

Company announcement no. 01 2019/20 – Inside information
Allerød, 28 May 2019

Matas signs agreement to acquire Kosmolet A/S

Today, Matas signed an agreement to acquire 100% of the shares in Kosmolet A/S, the company behind the successful Danish makeup brand Nilens Jord. Known for its allergy-friendly and natural profile, Nilens Jord is the best-selling makeup brand carried by Matas. The brand has a dedicated and loyal customer group spanning all age groups.

Gregers Wedell-Wedellsborg, CEO of Matas A/S, states: *"With the acquisition of Nilens Jord, we are adding the best-selling makeup brand carried by Matas to our private label portfolio. Together, we will be able to accelerate product innovation, expand our product range and provide improved accessibility in the years ahead for the benefit of the customers. At the same time, we are welcoming a successful and financially sound business with strong development potential and a competent organisation to our family".*

The transaction

- The transaction prices Kosmolet A/S at an initial value of DKK 145 million as well as a earn out payment of up to DKK 20 million.
- The initial purchase price of DKK 145 million will be paid partly in cash (DKK 135 million) and partly in the form of Matas shares (DKK 10 million) at closing.
- The completion of the transaction is subject to the satisfactory completion of a confirmatory due diligence, which is expected to be finalised in June 2019.
- The acquisition is expected to entail transaction and restructuring costs of about DKK 5 million in 2019/20, which will be recognised under exceptional items.

As Matas already carries Nilens Jord, the acquisition will have a limited effect on revenue, but is expected to boost annual EBITDA by up to DKK 25 million after completion of the integration.

"Nilens Jord and Matas have had a close and fruitful collaboration through the past 27 years. When it became apparent that the founders were planning to hand the company on, we saw a chance to take our strategic work a big step forward by adding a very popular makeup brand to our private label portfolio. Together with the Kosmolet team, we can strengthen the position of Nilens Jord even further", states Gregers Wedell-Wedellsborg.

"We see Kosmolet A/S as an attractive investment in itself and are impressed with the profitable growth it has recorded over the past many years. With Matas as the new owners, we can grow the business even more and further improve profitability."

Strategic rationale

With the acquisition of Kosmolet A/S, Matas achieves:

- A stronger portfolio of private label brands
- An increased share of revenue from private label brands with efficient operations and attractive margins
- A stronger position in the rapidly growing market for clean and allergy-friendly products
- New platform for growth and business development through the acquisition of a business with strong product innovation capabilities and solid historical results.

About Kosmolet A/S

Kosmolet A/S is the company behind Nilens Jord, a successful Danish makeup brand. Nilens Jord was founded in 1982 by Lars Jacobsson, who owns the company together with his wife, Berit. In recent years, the couple have been planning to pass on the company and currently serve only on in a board capacity.

Nilens Jord was a first-mover in making completely perfume-free makeup products. Today, the brand has evolved into one of the most successful brands on the Danish makeup market. Especially within the past ten years, Danish consumers have shown a growing preference for truly allergy-friendly products. The company is remarkable for its

continuous growth and product innovation, and this year Nilens Jord won a Danish Beauty Award for the world's first AllergyCertified lipstick.

- According to its most recently published annual report, Kosmolet A/S generated EBITDA of DKK 19.4 million in financial year 2017/18 (1 June 2017 – 31 May 2018).
- Kosmolet A/S is headquartered in Farum, only few kilometres from Matas' headquarters in Allerød. Kosmolet A/S will continue as an independent business after the acquisition and will remain based in Farum.
- Kosmolet A/S has approximately 35 full-time employees.

In connection with this transaction, Matas A/S was advised by Carnegie and Gorrissen Federspiel.

Annual report 2018/19

Matas will release its Q4 2018/19 financial statements and its annual report for the financial year 1 April 2018 – 31 March 2019 on 28 May 2019 at approximately 8:00 a.m. (CEST).

Conference call

Matas will host a conference call for investors and analysts on 28 May 2019 at 11:00 a.m. (CEST). The conference call and presentation can be accessed on our investor website: www.investor.en.matas.dk. Conference call access numbers for investors and analysts:

DK: +45 32 72 80 42
UK: +44 (0) 844 571 8892
US: +1 631 510 7495
Event code: 8298779

Please call 5-10 minutes before the conference call begins.

Link to webcast: <https://edge.media-server.com/m6/p/2iwxefc>

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Forward-looking statements

This announcement contains statements relating to the future, including statements regarding the 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 announcement. Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond the 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.