

M A T A S



Annual Report  
2023-2024

1 APRIL 2023 – 31 MARCH 2024



G R O U P

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Our purpose

# Matas Group ...for beautiful lives

# M A T A S



## Introducing Matas Group

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# G R O U P



To our shareholders

# A milestone year and a new beginning

2023/2024 was a year of fundamental transformation. After 75 years of progress in Denmark, Matas acquired KICKS Group and became the Nordic leader in Beauty and Wellbeing.

Dear shareholders,

Over the last five year, Matas has changed from being a conventional retail chain to becoming a successful omnichannel company. With the acquisition in 2023 of KICKS Group, we are now positioned as leaders in the Nordic region and have a solid foundation for long-term growth.

The new Matas Group is the leading Beauty and Wellbeing destination in the Nordics. Together, we are around 4,000 dedicated colleagues serving customers with almost 500 stores, with market leading webshops accounting for around 30% of total revenue, and with >5 million club members across Denmark, Sweden, Norway, and Finland. We offer a category leading portfolio of third-party brands, cherished own brands and services – all of which are rewarded with high customer satisfaction.

The Group had proforma revenues of almost DKK 8 billion, and an EBITDA margin of above 14% had we owned KICKS for the full year.

The strategic and cultural fit between Matas and KICKS is strong and with a new joint strategy, we now set out on a long-term growth journey to Win the Nordics. But first, a look at what we have achieved in the past year.

## **A milestone year: Results and execution**

We are happy to report that 2023/24 was a record year driven by underlying growth and earnings improvement. We delivered DKK 6.7 billion in revenues and we passed a symbolic mark, reaching for the first time DKK 1 billion EBITDA before special items.



**Gregers Wedell-Wedellsborg**

Group CEO

**Lars Vinge Frederiksen**

Chair

“Win the Nordics is first and foremost a long-term growth strategy, but with higher volumes driving scale, we also see a clear path to improving margins.”

# #1

Nordic market leader

Matas (excluding KICKS) generated revenue of DKK 4.8 billion – in line with our upgraded financial guidance. Back in August 2021, we set an ambition to reach DKK 5 billion by 2025/26. We are on track to reach that ambition almost two years ahead of time. The organic growth for Matas (excluding KICKS) was 8%, fuelled by continued assortment expansion and e-commerce growth. We launched ~300 new brands and e-commerce grew 24% during the financial year as we continued to improve the customer experience, delivery speed, and value perception.

KICKS, which we owned for seven months during the financial year, grew ~2% in local currency. In the important Christmas quarter, both Matas and KICKS reported all-time high revenues with growth in all channels and markets despite macro-economic uncertainty and ongoing integration work. Based on the strong Christmas quarter, we upgraded our revenue guidance for the full year in January 2024.

Our customer satisfaction, measured as Net Promotor Score (NPS), remained at a high level both in stores and online. We strongly believe that the omnichannel approach is the winning concept and “connected retail” sales, where our physical stores offer customers the entire online assortment, grew 25% during the financial year.

As highlighted in our ESG Report, we are making progress on key initiatives within Sustainable Retail, Driving Inclusion and Championing Health. We are

gaining even more solid data quality for tracking and reporting and have decided to join the Science Based Targets initiative.

Matas has a history of excellent strategy execution. During the “Renewing Matas” strategy (from 2017 to 2020), we executed a successful digital transformation, increasing the online share of revenue from 4% to 26%. During the next strategy phase, “Growing Matas” (2021–2024), we outgrew the market, delivering annual average growth of above 5% driven by assortment expansion and continued e-commerce growth.

Earnings have been stable throughout the period allowing for continuous reinvestment in growth, new capabilities, and acquisitions.

### **A new beginning: Win the Nordics**

In connection with the publication of this annual report, we will host a Capital Markets Day where we will present our new growth strategy, “Win the Nordics”, as well as new long-term financial ambitions.

The Nordic health and beauty market is worth approx. DKK 72 billion and our strategy, Win the Nordics, aims at becoming the number one in all Nordic markets, channels, and core categories. Our starting point is strong, we are already number one overall in Denmark, Sweden and Norway, and a challenger in Finland. However, we see headroom to expand our leadership in each market, improve

our online market positions, and lead in more categories.

Win the Nordics is first and foremost a long-term growth strategy, but with higher volumes driving scale, we also see a clear path to improving margins.

We have strong and longstanding supplier relationships and our assortment expansion in Denmark has been a key driver of growth. With our Nordic scale, we can leverage both our sourcing strength and assortment expansion even more.

On the e-commerce side, we can leverage the successful online roll-out in Denmark to further improve the solid online performance in Sweden, Norway and Finland.

We are creating a logistics platform for long-term growth across the Nordics with two new automated distribution centers. A new automated logistic center outside of Stockholm is in operation and handled first orders during Q3 2023, while the upcoming automated logistic center in Lynge is under construction and will start operating in 2025. The two logistic centers will facilitate expanded assortment, fast and efficient delivery, and contribute to reducing overall logistic costs. Both centers come with added benefits to the environment including solar panels supplying energy for production and solutions to reducing packaging materials.

On 1 April 2024, we launched a new international organisational set-up and ways of working to drive growth and efficiency across the business. We have established two market facing functions, Matas and KICKS, each addressing individual markets, and three Nordic groupwide functions: Commercial, Digital & Loyalty, and Operations (IT, Logistics and Data Analytics).

This has indeed been a year of exceptional change and progress, and we wish to thank all our colleagues in the stores, in the logistic centers, and at our offices for their dedicated daily efforts, delivering strong results despite macroeconomic uncertainty and ongoing integration. A special thanks to our new colleagues from KICKS Group for engaging with openness and ambition.

We also wish to thank our customers for their engagement with, partners for the fruitful collaboration and our shareholders for the continued support.

Based on the strong results, the Board of Directors proposes a dividend of DKK 2.00 per share. The dividend is subject to approval by the Annual General Meeting on 19 June 2024.

We look forward to meeting our shareholders at the Annual General Meeting on 19 June 2024.

Thank you.

**Lars Vinge Frederiksen** Chair  
**Gregers Wedell-Wedellsborg** Group CEO

# Highlights 2023/24

## Financial highlights

Organic growth (Matas excluding KICKS)

7.8%

EBITDA margin before special items

15.0%

in line with guidance

Proposed dividend per share of DKK

2.00

for approval at the Annual General Meeting

## KICKS acquisition

Matas Group the Nordic market leader

#1

New markets

#1

Sweden



#1

Norway



#3

Finland



EBITDA improvement from transaction of DKK million

>140

by 2025/26 from synergies and standalone improvements

## Strategy execution

New brands launched

~300

Online organic growth journey continued

+24%

New automated warehouses  
a platform for future

Growth

## ESG

Committed to decarbonisation  
Science Based Targets initiative

SBTi

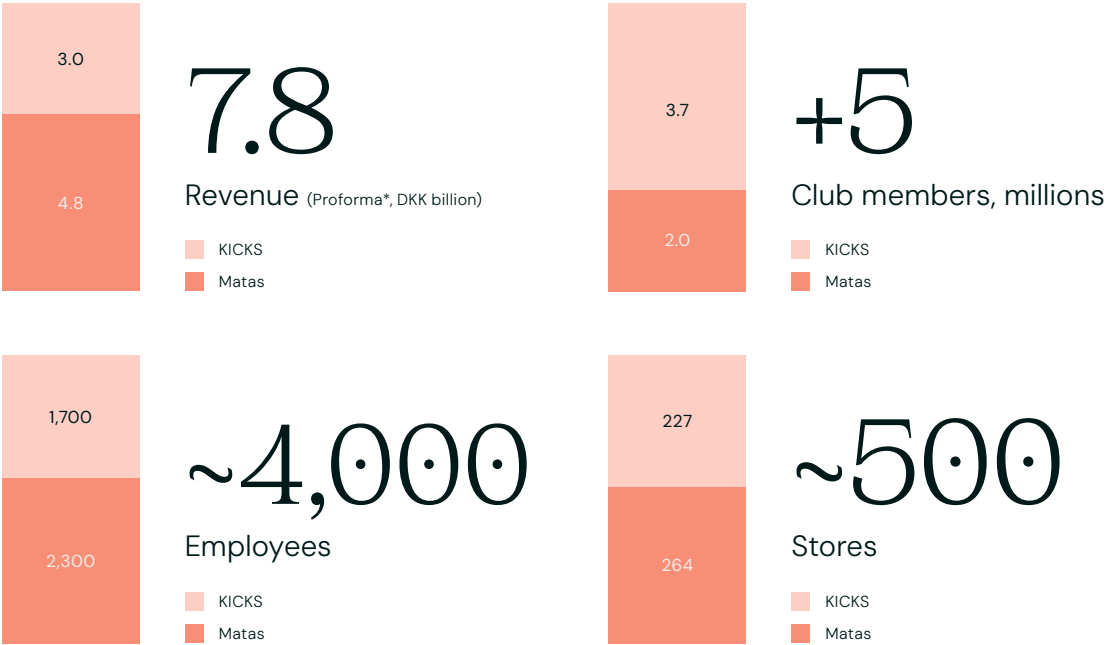
Improved ESG rating from Nordea

BBB → A



# Creating the Nordic leader

On 31 August 2023, Matas completed the acquisition of KICKS, a leading beauty actor in the Nordics with operations in Sweden, Norway and Finland. By joining forces as Matas Group, we are well positioned to create even better experiences for our customers. By combining two highly complementary businesses, with a compelling strategic rationale, we are also well positioned to build on our Nordic leadership position within Beauty and Wellbeing and bring value to our customers, partners and investors.



