

Company announcement no. 12 2023/24 (inside information)
Allerød, 31 August 2023

Completion of the acquisition of KICKS Group AB (“KICKS Group”) and update of financial expectations for 2023/24

Today, Matas A/S (“Matas Group”) completed the previously announced acquisition of KICKS Group at an agreed cash consideration of SEK 1,100 million (DKK 692 million¹). Please refer to company announcement no. 05 of 29 June 2023.

Gregers Wedell-Wedellsborg, CEO of Matas Group, says: *“We are happy to join forces with our new colleagues from Sweden, Norway and Finland to create even better experiences for our customers. By combining our two businesses, we are well positioned strategically and financially to build on our Nordic leadership position within beauty and wellbeing and bring value to our partners and investors.”*

Compelling strategic rationale

The Nordic market for beauty and wellbeing is estimated to be around DKK +65 billion. Jointly, the combined entity will operate the #1 beauty omnichannel retail concept in the Nordics with Matas leading in Denmark and KICKS Group leading in Sweden and Norway and as a contender for market leadership in Finland.

Matas and KICKS Group will serve +5 million club members across the four Nordic markets with almost 500 stores, leading web shops, +3,800 skilled colleagues, and offer a category leading portfolio of third party brands, own brands and services.

The combined entity had pro forma adj. 2022/23 total revenue of DKK 7,616 million (of which online sales accounted for DKK 2,121 million) with a 15% pro forma adj. EBITDA margin².

Key transaction details

Matas Group has acquired 100% of the shares in KICKS Group for a cash consideration at closing of SEK 1,100 million (DKK 692 million¹). Based on the estimated closing balance as at 31 August 2023, this corresponds to an enterprise value of SEK 2,064 million (DKK 1,299 million¹) including adjustments for estimated assumed net debt of SEK 3 million (DKK 2 million¹) after normalised working capital and estimated lease liabilities of SEK 961 million (DKK 605 million¹) as at 31 August 2023.

Expectation of minimum DKK 100 million in EBITDA improvement from synergies once fully phased in by 2025/26, related to increased operating leverage, customer loyalty, similarities and overlaps in business models, services and marketing strategies, as well as IT and digitalisation agendas.

Estimated integration costs of approx. DKK 100 million with the majority expected in the first financial year. This does not include estimated transaction costs of approx. DKK 50 million.

Expected positive EPS percentage accretion by 2024/25 and double-digit EPS percentage accretion by 2025/26.

KICKS Group will be included in the consolidated financial results of Matas Group as of today.

Financial guidance

Following completion of the acquisition, Matas Group updates its financial expectations for the financial year 2023/24 as follows.

- Revenue is now expected to be in the range of DKK 6,400-6,600 million (previously 4-7% growth, equivalent to DKK 4,669-4,804 million), hence the revenue impact of acquiring KICKS Group for the seven-month period is DKK 1,731-1,796 million
- EBITDA margin before special items is now expected to be around 15% (previously around 17%)
- CAPEX, excl. M&A, of DKK 500-525 million, incl. DKK 250 million to Matas Logistics Center and DKK 45 million to the finalisation of the new KICKS Group warehouse outside Stockholm (previously DKK 425-450 million)

The updated financial expectations for the financial year 2023/24 assume that the Nordic markets will not go into a recession and that such recession would not impact the beauty and wellbeing markets severely. Further, a constant 0.6294 SEK/DKK exchange rate and a constant 0.6569 NOK/DKK exchange rate have been assumed.

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About us

Matas Group is the Nordic leader in beauty and wellbeing, consisting of the banners Matas, KICKS and Skincity. With almost 500 stores and leading web shops across Denmark, Sweden, Norway, and Finland, we are the leading omnichannel player offering a curated portfolio of third party brands, own brands and an emphasis on personal and expert advisory and service excellence. We have more than 5 million loyalty members across the Nordics. Matas Group is listed on Nasdaq OMX Copenhagen.

Notes

- 1) DKK figures based on a SEK/DKK exchange rate of 0.6294 (as of 30 August 2023)
- 2) Based on a SEK/DKK exchange rate of 0.6888 (average of April 2022 – March 2023)

Forward-looking statements

This announcement 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.