

# Interim report – Q1 2020/21

(1 April – 30 June 2020)

## Sales and earnings growth despite COVID-19

*"The first quarter was historically challenging and historically strong at the same time. The COVID-19 pandemic and the national lockdown boosted demand for health, hygiene and personal care products and triggered a boom on matas.dk with sales soaring by 216%. Overall, Matas Group grew revenue by more than 8% during the first quarter of the financial year, while earnings were up by almost 7% despite the costs incurred to ensure a safe shopping environment for our customers and employees", said Gregers Wedell-Wedellsborg, CEO of Matas A/S, and added:*

*"Things were looking bleak at the end of March, but we and our partners decided to put every ounce of energy into making an ultra-quick rebound. Sales soon recovered and customers quickly returned to the physical stores as Denmark began to reopen. Developments in Q1 really underlined Matas' role in society during a health crisis and confirmed our strategy to be our customers' preferred choice – whether shopping online or at physical stores".*

### Q1 2020/21 highlights

- Revenue grew by 8.1% year on year, while underlying like-for-like sales, i.e. sales in stores operated by the Group in both Q1 2020/21 and Q1 2019/20, were up by 8.4% in Q1 2020/21. Boosting sales by 15.9%, Health & Wellbeing recorded the strongest sales growth. The number of trading days was unchanged compared with Q1 2019/20.
- Online sales via matas.dk were ahead by 216% year on year, while overall online sales, including revenue generated by Firtal, surged by 152% to make up 25.5% of Q1 2020/21 revenue from 10.9% in Q1 2019/20.
- Underlying sales in the Group's physical stores were down by 9.2% year on year as footfall was adversely affected by the COVID-19 pandemic, especially at the beginning of the quarter. In the second half of the quarter, footfall was up compared with Q1 2019/20.
- The gross margin was 44.4% compared with 45.0% in Q1 2019/20. The lower gross margin was attributable to a higher proportion of online sales.
- Overall costs amounted to 26.3% of revenue against 26.7% in the same quarter of last year and were up by DKK 15.4 million as a consequence of higher activity and acquisitions. Underlying costs fell as a result of ongoing rationalisation measures.
- EBITDA before special items came to DKK 172.8 million, up from DKK 163.2 million in the year-earlier period. Growth was driven by higher revenue, which more than offset the higher costs. The EBITDA margin before special items was 18.3% against 18.6% in Q1 2019/20.
- Cash generated from operations was an inflow of DKK 301.0 million in Q1 2020/21 against an inflow of DKK 82.7 million in Q1 2019/20. The DKK 218.2 million increase was driven mainly by favourable working capital developments with deferred payment of A tax and VAT under the government's COVID-19 relief package contributing some DKK 100 million.

(DKKm)	2020/21 Q1	2019/20 Q1
Revenue	946.8	875.6
Gross profit	420.2	394.0
EBITDA before special items	172.8	163.2
EBIT	72.1	70.8
Adjusted profit after tax	67.4	66.0
Free cash flow	236.8	(81.1)
Revenue growth	8.1%	3.8%
Underlying like-for-like revenue growth	8.4%	(1.2)%
Gross margin	44.4%	45.0%
EBITDA margin before special items	18.3%	18.6%
Net interest-bearing debt/EBITDA before special items	3.2	n.a.*

The number cannot be calculated at 30 June 2019 due to a lack of historical EBITA numbers after IFRS 16 implementation.

## Financial targets

The health, financial and structural consequences of the COVID-19 pandemic have been and continue to be severe, and the pandemic could potentially affect consumer behaviour and society at large for a long time to come. As a result, the current uncertainty pertaining to the retail industry in particular and economic developments in general has increased.

Based on the current uncertainty caused by the COVID-19 pandemic, Matas Group decided not to provide specific financial guidance for financial year 2020/21 in connection with the presentation of the annual report for 2019/20 on 27 May 2020. Based on revenue data for the first four and a half months and earnings data for the first three months of the financial year, the management of Matas A/S has chosen to establish financial guidance for financial year 2020/21 in connection with the presentation of this interim report for Q1 2020/21.

The Group's financial targets for 2020/21 are as follows:

- Overall revenue growth of around 6% relative to financial year 2019/20
- Underlying (like-for-like) revenue growth of around 6%
- EBITDA margin before special items of around 18% (after IFRS 16 effects)
- CAPEX between DKK 120 million and DKK 140 million

The Group's financial targets for 2020/21 are based on assumptions of continuing steady market growth, slightly growing sales of beauty, health and personal care products and a largely unchanged competitive climate. In addition, the ongoing channel shift from physical store to online shopping is expected to continue through the financial year, which is expected to entail a further drop in physical store footfall. Encouraged by continuing strong growth in online sales, the Group will bring forward some of its planned investments, and the overall CAPEX level is expected to be slightly higher than previously anticipated.

It should be noted that the assumptions are subject to higher-than-usual uncertainty. The above targets do not factor in the effects of a potential second wave of COVID-19 or a dramatic change in consumer behaviour in the wake of, for example, a recession in the second half of the financial year. Furthermore, management believes that sales in June, July and the first half of August were favourably affected by the low level of outbound travel activity among Danish consumers during the summer period.

Financial targets and ambitions	Realised Q1 2020/21	Targets for 2020/21	Ambitions for 2022/23
Customer engagement (M-NPS)	62.2 (index 97)	Ongoing improvement	70 (index 110)
Revenue growth*	8.1%	Around 6%	Approx. DKK 4.0 billion
Underlying (like-for-like) revenue growth	8.4%	Around 6%	Positive
EBITDA margin before special items	18.3%	Around 18%	Above 18%
CAPEX	DKK 40 million	DKK 120–140 million	Below DKK 90 million
Gearing	3.2	2.5-3	2.5-3

\* Includes revenue from Firtal and Kosmolet A/S.

## Video conference

Matas will host a video conference for investors and analysts on Thursday, 20 August 2020 at 11:30 a.m. The video conference and the presentation can be accessed on Matas' investor website: [www.investor.en.matas.dk](http://www.investor.en.matas.dk).