\* Based on actual monthly exchange rates for 2023/24





# This is Matas Group

14.3%

EBITDA margin proforma\*

#1

Nordic market position

≈30%

Share of revenues from online

≈11%

Estimated Nordic market share

≈600

Supplier base

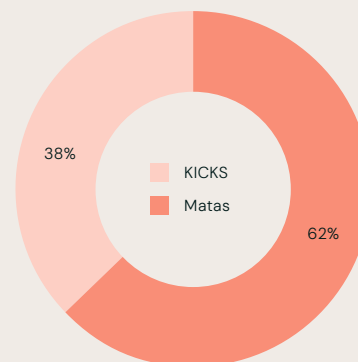
≈60,000

SKU base

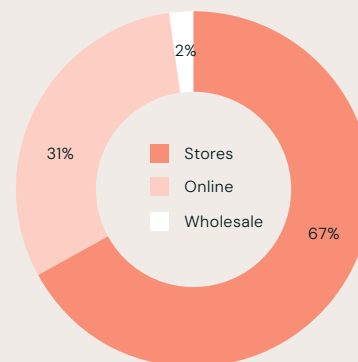
\* Proforma EBITDA margin before special items 2023/24



Revenue split by Matas/KICKS  
2023/24 proforma, %



Revenue split by channel  
2023/24, %



## Complementary footprint

Together as Matas Group, KICKS and Matas are connecting an attractive approx. DKK 72 billion Nordic market and more than 5 million members in loyalty programmes with brands through online and offline retail on a shared platform.

## Strong omnichannel leadership position

Through a combination of ~500 stores and ~30% of revenue from online, Matas Group is the Nordic leader in Beauty and Wellbeing.

## Top-of-mind brand

Both Matas and KICKS are the strongest top-of-mind brands in respective geographies with well-trained beauty experts and unique offering, including a combination of exclusive distribution rights, brands and in-house products.

# Our business model

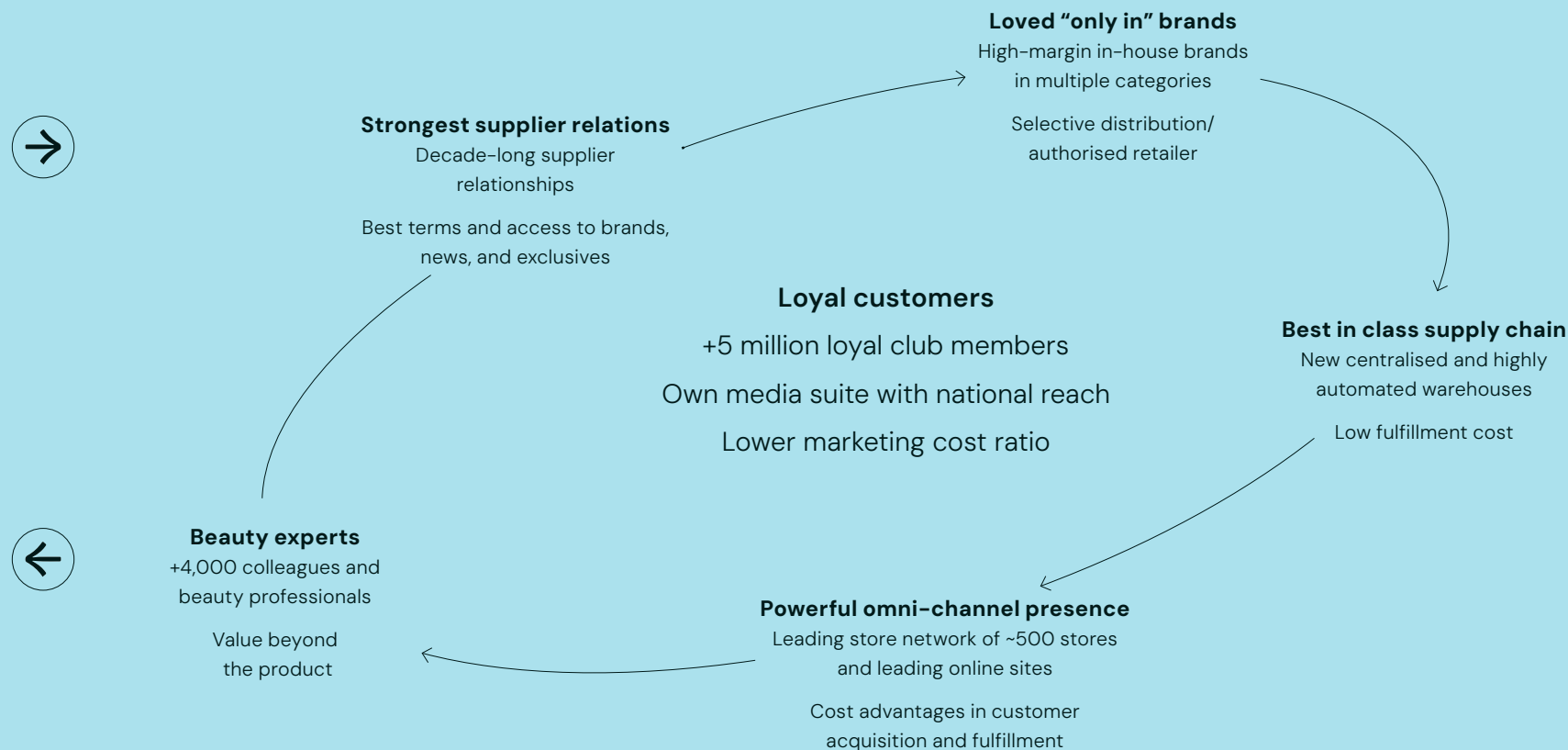
## Proven model

Matas Group has a proven and scalable business model, with competitive advantage throughout the value chain to deliver the best customer experience.

## Top-of-mind brand and high customer satisfaction

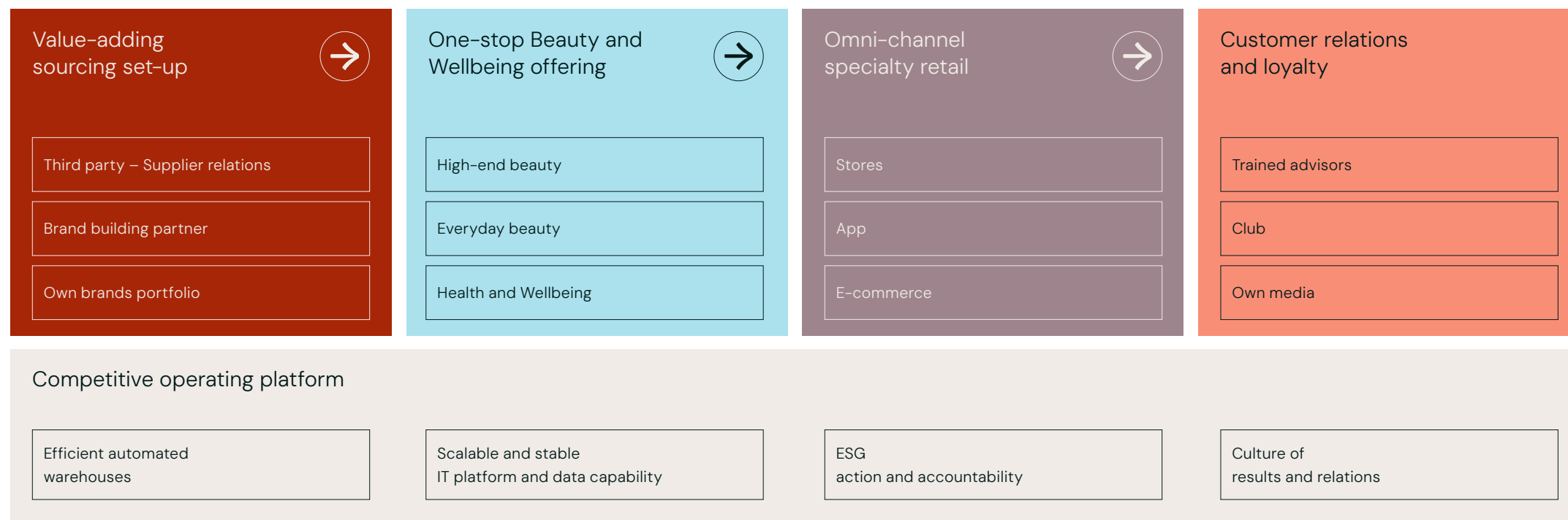
When customers are asked where to buy beauty they say "Matas"/"KICKS". Customer satisfaction is measured continuously for stores and online.

Matas Group has a proven and scalable business model to deliver the best customer experience. We are connecting more than 5 million loyal club members to brands in an attractive approx. DKK 72 billion Nordic market while being the Top-of-mind brand with high customer satisfaction.



