net interest-bearing debt | 3,478 | 3,262 | 3,140 | 2,490 | 3,003 |
| Statement of cash flows | | | | | |
| Cash flow from operating activities | 39 | 241 | (235) | 702 | (74) |
| Investments in tangible assets | (108) | (149) | (75) | (109) | (51) |
| Cash flow from investing activities | (144) | (209) | (121) | (142) | (707) |
| Free cash flow | (105) | 32 | (356) | 560 | (781) |
| Acquisitions of subsidiaries and operations | - | (15) | 2 | - | (617) |
| Free cash flow excl. acquisitions of subsidiaries and operations | (105) | 47 | (358) | 560 | (164) |
| Net cash flow from operating, investing and financing activities | (54) | 22 | (282) | 149 | 193 |

| (DKKm) | Q2 2024/25 | Q1 2024/25 | Q4 2023/24 | Q3 2023/24 | Q2 2023/24 |
|---|---------------|---------------|---------------|---------------|---------------|
| Key performance indicators | | | | | |
| Number of transactions (millions) | 8.6 | 8.9 | 8.2 | 11.1 | 6.6 |
| Average basket size (DKK) | 212 | 217 | 211 | 223 | 189 |
| Total retail floor space (thousands of square metres) | 106.9 | 106.1 | 105.2 | 104.9 | 104.1 |
| Avg. revenue per square metre (DKK thousands) - LTM | 76.3 | 74.9 | 79.7 | 83.3 | 82.7 |
| Proforma revenue currency neutral growth | 6.8% | 6.1% | 2.7% | 7.4% | 7.5% |
| Adjusted figures | | | | | |
| EBITDA | 238 | 276 | 182 | 404 | 138 |
| Special items included in EBITDA | 5 | (17) | (22) | (20) | (39) |
| EBITDA before special items | 233 | 293 | 204 | 424 | 177 |
| Depreciation of property, plant and equipment | (157) | (148) | (43) | (136) | (96) |
| EBITA before special items | 238 | 145 | 161 | 288 | 81 |
| Adjusted profit after tax | 26 | 85 | (13) | 190 | 47 |
| Gross margin | 46.0% | 46.1% | 48.0% | 44.5% | 46.5% |
| EBITDA margin | 12.8% | 14.1% | 10.3% | 16.1% | 10.7% |
| EBITDA margin before special items | 12.6% | 15.0% | 11.6% | 16.9% | 13.8% |
| EBITA margin | 12.8% | 7.4% | 2.8% | 11.5% | 6.3% |
| EBIT margin | 4.4% | 6.0% | 0.9% | 9.9% | 1.9% |

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Forward-looking statements

This interim report contains statements relating to the future, including statements regarding Matas Group's future operating results, financial position, cash flows, business strategy and future targets. Such statements are based on Management's reasonable expectations and forecasts at the time of release of this report.

Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond Matas Group's control. This may have the effect that actual results may differ significantly from the expectations expressed in the report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive conditions, supplier issues and financial and regulatory issues, IT failures as well as any effects of healthcare measures that are not specifically mentioned above.

Financial calendar 2024/25

| | |
|-----------------|--|
| 7 January 2025 | Trading update for Q3 2024/25 |
| 5 February 2025 | Interim report – Q3 2024/25 |
| 2 May 2025 | Deadline for the Company's shareholders to submit in writing requests for specific proposals to be included on the agenda for the Annual General Meeting |
| 23 May 2025 | Annual Report 2024/25 |
| 16 June 2025 | Annual General Meeting for 2024/25 |



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