Video conference access numbers for investors and analysts:

DK: +45 78 15 01 08  
UK: +44 333 300 9268  
US: +1 8338230586

Link to webcast: <https://matas.eventcdn.net/2020q1/>

## Contacts

Gregers Wedell-Wedellsborg  
CEO, tel +45 48 16 55 55

Anders Skole-Sørensen  
CFO, tel +45 48 16 55 55

Elisabeth Toftmann Klintholm  
Head of Investor Relations & Corp. Affairs, tel +45 48 16 55 48

Klaus Fridorf  
Head of Communication, tel +45 61 20 19 97

## 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 the announcement. 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 announcement. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive conditions, supplier issues and financial and regulatory issues as well as any effects of measures to curb the spread of COVID-19 that are not specifically mentioned above.*

# Key financials

(DKKm)	2020/21 Q1	2019/20 Q1
<b>Statement of comprehensive income</b>		
Revenue	946.8	875.6
Gross profit	420.2	394.0
EBITDA	171.3	160.5
EBIT	72.1	70.8
Net financials	(12.2)	(9.8)
Profit before tax	59.9	61.0
Profit for the period after tax	46.7	45.9
Special items	1.5	2.7
EBITDA before special items	172.8	163.2
Adjusted profit after tax	67.4	66.0
<b>Balance sheet</b>		
Total assets	6,460.8	6,612.6
Total equity	2,812.0	2,612.0
Net working capital	(1.4)	(56.5)
Net interest-bearing debt	2,281.6	2,531.6
<b>Statement of cash flows</b>		
Cash flow from operating activities	301.1	82.7
Cash flow from investing activities	(64.3)	(163.8)
Free cash flow	236.8	(81.1)
<b>Ratios</b>		
Revenue growth	8.1%	3.8%
Underlying like-for-like revenue growth	8.4%	(1.2)%
Gross margin	44.4%	45.0%
EBITDA margin	18.1%	18.3%
EBITDA margin before special items	18.3%	18.6%
EBIT margin	7.6%	8.1%
Cash conversion	151.3%	n.a.
Earnings per share, DKK	1.22	1.21
Diluted earnings per share, DKK	1.21	1.20
Share price, end of period, DKK	58.6	71.2
ROIC before tax	7.8%	n.a.*
Net working capital as a percentage of LTM revenue	0.0%	(1.6)%
Investments as a percentage of revenue	6.8%	18.7%
Net interest-bearing debt/EBITDA before special items	3.2	n.a.*
Number of transactions (millions)**	4.9	5.1
Average basket size (DKK)**	194.1	169.5
Average no. of employees	2,084	2,174

For definitions of key financials, see pages 104-105 of the 2019/20 Annual Report. Firtal and Kosmolet A/S were consolidated as of the date of closing, i.e. 13 November 2018 and 11 June 2019, respectively.

\* The number cannot be calculated at 30 June 2019 due to a lack of historical EBITA numbers after IFRS 16 implementation. \*\* Number of transactions and basket size now also include Firtal transactions.

# Management's review

## Implementing the "Renewing Matas" strategy

Launched in May 2018 to adapt Matas to a market affected by new customer requirements, intensified competition and retail sector digitalisation, the first stage of the "Renewing Matas" strategy has produced satisfactory progress in each of the Group's five strategic focus areas: Live our purpose, stimulate growth in three areas (online, store and new growth) and maintain an unwavering focus on developing new ways of working. Matas' overriding challenge is to remain our customers' preferred choice – whether shopping at physical stores or online.

The strategy pursues three key ambitions going forward to 2023: lift customer engagement, grow revenue and secure earnings.

	Ambitions for 2022/23	Targets for 2020/21	Realised for Q1 2020/21
Lift customer engagement (M-NPS)	70 (index 110)	Ongoing improvement	62.2 (index 97)
Grow revenue*	Approx. DKK 4,0 bn	Around 6%	8.1%
Secure earnings (EBITDA margin b. special items)*	Above 18%	Around 18%	18.3%

\* Including Firtal and Kosmolet A/S.

In the years ahead, the next phase of the strategy will focus mainly on accelerating Matas' transformation through continued focus on strengthening the Company's digital position and gradually adapting and upgrading the physical store portfolio.

## 1. Live our purpose

Together, Matas' purpose, 'Beauty and wellbeing for life', and its six guideposts set the course for the strategy and the Group's efforts to lift customer engagement through, among other things, an improved customer experience. The six guideposts aim to make the Matas profile more personal; more green; more Danish; more sensuous; more simple; and more for everyone.

A number of customer and consumer surveys conducted during the first quarter of the financial year showed that Matas' efforts to strengthen its brand and lift customer satisfaction are paying off. In April 2020, the YouGov brand index ranked Matas as Denmark's second strongest brand.

In mid-May, Matas launched a new app for Club Matas members, offering an improved shopping experience and updated design and functionalities, including the option of signing up for 'my brands' and qualifying to receive gifts. By the end of the quarter, more than 785,000 members had downloaded the Club Matas app, and more than 400,000 of these had upgraded to the new Club Matas app.

The work to promote the six guideposts continued in the first quarter. The subscription service grew its membership, the online customer service offering personalised advice by trained materialists attracted new users, and the first trend box was launched and quickly sold out, which helped increase awareness of this initiative. As described in more detail below, 43 live shopping events took place and a number of new brands were introduced in the first quarter. With a view to further personalising recommendations, Matas also tested machine learning (AI) in connection with the generation of product recommendations across the Group's online channels.

The Group's CSR strategy is focused on specific initiatives to promote diversity, sustainability and health. In an effort to increase awareness of how to use sunscreen correctly and prevent skin cancer, Matas ran a sun protection campaign promoting five simple sun rules together with the Danish Cancer Society in the first quarter.

## 2. Win online

Matas aims to be the undisputed online market leader in the Danish market for beauty and wellbeing by 2023.

Online growth began to accelerate in March 2020 with many consumers choosing to do their shopping online amid the corona pandemic. This trend continued into the first quarter of 2020/21, in which 25.5% of revenue came from online sales, of which 17.4% was generated by matas.dk and 8.1% by Firtal. In Q1 2019/20, 10.9% of revenue came from online sales, of which 5.9% was generated by matas.dk and 5.0% by Firtal.

While management is of the opinion that matas.dk in particular gained market share in the first quarter, Firtal's webshops also recorded above-market sales growth.

Ongoing efforts were made during the first quarter of the financial year to expand the personal dialogue with customers through the Group's digital channels. By the end of June 2020, the Group's customers were able to follow 266 Matas stores on Facebook. These stores shared almost 8,400 posts generating 27 million views.