# High margins sustained by hard-to-copy business model with competitive advantages

## National top-of-mind banners and brands



# Financial highlights 2023/24

## Matas (including subsidiaries)

Revenue (DKK<sup>m</sup>)

4,840

Organic growth

7.8%

(2022/23: 3.3%)  
with growth in all channels

Gross profit margin

46.5%

(2022/23: 46.2%)

## KICKS (7 months)

Revenue (DKK<sup>m</sup>)

1,861

Local currency growth

1.6%

with growth in stores and all markets

Gross profit margin

44.3%

(7 months in 2022/23: 44.8%)

## Matas Group (incl. KICKS 7 months)

Revenue (DKK<sup>m</sup>)

6,701

in line with guidance

Revenue growth

49%

EBITDA margin before special items

15.0%

in line with guidance

## Proforma highlights

(incl. KICKS 12 months)

Revenue (DKK<sup>m</sup>)\*

7,834

Baseline for 2024/25 guidance

Revenue growth versus proforma 2022/23

6.1%

EBITDA margin before special items

14.3%

Baseline for 2024/25 guidance

\* Based on actual monthly exchange rates for 2023/24

# ESG highlights 2023/24

For Matas Group's reporting on section 99a and 99d of the Danish Financial Statements Act, see <https://matasgroup.com/esg/>

## Drive sustainable retail

- Matas Group commits to Science-Based Targets initiative
- Matas enters into research project to explore plastic recyclability.
- Matas Group reduces scopes 1 and 2 emissions by 37%.

## Promote inclusion

- Matas adopts a no retouch policy on brand marketing images. KICKS has not allowed retouch since 2022.
- Matas Group Executive Management Team reaches equal gender distribution.
- Matas reduces employee turnover by 7 pp.

## Champion health

>300

Matas employees trained in mental health with True North partnership.

>17%

increase in beauty products with recognised environmental and health certifications.

Nordea

A

Improved rating from BBB.

MSCI

AA

Sustained rating.

SUSTAINALYTICS

13.4 (low)

Improved rating from 13.6.





# ESG performance 2023/24

## Environment

### Scopes 1 and 2 emissions

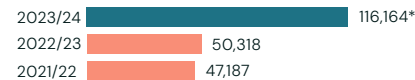
Absolute CO<sub>2</sub>e, tons



Reductions in our scopes 1 and 2 emissions are due to energy reductions, better data quality on heating consumption and renewable energy investments.

### Scope 3 emissions

Absolute CO<sub>2</sub>e, tons



The increase is driven by the Group's increasing purchase of goods sold. With the KICKS acquisition, the combined scope 3 increases as the account now also includes KICKS' purchase of goods sold.

### CO<sub>2</sub> intensity

Revenue, tons/DKKm



The recorded increase in scope 3 emissions, driven by underlying business activity growth and KICKS consolidation, results in a significant increase of CO<sub>2</sub> intensity.

### Plastic reductions

Pieces



Plastic reductions are primarily driven by improvement of in-house brands, reductions in stores, with 100% recycled plastic alternatives to virgin plastic bags and the collection of plastic waste for recycling.

\* FY 2023/24 data includes KICKS data from 1 September 2023 to 31 March 2024.

## Social

### Employee satisfaction

Satisfaction and motivation score



We have secured a marginal improvement, indicating high satisfaction. Due to different methods, KICKS data is not part of the KPI. For the coming financial year we are aligning methods.

### Employee turnover

%



We have reduced Matas' employee turnover significantly, with 7 pp. Due to different data approach, this KPI does not include KICKS data. Alignment will be a focus for the coming financial year.

### Gender diversity, overall

% of female representation



We have seen an increase in the female share of the overall gender distribution. This is explained by the consolidation of KICKS data, where women constitute 95% of the workforce.

### Gender diversity, other mmt. level

% of female representation



Following the acquisition of KICKS and a new Nordic Management structure in place, this leads to a 50/50 gender diversity on other management levels.

## Governance

### 36% suppliers committed to Code of Conduct

36% of suppliers have committed to the new Code of Conduct, that was introduced in FY 2022/23.

### Code of Business Conduct

We have introduced a Code of Business Conduct to drive responsible behavior across our organisation.

### Human Rights Policy

We have launched a new Human Rights Policy outlining our commitment to upholding human rights across our business.

### 10% of bonus agreements linked to ESG goals

To ensure accountability, all leadership bonus agreement are linked to ESG targets.

# 5-year key financials

(DKKm)	Matas incl. KICKS 7 months 2023/24	2022/23	2021/22	2020/21	2019/20
<b>Statement of comprehensive income</b>					
Revenue	6,701	4,489	4,344	4,164	3,689
Gross profit	3,078	2,076	2,000	1,892	1,701
EBITDA	904	804	810	788	678
EBIT	379	423	388	380	293
Net financials	(131)	(50)	(37)	(27)	(43)
Profit before tax	248	373	351	353	250
Profit for the period after tax	169	281	277	269	191
Special items	102	5	(7)	9	22
EBITDA before special items	1,006	809	803	797	700
Adjusted profit after tax	302	322	358	358	283
<b>Statement of financial position</b>					
Total assets	8,668	6,280	6,055	6,143	6,588
Total equity	3,462	3,363	3,152	3,039	2,764
Net working capital	378	23	(12)	(126)	90
Net interest-bearing debt	3,140	1,642	1,649	1,727	2,500
<b>Statement of cash flows</b>					
Cash flow from operating activities	645	678	505	935	447
Investments in tangible assets	(251)	(92)	(51)	(51)	(124)
Cash flow from investing activities	(1,021)	(256)	(232)	(178)	(336)
Free cash flow	(376)	422	273	757	111

(DKKm)	Matas incl. KICKS 7 months 2023/24	2022/23	2021/22	2020/21	2019/20
<b>Ratios</b>					
Revenue growth	49.3%	3.3%	4.3%	12.9%	4.2%
Underlying like-for-like revenue growth	6.8%	3.1%	2.1%	13.5%	0.7%
Gross margin	45.9%	46.2%	46.0%	45.4%	46.1%
EBITDA margin	13.5%	17.9%	18.6%	18.9%	18.4%
EBITDA margin before special items	15.0%	18.0%	18.5%	19.1%	19.0%
EBIT margin	5.7%	9.4%	8.9%	9.1%	7.9%
Cash conversion	42.6%	59.9%	54.5%	109.7%	45.3%
Adjusted earnings per share	7.94	8.50	9.40	9.35	7.41
Earnings per share, DKK	4.45	7.41	7.27	7.04	5.01
Diluted earnings per share, DKK	4.43	7.37	7.20	6.96	4.96
Dividend per share (proposed), DKK	2.00	2.00	2.00	2.00	0.00
Share price, end of year, DKK	117.0	84.2	96.3	83.1	42.7
ROIC before tax including goodwill	11.3%	9.4%	9.9%	9.6%	8.5%
ROIC before tax excluding goodwill	35.4%	45.0%	50.1%	40.6%	35.4%
Net working capital as a percentage of LTM revenue	4.8%	0.5%	(0.3)%	(3.0)%	2.4%
Investments <sup>1)</sup> as a percentage of revenue	15.2%	5.7%	5.3%	4.3%	9.1%
Investments excluding acquisitions as a percentage of revenue	6.1%	5.7%	4.2%	3.6%	5.2%
Net interest-bearing debt/EBITDA before special items	2.8	2.0	2.1	2.2	3.6
Number of transactions (millions)	31.9	23.2	22.0	20.9	20.9
Average basket size (DKK)	206.3	188.8	192.2	197.5	174.7
Number of stores	491	260	260	265	268
Club members Matas and KICKS (millions)	5.68	1.87	1.74	1.69	1.66
Club Matas Plus members (thousands)	100.7	68.9	52.6	21.5	-
Average number of employees (FTE)	2,931	2,124	2,164	2,152	2,197

<sup>1)</sup> Total investments, i.e. CAPEX, acquisitions, etc.

# Investment case

A long-term growth journey to build the #1 Nordic Beauty and Wellbeing destination



## Starting point

Nordic leader

Matas Group is the Nordic leader in Beauty and Wellbeing

Growth potential

Growth strategy to be the clear #1 in all markets, channels and core categories

Growing market

Operating in an attractive market valued at approx. DKK 72 billion and expected to grow ~4% between 2023-2027

High profit margins

Matas Group has a scalable platform and business model to increase market share (from ~11%) while maintaining high profit margins

## Ambition and capital allocation

DKK >10 billion

Revenue in 2027/28, fuelled by continued assortment expansion and e-commerce proposition, improving the customer experience both in store and online

15.0-16.0%

EBITDA margin in 2027/28, supported by operating leverage, synergies and automated warehouses

Significant free cash flow generation

from 2025/2026 after completion of large investments in logistics and IT. Allowing for further investments in growth

2-3X

Gearing will remain between 2-3x (Net debt/EBITDA before special items)

>20%

Dividend and share buyback, distribution of minimum 20% of adjusted profit after tax.

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## Strategy and guidance

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# Strategy execution 2023/24

Strong delivery in all seven organic tracks of the Growing Matas strategy in 2023/24

2023/24 has been yet another year of strong strategy execution at Matas. During the “Renewing Matas” strategy (from 2017 to 2020), we executed a successful digital transformation that increased the online share of revenue from 4% to 26%. During the “Growing Matas” strategy (2021-2024), we outgrew the market and delivered organic annual average growth of around 5%, strongly supported by assortment expansion. On top of this, we made a successful acquisition of the largest Nordic competitor, KICKS Group, in 2023. This allows for a new growth strategy period to be

shared at the Capital Markets Day in connection with publishing this Annual Report.