With a view to accommodating the changed consumer behaviour caused by the COVID-19 outbreak and capitalising on the growing interest in new online media, Matas launched a number of digital media and concepts for its partners and suppliers in the first quarter. These media are helping to accelerate Matas' digital development and have also enhanced the effects of its marketing investments.

By way of example, towards the end of March 2020, Matas launched a new live online shopping concept offering customers direct interaction with materialists and product specialists. This online shopping service was further developed in Q1 2020/21, in which 43 events featuring, among others, Ole Henriksen and Marianne Tromborg took place.

In the first quarter, access to Matas' subscription service was also made easier as customers can now subscribe through their local store.

In addition, Matas launched an online team of some 60 materialists committed to offering professional advice to online customers on matas.dk. With these online materialists offering advice via Matas' new chat service, chatting with customers, sharing videos and images and making 1:1 video calls, customers now have access to personal advice from home and outside normal opening hours. Online materialists also perform online skin consultations and suggest specific products and routines customised to the needs of each individual customer.

In the first quarter, 41% of all customers shopping on matas.dk chose to pick up their purchases at a physical Matas store. The number was somewhat lower at the beginning of the quarter due to the COVID-19 pandemic, but rose to close to 50% towards the end of the quarter. More than one in four customers picking up their online purchases bought additional products at the store.

### 3. Consolidate and upgrade the retail network

As part of its efforts to provide a good shopping experience, Matas developed the 'Safe and secure store' concept in the first quarter to help contain the spread of COVID-19. This included mounting hand sanitiser stations at each store entrance, implementing new cleaning procedures, implementing guidelines for using product testers etc.

With a view to further strengthening the physical customer meeting and continuing efforts to contain the spread of COVID-19, all some 2,500 shop assistants were trained in and certified to the new "Safe and secure store" concept during the first quarter.

The work to implement the new Matas Life store concept continued in the first quarter of the financial year. An additional five Matas Life stores opened in Q1, in Aalborg (relocation), the Bruuns Galleri shopping centre in Aarhus (expansion), Kalundborg (1:1 renovation), Herlev (relocation) and Nordre Fasanvej in Copenhagen (new store). Three stores were closed, in Skovlunde, Brøndby Strand and the Matas Natur store at Købmagergade, Copenhagen.

### 4. Open new growth tracks

The Group's strategic focus on strengthening the green product range across Matas Group continued to pay off in the first quarter. Measures included giving green and local products more commercial space in Matas' stores and media. The Health & Wellbeing category grew revenue by 15.9% to DKK 252.2 million in Q1. The Matas Natur concept store in Aarhus closed in January 2020 to merge with the new Matas Life concept store in the Bruuns Galleri shopping centre opening in April 2020. As mentioned above, the Matas Natur store at Købmagergade in Copenhagen closed during the first quarter as the Matas Natur concept is believed to be so well integrated in the Matas Life concept by now that there is no need to operate independent stores under that name.

As a result of the strategy to increase the proportion of private labels and brands with exclusive rights (house brands), private label sales were up by DKK 2.6 million to make up 17.4% of Q1 2020/21 sales against 17.9% in the year-earlier period.

On 9 October 2019, Firtal Group acquired Din Frisør Shop, the operator of two webshops, thus expanding its professional haircare and beauty range. The two webshops were fully integrated into Firtal's platform by the end of Q4 2019/20, and sales from the expanded Firtal Group continued the strong trend in Q1 2020/21.

Matas increased its ownership interest in Miild to 40% in Q1. Miild is a rapidly growing Danish high-end beauty brand developing and marketing a range of green and natural skincare and makeup products.

## 5. Change how we work

Rethinking and simplifying how we work remains a key element of Matas' renewal strategy aiming to sustain Matas' ability to predict and adapt to market changes. The work to develop Matas Group's culture, processes, skills and employees continued in the first quarter with a particular emphasis on digitalisation.

In terms of logistics, the relocation of the matas.dk webshop to new premises in Humlebæk north of Copenhagen in autumn 2019 enabled Matas to accommodate rapidly changing demand patterns and secure fast delivery to customers.

Based on the Company's long-term online sales growth forecasts, management has started a project (LOG23) to develop the Group's future logistics setup. LOG23 is expected to result in a number of concrete initiatives that will require significant investments in the years ahead.

## Q1 2020/21 performance

### Revenue

#### Revenue in Q1 2020/21

Matas generated total revenue of DKK 946.8 million in Q1 2020/21, a year-on-year increase of 8.1% from DKK 875.6 million in Q1 2019/20. Underlying sales, i.e. sales in stores operated by the Group in both Q1 2020/21 and Q1 2019/20, were up by 8.4%.

Revenue was supported by improved sales in the High-End Beauty, Mass Beauty and, in particular, Health & Wellbeing categories compared with Q1 2019/20.

The number of transactions was down by 5.4% year on year, while the average basket size grew by 14.5% or DKK 24.6 per transaction.

Online sales via matas.dk were up by 216% year on year. Overall online sales accounted for 25.5% of Q1 revenue, with matas.dk contributing 17.4% and Firtal 8.1%. In Q1 2019/20, overall online sales made up 10.9% of revenue.

Revenue by new category structure (DKKm)	2020/21 Q1	2019/20 Q1	Growth
High-End Beauty	321.5	302.4	6.3%
Mass Beauty	339.5	318.9	6.5%
Health & Wellbeing	252.2	217.7	15.9%
Other	27.6	30.0	(8.0)%
<b>Total own store and webshop revenue</b>	<b>940.8</b>	<b>869.0</b>	<b>8.3%</b>
Wholesale sales etc.	6.0	6.7	(10.5)%
<b>Total revenue</b>	<b>946.8</b>	<b>875.6</b>	<b>8.1%</b>
Physical stores	73.9%	88.3%	
Webshops (matas.dk and Firtal)	25.5%	10.9%	
Wholesale sales etc. (incl. Kosmolet)	0.6%	0.8%	

The High-End Beauty category grew revenue by 6.3%, while sales of Mass Beauty products were up by 6.5% year on year. Skincare reported the strongest sales growth. The Beauty segment was adversely affected by slowing sales of makeup products.

The Beauty segment accounted for 70.3% of the revenue generated by own stores and webshops, compared with 71.5% in Q1 2019/20.