Following a successful growth journey, where we have outgrown the market, our starting point is strong for the next strategy phase which is described in the “Win the Nordics” section.



## #1 Commercial: Significant assortment expansion driving growth

In 2023/24, almost 300 new brands were launched, which was the key driver for the ~8% organic growth in Matas. Since the strategy launch, Matas has entered new categories such as dermatological skincare, professional hair care, sexual wellness, and mother and child, while also deepening assortment within existing strongholds in Beauty and Health. During 2023/24, Matas became the leading retailer within professional hair care, just two years after launch. Within the Mother and child category, launched in 2023/24, almost 1,200 new products have been added, while building a strong destination and creating awareness of the new category. All part of the proven playbook of launching new categories in Matas.

## #2 E-commerce: Extended market leader- ship through ecommerce excellence

Matas.dk continues to be the second most visited web shop in Denmark and the #1 online destination for Health and Beauty in Denmark. In 2023/24, online organic revenue growth was 24%, which drove a new milestone: more than 30% of revenues are now generated from online channels. Main driver of growth has been the assortment expansion. This has been complemented by second-to-none e-commerce excellence.



### #3 Connected retail: Continued expansion of stores and omnichannel initiatives

We are strong believers in physical stores and that omnichannel is the winning concept. Our customer satisfaction, measured as Net Promotor Score (NPS), remained at a high level both in stores and online at 73 and 74, respectively. The most significant omnichannel initiative is “Connected retail” sales, where the stores offer the entire online assortment, grew almost at the same pace as the online channel at 25% in 2023/24. Further, pick-in-store, which drives traffic and up-sale opportunities to the stores from matas.dk, while at the same time lowering freight and CO<sub>2</sub> emissions, accounted for around 11% of all orders from matas.dk. The store network was expanded by 4 new stores in 2023/24, among others by opening a large store in Copenhagen with an immersive shopping experience.

### #4 Brands: Growing the portfolio of House brands

Our loved in-house brands are available in multiple categories. The in-house brands are high-margin and accounted for around 18% of total revenue in Matas (excluding KICKS) in 2023/24.

The two biggest brands in Matas are Matas Striberne and Nilens Jord. In Q3 2023/24, we launched BeautyAct, KICKS' own makeup brand, online in Matas, as this has been a strong performing brand in KICKS in recent years. In March 2024, the newest in-house brand, Flora Danica, was launched as a high-end beauty brand. The first products in this brand are fragrances, developed by some of the world's best perfumers.

### #5 Logistics: Building logistics centers to expand capacity and automate operations

To expand capacity, advance logistics capabilities and to drive down transaction costs for e-commerce, Matas has commenced the construction of Matas Logistics Center (“MLC”), a new state-of-the-art logistics center in Lynge. The building process is well underway and progresses according to the plan to be operational in 2025.

KICKS has opened a similar new automated logistics center outside of Stockholm. This went into operation and handled the first orders during Q3 2023.

### #6 Internationalisation: Geographical expansion of in-house brands in Germany

Besides the focus on our Nordic home markets, we are also strengthening our presence of Matas Beauty brands in Germany, with a total store count to 240 doors by March 2024. Nilens Jord is available in 70 doors of which around one third are not selling Matas Beauty brands. Sell-out of Nilens Jord in Germany is very promising, indicating interest and relevance for the brand outside of Denmark. In March 2024, the Flora Danica fragrances were also launched in 70 doors in Germany.

### #7 ESG: Improved ratings from continuous strong efforts

Matas's ESG ratings have improved from both Nordea (from BBB to A) and from Sustainalytics, while the AA rating from MSCI was maintained though with an improved E-score. We are committed to decarbonisation through the Science Based Targets initiative. Read more about Matas Group's ESG initiatives in our ESG Report 2023/24 [here](#): 



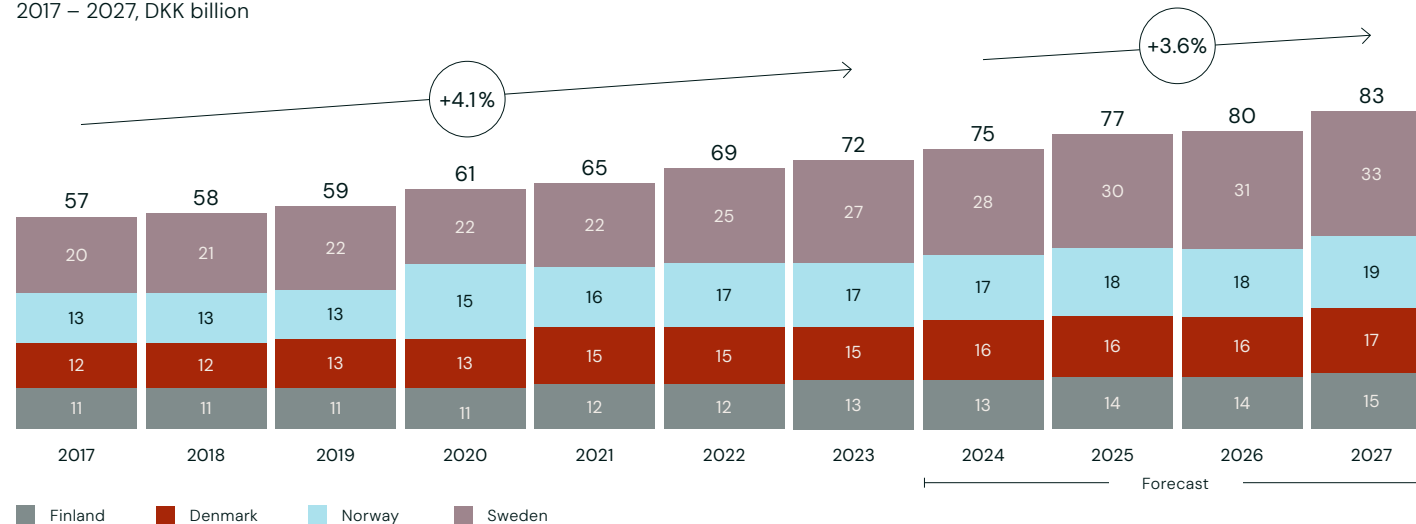
# The market

## Highlights

- 01 Big and attractive market valued at DKK 72 billion
- 02 Driven by structural demand trends
- 03 Unconsolidated with shift in competitive landscape
- 04 High margins across the value chain

## The Nordic Beauty and Wellbeing market size

2017 – 2027, DKK billion



The Nordic market is big and attractive, and expected to grow at

~4%

Following 75 years of progress in Denmark, where we are the clear market leader, the acquisition of KICKS also moved Matas Group to become the Nordic market leader in Beauty and Wellbeing.

### **01 Big and attractive market**

The Nordic market for Beauty and Wellbeing is big and attractive, estimated to be worth DKK 72 billion in 2023 and expected to grow at an annual rate of ~4% from 2024 to 2027 (source: Euromonitor). This is higher than the expected Gross Domestic Product (GDP) growth. The spend per capita is high in the Nordics, and the market is less affected by cyclicalities, partly due to so called lipstick effect, where consumers continue to prefer beauty products also in an economic downturn.

Sweden is the largest market for Beauty and Wellbeing in the Nordics, followed by Norway, Denmark and Finland.

The spend per capita for Beauty and Wellbeing is the highest in Norway, followed by Denmark, Sweden and Finland.

The Nordic market is expected to have grown around 4% in 2023. The Swedish market is expected to have the highest growth rate with close to 5% annually from 2023 to 2027, followed

by Norway, Finland and lastly Denmark. This means opportunity for Matas Group in scaling up in the three new home markets with higher growth than in Denmark.

### **02 Driven by structural trends**

The market is driven by structural demand trends. Mature customers want to stay younger for longer, and the younger customers are starting earlier and shopping more. The beauty industry has an important role in providing the right advice and suitable products for the consumers. Social Media is driving interest in all customer age groups.

### **03 Unconsolidated**

The market is unconsolidated with a shift in competitive landscape, where specialty retail has shown resilience and consumer preference for the omnichannel concept, also evidenced by online players moving towards brick-and-mortar. It further appears that hyper and supermarkets are losing market shares to value retail and that department stores are in decline.

### **04 High margins across value chain**

There are high margins across the value chain, with a focus on building brands. The market is characterised by demand for newness and innovation with disciplined suppliers.