The Health & Wellbeing category boosted sales by an impressive 15.9%. The increase was driven mainly by higher sales of hand sanitiser in the wake of the COVID-19 pandemic.

Overall private label sales, including Kosmolet A/S, made up 17.4% of the revenue generated by Matas stores and matas.dk in Q1 2020/21, compared with 17.9% in Q1 2019/20. Sales were up by DKK 2.6 million.

Wholesale sales, including wholesale sales attributable to Kosmolet A/S, fell by DKK 0.7 million year on year. Revenue from Club Matas relating to partners, value adjustments of Club Matas points and B2B are also included in this item.

At 30 June 2020, Club Matas had a membership of over 1.5 million and thus retained its position as one of Denmark's largest loyalty concepts. Almost 70% of all Danish women between the ages of 18 and 65 are members of Club Matas. At the end of June 2019, Club Matas had a membership of just over 1.6 million. The decline reflects an inflow of new members and an outflow of existing members in connection with the introduction of the new GDPR rules.

More than 90% of members have consented to being contacted by the club via Matas' media, while some 1.4 million were active, shopping members during the past 12 months. By the end of the quarter, more than 785,000 members had downloaded the Club Matas app, and more than 400,000 of these had upgraded to the new Club Matas app.

Customer satisfaction among Club Matas members was 3.77 in Q1 on a scale of 1-4 with 1 being very dissatisfied and 4 being very satisfied. Customer satisfaction in financial year 2019/20 was 3.75.



At 62.2, the Matas Net Promoter Score (M-NPS) was slightly down at the end of Q1 2020/21 compared with the end of Q4 2019/20.

At 30 June 2020, Matas had 19 external partners. The Club Matas partner programme will be discontinued at the end of August 2020 as Matas has decided to focus on the potential offered by data-based 1:1 communication via Matas' own media.

## Sales channels

At 30 June 2020, Matas Group consisted of 264 physical stores - 262 stores in Denmark, one in the Faroe Islands and one associated store in Greenland. 74% of Q1 2020/21 revenue was generated by the Group's physical stores.

In addition, Matas was present online through matas.dk and 20 webshops run by Firtal, including helsebixen.dk, jala-helsekost.dk and made4men.dk. 25% of revenue was generated through the Group's online channels.

Wholesale sales, including wholesale sales from Kosmolet, accounted for 1% of overall sales.

The Group has no physical activities outside Denmark as the store in the Faroe Islands and the associated store in Greenland are considered Danish stores in this context.

## Categories

Matas is characterised by its wide product range within 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, skincare and haircare products and fragrances.

**Mass Beauty:** Everyday beauty products and personal care, including cosmetics and skincare and haircare products.

**Health & Wellbeing:** Medicare (OTC medicine and nursing products). Vitamins, minerals, supplements, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Mother and child. Personal care products (oral, foot and intimate care and hair removal). Special skincare.

**Other:** Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and garden (cleaning and maintenance, electrical products, interior decoration and textiles). Other revenue.

## Costs and operating performance in Q1 2020/21

### Costs and operating performance

Gross profit for Q1 2020/21 was DKK 420.2 million, against DKK 394.0 million in Q1 2019/20.

The gross margin for Q1 2020/21 was 44.4%, down from 45.0% in the year-earlier period. The slightly lower gross margin was attributable to a higher proportion of online sales.

Overall costs (other external costs and staff costs) amounted to 26.3% of revenue against 26.7% in the same quarter of last year and were up by DKK 15.4 million as a consequence of higher activity in growth areas and acquisitions. Underlying costs fell as a result of ongoing rationalisation measures in the other business areas.

Other external costs amounted to DKK 63.3 million in Q1 2020/21, up from DKK 50.5 million in Q1 2019/20. Adjusted for special items, which amounted to DKK 2.7 million in Q1 2019/20 and only DKK 0.25 million in Q1 2020/21, other external costs were up by DKK 15.3 million year on year.

The increase in other external costs is explained by the following variables:

- DKK 14 million was triggered by higher freight and logistics costs as a result of strong growth on matas.dk and by the continued digital build-up.
- DKK 7 million was attributable to higher Firtal activity, driven by continued brisk sales growth.
- DKK 3 million was attributable to the acquisition of Kosmolet, which was only partially represented in the numbers for Q1 2019/20.
- DKK 3 million was attributable to costs specifically related to the COVID-19 pandemic.
- Underlying other external costs were down by some DKK 12 million, reflecting the Group's ongoing efforts to rationalise operations.

Other external costs amounted to 6.7% of revenue in Q1 2020/21, up from 5.8% in the year-earlier period. Other external costs measured as a percentage of revenue are expected to continue the upward trend as long as online sales continue to grow at the current rate with a higher proportion of costs relating to the online business being classified as other external costs, including freight and logistics costs.

Q1 2020/21 staff costs amounted to DKK 185.6 million, up from DKK 183.0 million in the year-earlier period. Staff costs included non-recurring costs of DKK 1.3 million in Q1 2020/21 against DKK 0.0 million in the same period of last year. Adjusted for non-recurring costs, staff costs increased by DKK 1.3 million.

The increase in payroll costs is explained as follows:

- DKK 3 million was attributable to higher payroll costs in Firtal as a result of growing sales.
- DKK 3 million was attributable to Kosmolet, which was only partially represented in the numbers for Q1 2019/20.
- DKK 1 million was specifically related to the COVID-19 pandemic.
- Underlying payroll costs were down by DKK 6 million. The decline was attributable to the physical stores, while higher activity drove payroll costs for the operation and development of matas.dk up relative to Q1 2019/20.

Staff costs amounted to 19.6% of revenue in Q1 2020/21 against 20.9% in the year-earlier period.

Q1 2020/21 staff costs included DKK 1.2 million related to the Company's long-term share compensation programme.

Costs (DKKm)	2020/21 Q1	2019/20 Q1	Growth
Other external costs	63.3	50.5	25.3%
- of which special items	0.3	2.7	
As a percentage of revenue	6.7%	5.8%	
Staff costs	185.6	183.0	1.4%
- of which special items	1.3	0.0	
As a percentage of revenue	19.6%	20.9%	

Other external costs and staff costs include Kosmolet for the period 11 June – 30 June 2019.

Q1 2020/21 EBITDA was DKK 171.3 million against DKK 160.5 million in Q1 2019/20. EBITDA before special items came to DKK 172.8 million for an EBITDA margin before special items of 18.3% against 18.6% in Q1 2019/20.

## Amortisation, depreciation and impairment

Total amortisation, depreciation and impairment charges were up by DKK 9.5 million to DKK 99.2 million in Q1 2020/21, driven by increased depreciation of investments made as part of the Group's "Renewing Matas" strategy.

## Net financials

Net financial expenses were up by DKK 2.5 million in Q1 2020/21 to DKK 12.2 million.

## Profit for the period

The effective tax rate was 22.0% in Q1 2020/21, equivalent to a tax expense of DKK 13.2 million. Profit for the period was DKK 46.7 million after tax, and Adjusted profit after tax was DKK 67.4 million against DKK 66.0 million in Q1 2019/20.

## Statement of financial position

Total assets amounted to DKK 6,460.8 million at 30 June 2020, down from DKK 6,612.6 million at 30 June 2019.

Current assets totalled DKK 1,153.7 million, a year-on-year increase of DKK 9.5 million. Inventories were DKK 152.5 million larger at the end of Q1 2020/21 than at the end of Q1 2019/20. The increase was driven in part by the addition of stocks in connection with the establishment of the new webshop in Humlebæk and the acquisition of Din Frisør Shop. In addition, the increase reflected last year's management decisions to increase inventories per SKU in an effort to reduce stock-outs and to increase the number of SKUs in an attempt to strengthen the Company's market position. Inventories at the end of the quarter were also affected by COVID-19-related overstocking.

Inventories accounted for 26.0% of LTM revenue at 30 June 2020 compared with 23.1% at 30 June 2019 and 26.1% at the end of financial year 2019/20.

Trade receivables increased by DKK 3.0 million to DKK 15.5 million, while trade payables increased by DKK 46.4 million year on year.

Net working capital excluding deposits stood at minus DKK 1.4 million at 30 June 2020 against minus DKK 56.5 million at 30 June 2019, a fall of DKK 55.1 million. The working capital was favourably affected by the government's relief package allowing companies to defer payment of various taxes due to the COVID-19 pandemic.

Cash and cash equivalents stood at DKK 36.8 million, down from DKK 162.0 million the year before.

Equity was DKK 2,812.0 million at 30 June 2020, compared with DKK 2,612.0 million at 30 June 2019.

Net interest-bearing debt was DKK 2,281.6 million at 30 June 2020, a year-on-year decline of DKK 250.0 million – equalling 3.2 times LTM EBITDA before special items, which is slightly above the long-term target of a level between 2.5 and 3. Of this decline, DKK 151.0 million was attributable to lower lease liabilities as a result of the implementation of IFRS 16 (see note 7 for additional information).

Gross interest-bearing debt stood at DKK 2,318.4 million at 30 June 2020, including lease liabilities of DKK 746.8 million.

At 30 June 2020, 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. After disposing of 76,439 shares in Q1 in connection with the exercise of the 2017/18 incentive programme, Matas held 27,538 treasury shares at 30 June 2020. Treasury shares are held with a view to meeting the obligations under the long-term management incentive programme.

## Statement of cash flows

Cash generated from operations was an inflow of DKK 301.0 million in Q1 2020/21 against an inflow of DKK 82.7 million in Q1 2018/19. The DKK 218.2 million increase was driven mainly by favourable working capital developments with deferred payment of A tax and VAT under the government's COVID-19 relief package contributing some DKK 100 million. It should be noted that the Group's cash flows will be adversely affected by a roughly similar amount when the relief package is discontinued in the second quarter of the financial year.

The free cash flow was an inflow of DKK 236.8 million in Q1 2020/21 against an outflow of DKK 81.1 million in Q1 2019/20.

Cash flows (DKKm)	2020/21 Q1	2019/20 Q1
Cash generated from operations	301.0	82.7
Free cash flow	236.8	(81.1)
Free cash flow net of acquisitions Acquisitions	236.8	41.6
Cash flows from financing activities	(306.1)	82.2

## Return on invested capital

The return on LTM invested capital before tax was 7.8% at 30 June 2020. The return on invested capital at 30 June 2019 cannot be calculated after IFRS 16 due to a lack of historical EBITA numbers after IFRS 16 implementation.

## **Events after the date of the statement of financial position**

Revenue growth in the period from 1 July to 15 August 2020 was in line with the rates witnessed in Q1 2020/21, driven by strong online sales and higher physical store sales than in the same period the year before. Management believes that sales were favourably affected by the low level of outbound travel activity among Danish consumers during the summer period.

## **Significant risks**

Matas Group is exposed to operational risks affecting the retail industry in general and the Health & Beauty industry in particular. If a second wave of COVID-19 leads to a full or partial lockdown of the retail industry and other parts of Danish society, Matas' business may be severely affected. In addition, Matas is to some extent exposed to financial risk such as interest rate, liquidity and credit risk.

# Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management today considered and approved the interim report of Matas A/S for the period 1 April to 30 June 2020.

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 June 2020 and of the results of the Group's operations and cash flows for the period 1 April to 30 June 2020.

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, 20 August 2020

## Executive Management

Gregers Wedell-Wedellsborg  
CEO

Anders Skole-Sørensen  
CFO

## Board of Directors

Lars Vinge Frederiksen  
Chairman

Lars Frederiksen  
Deputy Chairman

Signe Trock Hilstrøm

Mette Maix

Henrik Taudorf Lorensen

Birgitte Nielsen

## Additional information

### Financial calendar

The financial year covers the period 1 April – 31 March, and the following dates have been fixed for releases etc. in the remainder of financial year 2020/21:

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5 November 2020	Interim report – Q2 2020/21
8 January 2021	Trading update for Q3 2020/21
25 February 2021	Interim report – Q3 2020/21
17 May 2021	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
27 May 2021	Annual report 2020/21
29 June 2021	Annual general meeting for 2020/21

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### Company information

Matas A/S  
 Rørmosevej 1  
 3450 Allerød, Denmark

Tel.: +45 48 16 55 55  
[www.matas.dk](http://www.matas.dk)  
[investor.en.matas.dk](mailto:investor.en.matas.dk)  
 Company reg. (CVR) no. 27 52 84 06