~11%

Matas Group have ~11% market share and significant growth potential in a growing market

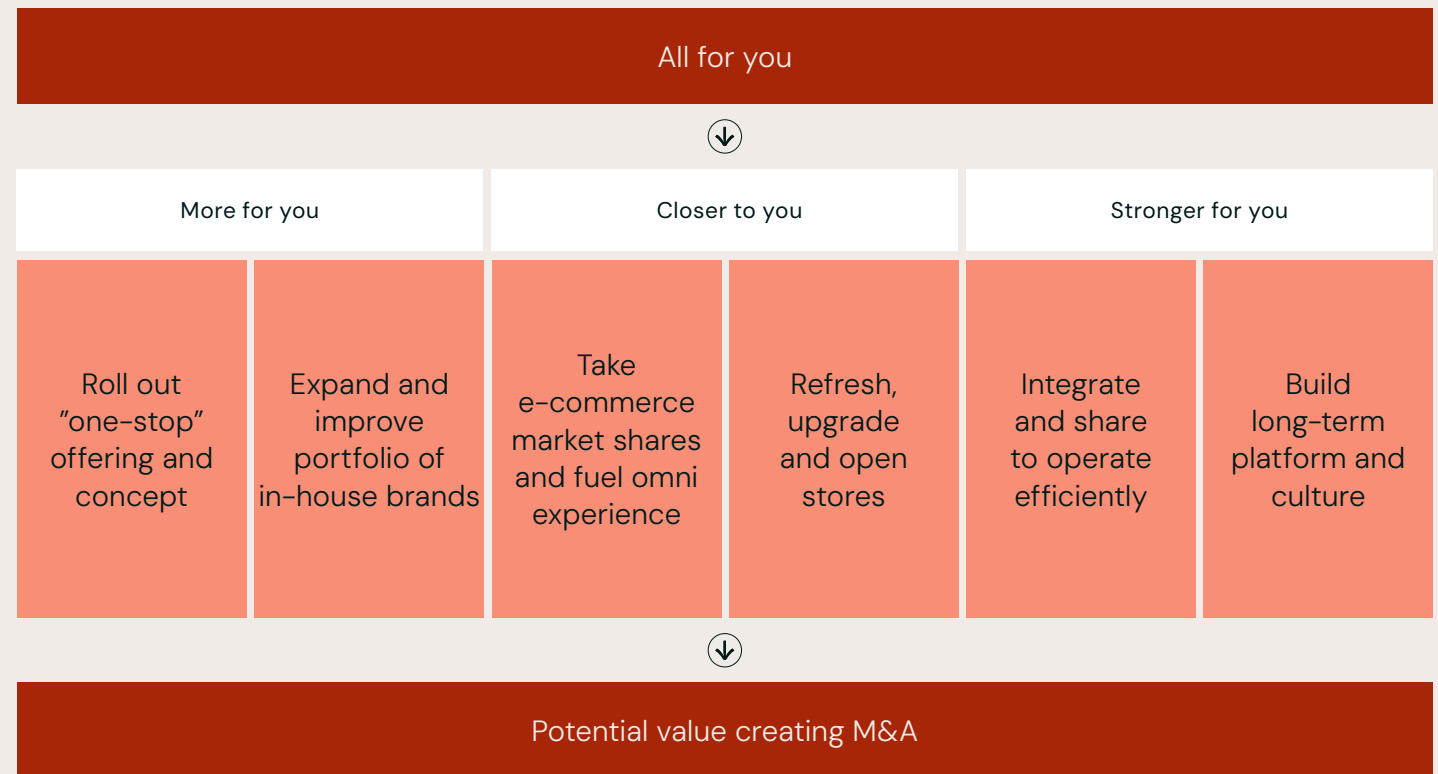
# Win the Nordics

Following a successful execution of the “Growing Matas” strategy, performance ahead of plan, and the acquisition of KICKS, Matas Group is starting the next strategic growth phase from the number one position.

The starting point is strong:

- Successful strategy execution, with performance ahead of plan
- Profitability remains stable and as expected despite inflationary pressure
- Post-COVID come-back for the stores has been greater than anticipated
- Double-digit e-commerce revenue growth with significant market share capture
- Strongest and top-of-mind brand with leading market position and unrivaled customer insight and reach
- Acquisition of KICKS to become the Nordic market leader, with integration off to a good start
- A winning omni-channel business model, which has a proven and successful track record and is hard-to-copy, has been further strengthened

## Matas Group strategic priorities



We operate in a Nordic market with headroom for growth. The Nordic market is big, attractive, growing and is unconsolidated.

We have the strongest top-of-mind brand and the leading market position with unrivaled customer insight and reach. Our business model has a proven and successful track-record, is hard-to-copy and can be scaled up in all Nordic markets.

To win the Nordics, we have set six customer centric strategic priorities for the mid-term to outgrow the market while improving margins and building the long-term platform.

## More for you

### **01 Roll out "one-stop" offering and concept**

We will roll out "one-stop" offering and concept, with continued assortment expansion, which has been a key strategic growth initiative. We have strong and decade long supplier relationships with best terms and access to brands, news and exclusives for our customers.

### **02 Expand and improve portfolio of in-house brands**

We will expand and improve our portfolio of in-house brands across the Nordics. We see great potential in strengthening the in-house brands portfolio and cross-sell across Matas and KICKS. This creates strong differentiation towards competitors driving traffic and improves margins.

## Closer to you

### **03 Take e-commerce market shares and fuel omni experience**

We will continue the focus on gaining market share in e-commerce and fuel the omni-experience. Both online and Connected Retail delivered strong growth in 2023/24, emphasising the winning omni-channel business model, preferred by consumers and delivering superior profitability.

### **04 Refresh, upgrade and open stores**

The stores play an important role in the omni-channel and still account for more than two thirds of revenues. With ~500 stores across Denmark, Sweden, Norway and Finland, we will continue to refresh, upgrade and open stores to be close to the consumer, deliver strong advisory and continuously improving the customer experience in-store and online.

## 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 Group-wide 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 logistic centers will facilitate expanded assortment, strengthen fast and efficient deliveries and contribute to reducing overall logistic costs.

### **06 Build long-term platform and culture**

We are building 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.

# #1

A long-term growth journey to build the #1 Nordic Beauty and Wellbeing destination



# Financial guidance 2024/25

Total consolidated Group revenue is expected to grow between 4% and 7% currency neutral, ~3.2% to ~6.2% exchange rate adjusted, in 2024/25 (based on proforma revenue for 2023/24, had we owned KICKS for the full year). The EBITDA margin before special items is expected to be in the 14.5% to 15.5% range. CAPEX, excluding M&A, is expected to be DKK ~650 million, including approximately DKK 325 million for Matas Logistics Center.

## Consolidated revenue

Reported consolidated revenue for 2023/24 amounted to DKK 6,701 million, in line with our revenue guidance for the year which was upgraded on 9 January 2024 following a strong Christmas quarter. The reported consolidated revenue includes revenue for KICKS for seven months of ownership during the financial year. The consolidated revenue on a proforma basis, had we owned KICKS for the full year, amounted to DKK 7,834 million. The proforma consolidated revenue is the base for the revenue guidance for 2024/25. For 2024/25, the currency neutral

consolidated revenue growth is expected to range from 4% to 7%, assuming the same exchange rates as in 2023/24. Exchange rate adjusted revenue growth is expected to range from ~3.2% to 6.2%, based on forward rates for NOK/DKK of 0.626 and SEK/DKK of 0.638 as of 14 May 2024.

Consolidated revenue growth in 2024/25 is expected to be driven by continued market growth and our continued assortment expansion together with continued growth in e-commerce as well as the roll-out of our Win the Nordics strategy across our markets.

## Matas Group financial guidance 2024/25

# 4–7%

Revenue growth, currency neutral\*

# ~3.2–6.2%

Exchange rate adjusted revenue growth

# 14.5%–15.5%

EBITDA margin before special items

\* Based on 2023/24 proforma revenue and assuming the same exchange rates as in 2023/24: NOK/DKK of 0.647 and SEK/DKK of 0.648.

### Consolidated EBITDA margin

Reported EBITDA margin before special items for 2023/24 was 15.0%, in line with our guidance for the year of “around 15%”. The reported EBITDA margin before special items includes KICKS EBITDA for seven months of ownership during financial year. The consolidated EBITDA margin before special items on a proforma basis, had we owned KICKS for the full year, amounted to 14.3%. The proforma consolidated EBITDA margin before special items is the starting point for the consolidated EBITDA margin guidance for 2024/25. For 2024/25, the consolidated EBITDA margin before special items is expected to be in the range of 14.5% to 15.5%.

The consolidated EBITDA margin in 2024/25 is expected to be driven by operating leverage and synergies, while negative margin impact is expected from continued investments in assortment expansion and impact from channel mix and market. The automated new Matas Logistic center is planned to open in 2025, and a positive effect on margin is expected in 2025/26.

The guidance for 2024/25 is based on underlying growth assumptions across the markets on a currency neutral basis. Average rates for the proforma actual performance are SEK/DKK of 0.648 and NOK/DKK of 0.647. Actual exchange rates will impact revenues.

\* Guidance for 2024/25 is based on proforma numbers for 2023/24 (had we owned KICKS for the full year)



### CAPEX

CAPEX, excluding M&A, is expected to be DKK ~650 million, including approximately DKK 325 million for Matas Logistics Center to support Matas’ long-term growth and profitability.

### New financial ambitions for 2027/28

In connection with the publication of this Annual Report, Matas Group will also host a Capital Markets Day where we present our new growth strategy, “Win the Nordics” as well as new financial ambitions: revenue of DKK >10 billion in

2027/2028 and EBITDA margin before special items of 15.0–16.0% in 2027/28. CAPEX, excluding M&A, is expected to be 3–4% of revenue. Gearing policy is unchanged at 2–3x (Net interest-bearing debt / EBITDA). The policy for distribution by way of dividends and share buybacks is unchanged at minimum 20% of adjusted net profit.

### Forward-looking statements

The annual 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.

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## Results

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# Matas Group results

## Revenue

### Q4 performance

Matas Group generated a total revenue of DKK 1,758 million in Q4 2023/24, a year-on-year increase of 67.3% from DKK 1,051 million in Q4 2022/23 when the Group did not own KICKS. Retail sales were up by 70.0% to DKK 1,727 million.