# Statement of comprehensive income

(DKKm)	2020/21 Q1	2019/20 Q1
Revenue	946.8	875.6
Cost of goods sold	(526.6)	(481.6)
<b>Gross profit</b>	<b>420.2</b>	<b>394.0</b>
Other external costs	(63.3)	(50.5)
Staff costs	(185.6)	(183.0)
Amortisation, depreciation and impairment	(99.2)	(89.7)
<b>EBIT</b>	<b>72.1</b>	<b>70.8</b>
Share of profit or loss after tax of associates	0.2	0.2
Financial income	0.1	0.0
Financial expenses	(12.5)	(10.0)
<b>Profit before tax</b>	<b>59.9</b>	<b>61.0</b>
Tax on profit for the period	(13.2)	(15.1)
<b>Profit for the period</b>	<b>46.7</b>	<b>45.9</b>
<b>Other comprehensive income</b>		
Value adjustment of hedging instrument	0.1	(0.4)
Tax on value adjustment	0.0	0.1
<b>Total comprehensive income</b>	<b>46.8</b>	<b>45.6</b>
<b>Earnings per share</b>		
Earnings per share, DKK	1.22	1.21
Diluted earnings per share, DKK	1.21	1.20

## Statement of cash flows

(DKKm)	2020/21 Q1	2019/20 Q1
Profit before tax	59.9	61.0
Adjustment for non-cash operating items etc.:		
Amortisation, depreciation and impairment	99.2	89.7
Other non-cash operating items, net	1.2	1.1
Share of profit or loss after tax of associates	(0.2)	(0.2)
Financial income	(0.1)	0.0
Financial expenses	12.5	10.0
<b>Cash generated from operations before changes in working capital</b>	<b>172.5</b>	<b>161.6</b>
Changes in working capital	128.5	(78.9)
<b>Cash generated from operations</b>	<b>301.0</b>	<b>82.7</b>
Interest received	0.1	0.0
<b>Cash flow from operating activities</b>	<b>301.1</b>	<b>82.7</b>
Acquisition of intangible assets	(15.6)	(15.8)
Acquisition of property, plant and equipment	(24.2)	(25.3)
Acquisition of investments in associates	(5.5)	0.0
Payment of contingent consideration	(19.0)	0.0
Acquisition of subsidiaries and operations	0.0	(122.7)
<b>Cash flow from investing activities</b>	<b>(64.3)</b>	<b>(163.8)</b>
<b>Free cash flow</b>	<b>236.8</b>	<b>(81.1)</b>
Debt raised and settled with credit institutions	(250.5)	130.9
Interest paid	(13.4)	(9.1)
Repayment of lease liabilities	(42.6)	(39.6)
<b>Cash flow from financing activities</b>	<b>(306.5)</b>	<b>82.2</b>
<b>Net cash flow from operating, investing and financing activities</b>	<b>(69.8)</b>	<b>1.1</b>
Cash and cash equivalents, beginning of period	106.6	160.9
<b>Cash and cash equivalents, end of period</b>	<b>36.8</b>	<b>162.0</b>

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



# Assets

(DKKm)	30.06 2020	30.06 2019	31.03 2020
<b>NON-CURRENT ASSETS</b>			
Goodwill	3,930.6	3,918.5	3,930.6
Trademarks and trade names	206.3	286.8	227.2
Other intangible assets	100.2	86.7	99.1
<b>Total intangible assets</b>	<b>4,237.1</b>	<b>4,292.0</b>	<b>4,256.9</b>
<b>Property, plant and equipment</b>			
Lease assets	735.0	893.6	774.1
Land and buildings	97.2	86.3	91.4
Other fixtures and fittings, tools and equipment	116.5	102.5	117.3
Leasehold improvements	63.1	48.0	63.4
<b>Total property, plant and equipment</b>	<b>1,011.8</b>	<b>1,130.4</b>	<b>1,046.2</b>
Investments in associates	12.2	0.5	6.5
Deposits	45.4	44.8	46.3
Other securities and investments	0.6	0.7	0.6
<b>Total other non-current assets</b>	<b>58.2</b>	<b>46.0</b>	<b>53.4</b>
<b>Total non-current assets</b>	<b>5,307.1</b>	<b>5,468.4</b>	<b>5,356.5</b>
<b>CURRENT ASSETS</b>			
Inventories	978.0	825.5	962.6
Trade receivables	15.5	12.5	14.7
Corporation tax receivable	2.3	26.7	29.6
Other receivables	83.7	84.8	87.4
Prepayments	37.4	32.7	30.9
Cash and cash equivalents	36.8	162.0	106.6
<b>Total current assets</b>	<b>1,153.7</b>	<b>1,144.2</b>	<b>1,231.9</b>
<b>TOTAL ASSETS</b>	<b>6,460.8</b>	<b>6,612.6</b>	<b>6,588.3</b>

## Equity and liabilities

(DKKm)	30.06 2020	30.06 2019	31.03 2020
<b>EQUITY</b>			
Share capital	95.7	95.7	95.7
Hedging reserve	(2.0)	(2.9)	(2.1)
Translation reserve	0.3	0.3	0.3
Treasury share reserve	(3.3)	(11.8)	(11.8)
Retained earnings	2,721.3	2,530.7	2,681.9
<b>Total equity</b>	<b>2,812.0</b>	<b>2,612.0</b>	<b>2,764.0</b>
<b>LIABILITIES</b>			
Deferred tax	195.7	217.1	210.0
Lease liabilities	568.9	714.0	598.9
Provisions	27.4	27.3	27.3
Contingent consideration	0.0	15.6	17.1
Credit institutions	1,557.1	1,745.4	1,821.7
Other payables	53.4	0.0	38.0
<b>Total non-current liabilities</b>	<b>2,402.5</b>	<b>2,719.4</b>	<b>2,713.0</b>
Credit institutions	14.5	50.9	0.0
Lease liabilities	177.9	183.3	185.6
Prepayments from customers	149.9	151.1	158.9
Trade payables	632.4	586.0	586.7
Dividends	0.0	114.6	0.0
Contingent consideration	17.6	0.0	0.0
Other payables	254.0	195.3	180.1
<b>Total current liabilities</b>	<b>1,246.3</b>	<b>1,281.2</b>	<b>1,111.3</b>
<b>Total liabilities</b>	<b>3,648.8</b>	<b>4,000.6</b>	<b>3,824.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,460.8</b>	<b>6,612.6</b>	<b>6,588.3</b>

## Statement of changes in equity

	Share capital	Hedging reserve	Translation reserve	Treasury share reserve	Retained earnings	Total
<b>Equity at 1 April 2020</b>	<b>95.7</b>	<b>(2.1)</b>	<b>0.3</b>	<b>(11.8)</b>	<b>2,681.9</b>	<b>2,764.0</b>
Value adjustment of hedging instrument	0.0	0.1	0.0	0.0	0.0	0.1
Tax on value adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income	0.0	0.1	0.0	0.0	0.0	0.1
Profit for the period	0.0	0.0	0.0	0.0	46.7	46.7
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>46.7</b>	<b>46.8</b>
<b>Transactions with owners</b>						
Exercise of incentive programme	0.0	0.0	0.0	8.5	(8.5)	0.0
Share-based payment	0.0	0.0	0.0	0.0	1.2	1.2
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.5</b>	<b>(7.3)</b>	<b>1.2</b>
<b>Equity at 30 June 2020</b>	<b>95.7</b>	<b>(2.0)</b>	<b>0.3</b>	<b>(3.3)</b>	<b>2,721.3</b>	<b>2,812.0</b>

	Share capital	Hedging reserve	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total
<b>Equity at 1 April 2019</b>	<b>95.7</b>	<b>(2.6)</b>	<b>0.3</b>	<b>(33.3)</b>	<b>114.9</b>	<b>2,949.9</b>	<b>2,669.9</b>
Value adjustment of hedging instrument	0.0	(0.4)	0.0	0.0	0.0	0.0	(0.4)
Tax on value adjustment	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Other comprehensive income	0.0	(0.3)	0.0	0.0	0.0	0.0	(0.3)
Profit for the period	0.0	0.0	0.0	0.0	0.0	45.9	45.9
<b>Total comprehensive income</b>	<b>0.0</b>	<b>(0.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>45.9</b>	<b>45.6</b>
<b>Transactions with owners</b>							
Dividend transferred to liabilities	0.0	0.0	0.0	0.0	(114.6)	0.0	(114.6)
Dividend on treasury shares	0.0	0.0	0.0	0.0	(0.3)	0.3	0.0
Exercise of incentive programme	0.0	0.0	0.0	5.9	0.0	(5.9)	0.0
Disposal of treasury shares for purchase of Kosmolet	0.0	0.0	0.0	15.6	0.0	(5.6)	10.0
Share-based payment	0.0	0.0	0.0	0.0	0.0	1.1	1.1
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>21.5</b>	<b>(114.9)</b>	<b>(10.1)</b>	<b>(103.5)</b>
<b>Equity at 30 June 2019</b>	<b>95.7</b>	<b>(2.9)</b>	<b>0.3</b>	<b>(11.8)</b>	<b>0.0</b>	<b>2,530.7</b>	<b>2,612.0</b>

# Notes

## Note 1 – Accounting policies

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

Except as set out below, the accounting policies are consistent with the accounting policies applied in the consolidated financial statements for 2019/20, to which reference is made.

### Changes of accounting policies

Matas has implemented the latest IFRS amendments, which took effect on 1 April 2020 and have been approved by the EU.

None of those amendments have significantly affected recognition and measurement, nor are they expected to have a material effect on Matas 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 consolidated financial statements for 2019/20.

## Note 3 – Seasonality

While the Group's activities in the first quarter of the financial year were only to a limited extent affected by seasonal fluctuations, physical store sales, in particular, were adversely affected by the COVID-19 pandemic at the beginning of the quarter.

## Note 4 – Revenue

(DKKm)	2020/21 Q1	2019/20 Q1
Retail sales, own stores	699.8	773.3
Retail sales, webshops (matas.dk and Firtal)	241.0	95.6
Wholesale sales etc. (including Kosmolet)	6.0	6.7
<b>Total revenue</b>	<b>946.8</b>	<b>875.6</b>

In Q1 2020/21, 25.5% of Matas Group's revenue was generated by its webshops, compared with 10.9% in the year-earlier period.

Revenue breaks down by product groups as follows:

(DKKm)	2020/21 Q1	2019/20 Q1
High-End Beauty	321.5	302.4
Mass Beauty	339.5	318.9
Health & Wellbeing	252.2	217.7
Other	27.6	30.0
Wholesale sales etc.	6.0	6.7
<b>Total revenue</b>	<b>946.8</b>	<b>875.6</b>

The product groups are as follows:

- High-End Beauty: Luxury beauty products, including cosmetics, skincare and haircare products and fragrances.
- Mass Beauty: Everyday beauty products and personal care, including cosmetics and skincare and haircare products.
- Health & Wellbeing: Medicare (OTC medicine and nursing products). Vitamins, minerals, supplements, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Mother and child. Personal care products (oral, foot and intimate care and hair removal). Special skincare.
- Other: Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and garden (cleaning and maintenance, electrical products, interior decoration and textiles). Other revenue.
- Wholesale sales etc. comprise sales concerning the associated Matas store, Club Matas partners, value adjustments of Club Matas points, B2B and sales by Kosmolet outside of Matas.

Revenue is generated by the sale of Matas products. Revenue from sales of products through Matas 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 Matas webshops is recognised and payment is received when the product is sent to the customer.

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

For the Club Matas customer loyalty programme, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of Club Matas points and stripes. The performance obligation is measured at the estimated fair value of the Club Matas points and stripes allocated and amounted to DKK 69.2 million at 30 June 2020 (30 June 2019: DKK 70.5 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/stripes, usually over an average period of three months. Customers have the option of returning products, but the volume of returns at 30/06/2020 was insignificant, as was the amount of guarantee commitments.

## Geographical information

Matas Group operates almost exclusively in Denmark. Revenue from sales through Danish retail stores and to associated stores accounted for > 98%.

## Note 5 – Contingent consideration and goodwill

The Group did not make any acquisitions in the accounting period/quarter.

Contingent consideration in the amount of DKK 19.0 million was paid in Q1 in relation to the acquisition of Kosmolet A/S, consisting of contingent consideration of DKK 20.0 million and a DKK 1.0 million reduction of the purchase price.

No acquisitions have been made after 30 June 2020.

At DKK 3,930.6 million, the carrying amount of goodwill was unchanged compared with 31 March 2020. Kosmolet A/S was acquired in Q1 2019/20.