Total revenue grew by DKK 707 million compared to Q4 2022/23, whereof organic revenue growth was 4.4% or DKK 47 million and the remaining growth of 62.8% or DKK 660 million related to KICKS.

Most of the KICKS revenue was generated within the High-End Beauty category and the rest in Mass Beauty thus reflecting the significant growth in both categories in Q4 2023/24 consolidated revenue compared to last year.

Growing sales by DKK 471 million, Physical stores recorded the largest absolute increase and online sales grew by DKK 240 millions. Organic revenue in stores grew by 0.4%, while online had an organic growth of 15.8% compared to Q4 2022/23.

The number of transactions increased by 48.4% to 8.2 million compared to 5.5 million in Q4 2022/23, while the average basket size increased by 14.6% to DKK 211 per transaction in the quarter compared to DKK 182 in Q4 2022/23. The increase in transactions and basket size were mainly attributable to the acquisition of KICKS. The organic number of transactions decreased by 1.3% to 5.5 million in Q4 2023/24 but the organic average basket size increased by 5.1% to DKK 196 per transaction in Q4 2023/24 compared to the year earlier period.

### Full-year performance

Revenue for 2023/24 amounted to DKK 6,701 million corresponding to an increase of 49.3% compared to 2022/23, while organic sales grew by 7.8%. Revenue was up across all sales channels.

In 2023/24 the number of transactions increased by 37.8% to 31.9 million, while the average basket size grew 9.1% to DKK 206. The increase was mainly attributable to the KICKS transaction. The organic number of transactions increased by 5.3% to 24.4 million in 2023/24 and the organic average basket size increased by 2.5% to DKK 194 per transaction in 2023/24 compared to 2022/23.

(DKKm)	Matas incl. KICKS 7 months 2023/24	2022/23	Growth	Q4 2023/24	Q4 2022/23	Growth
<b>Categories</b>						
High-End Beauty	3,064	1,561	96.3%	835	310	169.6%
Mass Beauty	2,056	1,536	33.8%	512	362	41.3%
Health and Wellbeing	1,346	1,157	16.3%	353	313	12.6%
Other	123	126	(2.7)%	27	30	(8.2)%
<b>Retail revenue</b>	<b>6,589</b>	<b>4,380</b>	<b>50.4%</b>	<b>1,727</b>	<b>1,015</b>	<b>70.0%</b>
Retail revenue by category (%)						
High-End Beauty	47%	36%		48%	30%	
Mass Beauty	31%	35%		30%	36%	
Health and Wellbeing	20%	26%		20%	31%	
Other	2%	3%		2%	3%	
Sales channels						
Physical stores	4,522	3,175	42.4%	1,178	707	66.7%
Online	2,067	1,205	71.5%	549	309	77.9%
Wholesale	112	109	2.9%	31	35	(13.4)%
<b>Total revenue</b>	<b>6,701</b>	<b>4,489</b>	<b>49.3%</b>	<b>1,758</b>	<b>1,051</b>	<b>67.3%</b>
Revenue by sales channel (%)						
Physical stores	67%	71%		67%	67%	
Online	31%	27%		31%	30%	
Wholesale	2%	2%		2%	3%	



### Performance by category

Both High-End and Mass Beauty reported significantly higher sales in Q4 2023/24 compared to Q4 2022/23 mainly due to the acquisition of KICKS. The Beauty segment accounted for 78% of the retail revenue, compared to 66% in Q4 2022/23.

Health and Wellbeing was the primary growth driver in Q4 2023/24 with 12.5% growth when looking at the organic performance. Sales of special skincare and Mother and child products recorded ongoing significant growth during the quarter.

Private label sales, including Nilens Jord and Miild, accounted for 18.3% of the revenue generated by Matas stores and matas.dk in Q4 2023/24, same level as Q4 2022/23.

In 2023/24, the Beauty categories had the highest absolute growth of DKK 2,023 million partly due to the acquisition of KICKS. Organically, Health and Wellbeing was the primary growth driver in 2023/24, with 16.1% growth. Matas private label sales accounted for 17.3% of the revenue generated by Matas stores and matas.dk in 2023/24, same level as 2022/23.

### Performance by sales channel

Physical stores grew revenue by 66.7% or DKK 471 million to DKK 1,178 million in Q4 2023/24 compared to Q4 2022/23. Organic revenue increased by 0.4% in stores. The number of Matas stores at 31 March 2024 amounted to 264, a year-on-year increase of four, while KICKS added 227 physical stores at 31 March 2024.

Online sales were up by 77.9% or DKK 240 million to DKK 549 million. The organic online business grew 15.8%. Overall, online sales accounted for 31% of Q4 2023/24 revenue against 29% in Q4 2022/23.

In Q4 2023/24 wholesale fell by DKK 4 million to DKK 31 million.

Revenue for 2023/24 amounted to DKK 6,701 million, an increase of 49.3% from the year earlier period. Physical stores grew revenue by 42.4%, while online sales were up by 71.5%. The increase was mainly attributable to the KICKS transaction.

Wholesale reported revenue growth of DKK 3 million to DKK 112 million in 2023/24.



## Categories

Matas 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.

### 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. 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.

## Sales channels

At 31 March 2024, Matas consisted of 264 physical stores – 263 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. KICKS added 227 physical stores at 31 March 2024. 67% of Q4 2023/24 revenue was generated by the Group's physical stores.

In addition, the Group was present online through [matas.dk](https://matas.dk), [nilensjord.dk](https://nilensjord.dk) and several web shops operated by Firtal. KICKS is present online through [kicks.se/no/fi](https://kicks.se/no/fi) and [skincity.com/se/no/fi](https://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 year.

## Costs and operating performance

Gross profit for Q4 2023/24 amounted to DKK 845 million, up from DKK 498 million in Q4 2022/23. KICKS contributed with DKK 301 million of the total rise of DKK 347 million.

The gross margin for Q4 2023/24 was 48.0%, up from 47.5% in the year-earlier period due to product mix.

Gross profit for 2023/24 amounted to DKK 3,078 million, up by DKK 1,002 million from DKK 2,076 in 2022/23. The gross margin was 45.9% down from 46.2%.

Other external costs and staff costs excluding special items amounted to 37.0% of revenue in Q4 2023/24 against 32.2% the year before and were up by DKK 312 million compared to Q4 2022/23.

Other external costs amounted to DKK 255 million in Q4 2023/24, up by DKK 124 million from DKK 131 million in Q4 2022/23. The increase was besides the KICKS addition mainly driven by higher IT costs related to the ongoing digitalisation of the Group's activities, execution of the Growing Matas assortment expansion and KICKS' and Matas' continuing digital growth.

Other external costs accounted for 14.5% of revenue in Q4 2023/24 against 12.5% the year before.

Other external costs amounted to DKK 792 million in 2023/24, up by DKK 347 million from DKK 445 million in 2022/23.

Q4 2023/24 staff costs amounted to DKK 395 million, up by DKK 188 million from DKK 207 million in the year-earlier period.

The increase in staff costs was besides the KICKS addition related to the recruitment of new competencies to execute the Growing Matas Group strategy and as a result of the increased online sales.

Staff costs accounted for 22.5% of revenue in Q4 2023/24 against 19.7% the year before.

Staff costs amounted to DKK 1,299 million in 2023/24, up from DKK 825 million in 2022/23.

On 31 March 2024, Matas Group had 2,931 full-time employees, against 2,124 on 31 March 2023.

Other operating income, net amounted to DKK 10 million in Q4 2023/24, up by DKK 9 million from DKK 1 million in Q4 2022/23 mainly driven by compensation from insurance regarding business interruptions related to a Matas store in Odense which had a fire in December 2022.

Other operating income, net amounted to DKK 19 million in 2023/24, up by DKK 16 million from DKK 3 million in 2022/23.

The increase in other operating income, net was mainly driven by income from merchandising and promotions for suppliers in stores at KICKS and insurance compensation at Matas.

Special items costs amounted to DKK 22 million in Q4 2023/24 against zero million in Q4 2022/23. Special items can be allocated to other external costs/integration costs with KICKS of DKK 14 million, staff costs/integration costs with KICKS of DKK 18 million and reversal of earn-out in Web Sundhed income of DKK 10 million.

Special items, net amounted to DKK 102 million in 2023/24, up by DKK 97 million from DKK 5 million in 2022/23.

The increase in special items costs came mainly from the KICKS acquisition. Special items of DKK 49 million related to the transaction, DKK 63 million related to integration of KICKS and income DKK 10 million from reversal of earn-out in Web Sundhed. Special items in 2022/23 of DKK 5 million was related to non-recurring costs in connection with Matas celebration party.

EBITDA before special items came to DKK 204 million in Q4 2023/24 against DKK 161 million in Q4 2022/23 and EBITDA margin before special items was 11.6%, against 15.4% in the year-earlier period. Reported EBITDA came to DKK 182 million against DKK 161 million in Q4 2022/23 and the EBITDA margin was 10.3%, against 15.4% in the year-earlier period.

(DKKm)	Q4 2023/24	Q4 2022/23	Growth
Other external costs	255	131	94.5%
As a percentage of revenue	14.5%	12.5%	
Staff costs	395	207	90.7%
As a percentage of revenue	22.5%	19.7%	

(DKKm)	12 M 2023/24	12M 2022/23	Growth
Other external costs	792	445	77.9%
As a percentage of revenue	11.8%	9.9%	
Staff costs	1,299	825	57.4%
As a percentage of revenue	19.4%	18.4%	

For the financial year 2023/24, EBITDA before special items amounted to DKK 1,006 million, against DKK 809 million in 2022/23. The EBITDA margin before special items was 15.0% against 18.0% in 2022/23. Reported EBITDA amounted to DKK 904 million, against DKK 804 million in 2022/23. The EBITDA margin was 13.5% against 17.9% in 2022/23.

The reduction in the EBITDA margin was primarily linked to the acquisition of KICKS.

### Depreciation, amortisation, and impairment

The total depreciation, amortisation and impairment charges were up by DKK 55 million to DKK

166 million in Q4 2023/24 against DKK 111 million in Q4 2022/23.

The total depreciation, amortisation and impairment charges were up by DKK 144 million to DKK 525 million in 2023/24 against DKK 381 million in 2022/23, and the increase was mainly attributable to KICKS.

### Net financials

Net financial expenses were up by DKK 43 million to an expense of DKK 58 million in Q4 2023/24, against DKK 15 million in Q4 2022/23.

Net financial expenses were up by DKK 81 million to DKK 131 million in 2023/24. The development is

primarily due to the financing of the acquisition of KICKS. In addition, there has been increased interest rates on loans and lease obligations.

### Profit for the period

Profit for the period was a loss of DKK 45 million after tax, against a profit of DKK 18 million in Q4 2022/23. Adjusted profit after tax amounted to a loss of DKK 3 million in Q4 2023/24 compared to a profit of DKK 28 million in the year-earlier period.

For the financial year 2023/24 profit after tax amounted to DKK 169 million against DKK 281 million in 2022/23. Adjusted profit after tax for 2023/24 amounted to DKK 302 million against DKK 322 million in 2022/23.

### Statement of financial position

Total assets amounted to DKK 8,668 million on 31 March 2024, up from DKK 6,280 million at 31 March 2023.

Non-current assets increased by DKK 1,267 million to DKK 6,468 million.

Current assets totalled DKK 2,200 million, a year-on-year rise of DKK 1,121 million.

Inventories amounted to DKK 1,864 million at 31 March 2024 which is an increase of DKK 952 million compared to the end of 2022/23, whereof KICKS accounted for DKK 809 million. Inventories accounted for 27.8% of LTM revenue at 31 March 2024 compared to 20.3% at 31 March 2023.

Excluding KICKS, inventories accounted for 21.8% of LTM revenue.

Trade receivables increased by DKK 32 million to DKK 76 million. KICKS accounted for DKK 31 million. Trade payables increased by DKK 436 million year on year. KICKS accounted for DKK 430 million.

Net working capital excluding deposits was positive by DKK 378 million at 31 March 2024 against a positive amount of DKK 23 million at 31 March 2023 mainly due to the increase from KICKS inventory.

Cash and cash equivalents amounted to DKK 131 million, up from DKK 37 million the year before.

Equity amounted to DKK 3,462 million at 31 March 2024, compared to DKK 3,363 million at 31 March 2023.

Net interest-bearing debt amounted to DKK 3,140 million at 31 March 2024, a year-on-year increase of DKK 1,498 million. Of this increase, DKK 559 million was attributable to higher lease liabilities. The gearing ratio was 2.8 times LTM EBITDA before special items.

Gross interest-bearing debt stood at DKK 3,272 million at 31 March 2024, including lease liabilities of DKK 1,210 million. At 31 March 2023 gross interest-bearing debt stood at DKK 1,679 million, including lease liabilities of DKK 651 million.

At 31 March 2024, Matas A/S' nominal share capital consisted of 38,291,492 shares of DKK 2.50 each, corresponding to a share capital of DKK 95,728,730. 210,000 treasury shares were purchased for future long-term incentive programmes and 185,442 shares were vested in the period under review in connection with the exercise of the 2020/21 long-term incentive programme. Matas held 382,981 treasury shares at 31 March 2024.

### Statement of cash flows

Cash generated from operations was an outflow of DKK 163 million in Q4 2023/24 against an outflow of DKK 15 million in Q4 2022/23.

Cash generated from operations was an inflow of DKK 728 million for the financial year 2023/24 against an inflow of DKK 742 million in 2022/23.

For Q4 2023/24, cash flows from investing activities were an outflow of DKK 121 million against an outflow of DKK 73 million in Q4 2022/23.

For the financial year 2023/24, cash flows from investing activities were an outflow of DKK 1,021 million including sale and acquisition of subsidiaries and operations against an outflow of DKK 256 million in 2022/23. The increase of DKK 761 million was mainly attributable to the acquisition of KICKS Group AB with DKK 617 million.

The Q4 2023/24 free cash flow was an outflow of DKK 356 million, compared to an outflow of DKK 119 million in Q4 2022/23.

For the financial year 2023/24 free cash flow was an outflow of DKK 376 million, compared to an inflow of DKK 422 million in 2022/23.

### Return on invested capital

The return on LTM invested capital before tax including goodwill was 11.3% at 31 March 2024 against 9.4% at 31 March 2023. ROIC before tax excluding goodwill was 35.4% at 31 March 2024 against 45.0% at 31 March 2023.

# Matas results

Matas, excluding KICKS, grew 7.8% organically in 2023/24 and customer satisfaction increased further.

## Revenue

Matas, excluding KICKS, generated revenue of DKK 4,840 million in 2023/24 and is closing in on the DKK 5 billion revenue ambition for 2025/26 almost two years ahead of target. Organic growth was 7.8%. The key drivers of growth were the continued assortment expansion and continued strong online growth. Matas launched ~300 new brands in 2023/24.

## Performance by category

Organically, Health and Wellbeing was the primary growth driver in 2023/24, with 16.1% growth. Matas private label sales accounted for 17.3% of the

revenue generated by Matas stores and matas.dk in 2023/24, same level as 2022/23. In March 2024, the newest in-house brand, Flora Danica, was launched as a high-end beauty brand. The first products in this brand are fragrances, developed by some of the world's best perfumers.

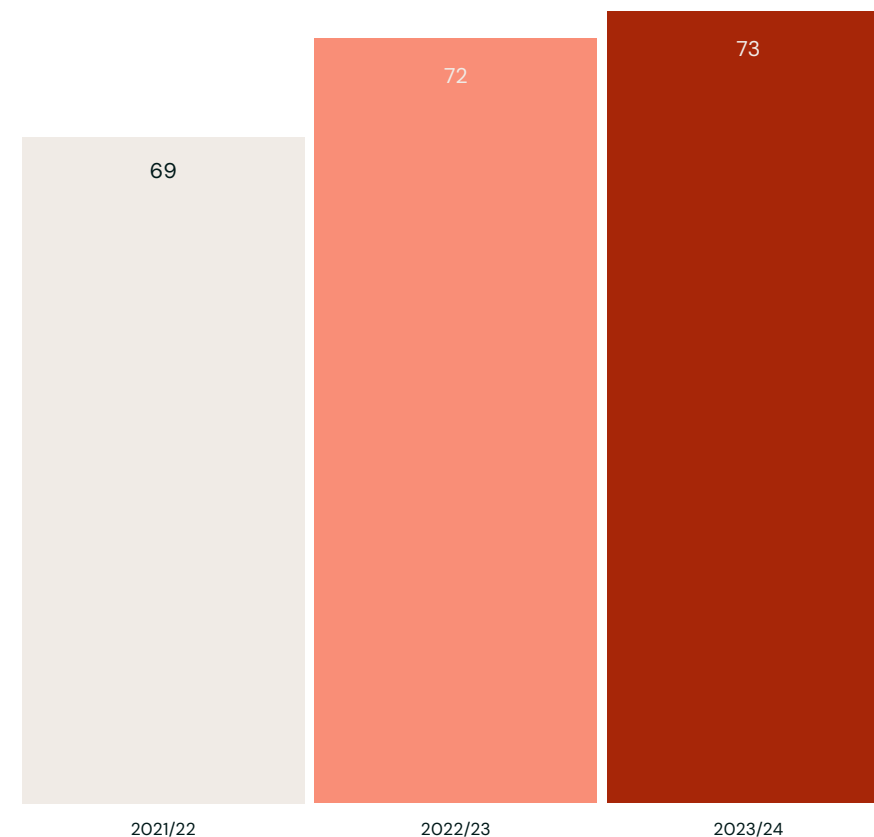
## Performance by channel

Online organic growth was 23.8%. Organic revenue from stores grew 1.9%. Connected retail, where stores offer customers access to the entire online assortment, grew 25%. The number of Matas stores at 31 March 2023 amounted to 264, a year-on-year net increase of four stores.

## Gross profit

Matas gross profit amounted to DKK 2,253 million. The gross margin was 46.5%, compared to 46.2% in 2022/23.

## Matas Net Promotor Score (NPS)



“Matas continued the growth journey and launched ~300 new brands in 2023/24, while customer satisfaction improved further”

# KICKS results

KICKS revenue grew 1.6% in local currency during the seven months of ownership in 2023/24.

## Revenue

KICKS generated revenue of DKK 1,861 million during the seven months of ownership in 2023/24. Revenue in local currency grew 1.6%.