(DKKm)	2020/21	2019/20
Goodwill at 1 April 2020/2019	3,930.6	3,838.1
Addition on acquisition of Kosmolet A/S	-	80.4
<b>Goodwill at 30 June 2020</b>	<b>3,930.6</b>	<b>3,918.5</b>

## Note 6 – Acquisition of investments in associates

The Group increased its ownership interest in MIILD A/S to 40.0% in Q1 2020/21.

## Note 7 – Leases

Matas' lease assets are as follows:

DKKm	30/06/2020	30/06/2019	31/03/2020
Store leases	670.5	816.1	706.1
Administration and warehouse buildings etc.	60.1	71.2	62.9
Cars and other leases	4.4	6.3	5.1
<b>Total lease assets</b>	<b>735.0</b>	<b>893.6</b>	<b>774.1</b>

There was an addition of lease assets in the amount of DKK 5.1 million in Q1.

Matas' lease liabilities are as follows:

DKKm	30/06/2020	30/06/2019	31/03/2020
Non-current liabilities	568.3	714.0	598.9
Current liabilities	178.0	183.3	185.6
<b>Total lease liabilities</b>	<b>746.3</b>	<b>897.3</b>	<b>784.5</b>

Most store leases are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice of 3-12 months.

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

DKKm	Q1 2020/21	Q1 2019/20
Leased stores etc.	40.4	41.2
Administration and warehouse buildings etc.	2.8	1.4
Cars and other leases	1.0	0.8
<b>Total depreciation of lease assets</b>	<b>44.2</b>	<b>43.4</b>

Lease payments in the amount of DKK 45.9 million were made in Q1 2020/21 (Q1 2019/20: DKK 43.5 million.).

Interest in the amount of DKK 3.3 million was expensed in Q1 2020/21 (Q1 2019/20: DKK 3.8 million).

Matas Group is the lessee of a limited number of premises. For some of these leases, the full rent is based on revenue, while for others, rent is 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 0.8 million.

A total amount of DKK 1.5 million was recognised in the statement of comprehensive income for Q1 2020/21 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 2.1 million at 30 June 2020.

## Note 8 – Other payables

DKKm	30/06/2020	30/06/2019	31/03/2020
<b>Other non-current payables</b>			
Frozen holiday pay	53.4	0.0	38.0
<b>Total other non-current payables</b>	<b>53.4</b>	<b>0.0</b>	<b>38.0</b>
<b>Other current payables</b>			
VAT payable	71.1	31.6	30.1
Holiday pay obligations etc.	53.7	107.8	69.8
Pay-related liabilities (A tax/social security contributions)	93.8	18.8	42.4
Wage compensation repaid	15.6	0.0	0.0
Contingent consideration	5.0	20.0	25.0
Other creditors	14.8	17.1	12.9
<b>Total other current payables</b>	<b>254.0</b>	<b>195.3</b>	<b>180.1</b>

## Note 9 – Transactions with related parties

Pursuant to Matas A/S' Remuneration Policy, a total of 72,980 Performance Share Units (PSUs) related to the Company's long-term incentive programme (LTIP) for 2017 vested at 10 June 2020.

The PSUs vested in the form of 31,601 shares being granted to CEO Gregers Wedell-Wedellsborg, 14,810 shares being granted to CFO Anders T. Skole-Sørensen and 26,569 shares being granted to the rest of the executive team, including resigned managers.

The PSUs were granted free of charge to vest in the form of shares in Matas A/S.

PSUs vested at 75% of the original grant, which means that a total of 24,324 PSUs have been cancelled. Based on a closing price at 9 June 2020 of DKK 60.9, the total value of vested PSUs was DKK 4.4 million.

# Interim financial highlights

(DKKm)	2020/21	2019/20	2019/20	2019/20	2019/20
	Q1	Q4	Q3	Q2	Q1
<b>Statement of comprehensive income</b>					
Revenue	946.8	817.0	1,173.4	822.5	875.6
Gross profit	420.2	373.8	515.1	357.5	394.0
EBITDA	171.3	116.2	262.7	139.0	160.5
EBIT	72.1	10.8	165.6	45.7	70.8
Net financials	(12.2)	(11.8)	(11.3)	(10.2)	(9.8)
Profit before tax	59.9	(1.0)	154.3	35.5	61.0
Profit for the period	46.7	1.5	117.7	26.0	45.9
<b>Balance sheet</b>					
Total assets	6,460.8	6,588.3	6,684.7	6,537.3	6,612.6
Total equity	2,812.0	2,764.0	2,759.8	2,640.1	2,612.0
Net working capital	(1.4)	90.3	(24.4)	(26.0)	(56.5)
Net interest-bearing debt	2,281.6	2,499.6	2,437.8	2,591.9	2,531.6
<b>Statement of cash flows</b>					
Cash flow from operating activities	301.1	32.6	222.4	109.0	82.7
Cash flow from investing activities	(64.3)	(66.2)	(61.1)	(44.5)	(163.8)
Free cash flow	236.8	(33.6)	161.3	64.5	(81.1)
Net cash flow from operating, investing and financing activities	(69.8)	(30.5)	90.5	(115.6)	1.1
<b>Key performance indicators</b>					
Number of transactions (millions)*	4.9	4.6	6.2	4.9	5.1
Average basket size (DKK)*	194.1	173.5	187.9	164.7	169.5
Total retail floor space (in thousands of square metres)	53.2	53.5	53.7	53.5	53.4
Avg. revenue per square metre (in DKK thousands) - LTM	69.8	68.3	68.4	66.8	66.0
Like-for-like growth	8.4%	(2.2)%	4.7%	0.3%	(1.2)%
<b>Adjusted figures</b>					
EBITDA	171.3	116.2	262.7	139.0	160.5
Special items	1.5	2.9	1.1	14.6	2.7
EBITDA before special items	172.8	119.1	263.9	153.6	163.2
Depreciation and amortisation of software	(74.2)	(80.8)	(73.0)	(69.7)	(67.3)
EBITA	98.6	38.3	190.9	83.9	95.9
Adjusted profit after tax	67.4	23.0	137.5	56.1	66.0
Gross margin	44.4%	45.8%	43.9%	43.5%	45.0%
EBITDA margin	18.1%	14.2%	22.4%	16.9%	18.3%
EBITDA margin before special items	18.3%	14.6%	22.5%	18.7%	18.6%
EBITA margin	10.4%	4.7%	16.3%	10.2%	11.0%
EBIT margin	7.6%	1.3%	14.1%	5.6%	8.1%

\* Incl. Firtal transactions