## Performance by category

77% of KICKS revenue was generated within the High-End Beauty category and 23% in Mass Beauty. KICKS is not present in the Health and Wellbeing category.

## Performance by channel and markets

KICKS revenue grew in stores as well as in all three geographical markets. KICKS had 227 physical stores at 31 March 2024. 31% of KICKS revenue was generated online.

## Gross profit

KICKS delivered gross profit of DKK 825 million during the seven months of ownership in 2023/24. The gross margin was 44.4%, compared to 44.8% in the same period 2022/23.

## New automated logistics center

KICKS' new automated logistics center outside of Stockholm handled first orders in Q3 2023 and ramped up volumes in Q4. The new logistics center will strengthen fast and efficient deliveries and contribute to reducing overall logistic costs.

“KICKS revenue grew in stores as well as in all three geographical markets”



# M A T A S



## Governance

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# G R O U P



# Risk management

Matas Group works continually to identify, assess and respond to the risks to which Matas Group is exposed. Changes to macroeconomic factors within Matas Group's geographical areas may affect Matas Group through changes in overall retail demand, specifically in the health and beauty market, and by supply chain disruptions.

Risk management is an integral part of Matas Group's management process, the objective being to limit uncertainties and risks with respect to the defined financial targets and strategic objectives for Matas Group.




The Executive Committee is responsible for preparing, implementing and maintaining control and risk management systems subject to the approval of the Board of Directors. Based on reporting from the Executive Committee, the Audit Committee continually monitors whether the Company's internal control and risk management systems are effective and complied with, and it also continually monitors the development and handling of key risks.

The Board of Directors is provided with an overview of Matas Group's key risks and their potential impact on earnings at least once a year so that any measures necessary to mitigate such risks can be implemented.


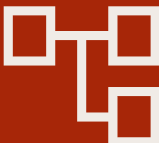





# Risk management

Risk		Description	Mitigation
	<b>Macroeconomic development</b>	Matas Group operates in a discretionary consumer spending category and is exposed to changes in the macroeconomic environment within Matas Group's geographical areas and general changes in consumer behaviour, which may affect Matas Group's business in terms of demand for health and beauty products.	By actively monitoring the macroeconomic trends and changes in consumer behaviour, as well as monitoring the daily sales trends in Matas Group, the management can respond swiftly, for instance in case of sudden declines in sales, by adjusting campaigns and other sales promoting initiatives.
	<b>Brand and product liability</b>	The Matas and KICKS brands and product liability are crucial for the Matas Group to keep and attract customers, shareholders, and employees.	Continuously build and maintain brand awareness through commercial initiatives. Furthermore, Matas Group has developed a risk management policy and procedures in case of potential claims related to product liabilities, including personal injury claims, and has also taken out an insurance in this area.
	<b>Industry developments and international competition</b>	Matas Group is strongly exposed to the development in overall retail sales in Denmark, Sweden, Norway and Finland, where we see a general shift towards online channels. Historically, Matas Group has competed with a large number of Danish retail market players, including supermarkets, local perfumeries, health food shops, pharmacies, department stores and travel retailers. As consumer behaviour continues its shift toward online channels, competition from international players has intensified, and Matas Group is currently facing increasing competition from Nordic and international health, beauty and wellbeing web shops.	The growing online sales are supported by new ways of launching and marketing brands and by new technology-driven options. Strategically, Matas Group aims to bring its many assets into play in new ways to pursue the potential provided by a stronger market position. It strives to do this by increasing its focus on online sales, launching of marketing campaigns, leveraging the Club Matas and KICKS loyalty programmes, developing the store network and enhancing the customer experience.

# Risk management

Risk		Description	Mitigation
	<b>Cyber and IT security</b>	Reliable IT systems and infrastructure are critical to Matas Group's daily operation.	Matas Group has a modern, upgraded IT infrastructure focusing on data security and protection of the Company's and its customers' data. Matas Group continually considers security issues and risks when choosing system solutions and has established comprehensive safeguards to prevent data security breaches. Matas Group is exposed to digital attacks and constantly seeks to improve its cyber security. Matas Group pursues a highly segmented network structure segregating data flows from stores, suppliers, employees and other business partners. Matas Group continually monitors network traffic and performs regular data backups.
	<b>Supply chain disruption</b>	A global supply chain disruption may cause delays or absence in delivery of specific goods.	In order to meet any changes in terms of delivery or reduced access to important product categories, Matas Group deals with a large number of different suppliers and markets a broad range of different brands within each product category.
	<b>Financial risks</b>	Matas Group is to some extent exposed to financial risks such as interest rate, exchange rate, liquidity and credit risks.	Reference is made to note 31 to the consolidated financial statements for additional information on the financial risks.



# Corporate governance

Exercising corporate governance is of the utmost importance to Matas Group, and the Board of Directors evaluates the Company's management processes at least once a year to ensure that the structure is appropriate in relation to shareholders and other stakeholders.

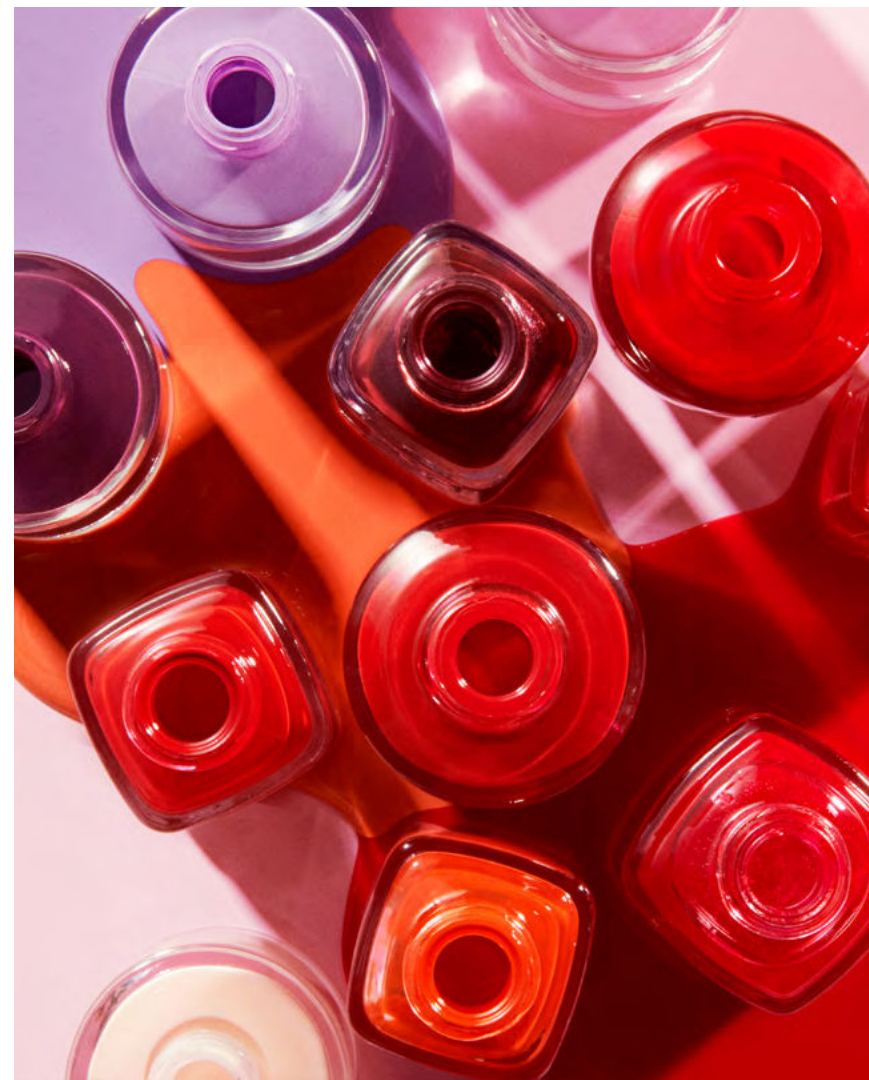
## Corporate governance recommendations


Nasdaq Copenhagen has incorporated the recommendations of the Danish Committee on Corporate Governance in its Rules for Issuers of Shares. These recommendations are available at the website of the Committee on Corporate Governance, [matasgroup.com/governance/](https://matasgroup.com/governance/) 📄


Matas Group complies with all these recommendations. The Company's corporate governance statements are available at the Company's website at [matasgroup.com/governance/](https://matasgroup.com/governance/) 📄

## Communicating with shareholders and other stakeholders

Matas Group is committed to maintaining a constructive dialogue and a high level of transparency when communicating with shareholders and other stakeholders to enable them to exercise the highest possible level of active ownership. The Board of Directors has adopted a Communication and Stakeholder policy, an Investor Relations policy and an ESG policy. These policies are available on [matasgroup.com/governance/policies/](https://matasgroup.com/governance/policies/) 📄



All company announcements are published via Nasdaq Copenhagen and can subsequently be accessed from the Company’s website at [matasgroup.com/](https://matasgroup.com/) 

The date of the Annual General Meeting (AGM) and the deadline for submitting requests for specific proposals to be included on the agenda are announced not later than eight weeks before the contemplated date of the Company’s AGM. In accordance with the Articles of Association, general meetings are convened by the Board of Directors at not more than five weeks’ and not less than three weeks’ notice. Notices convening general meetings are posted on the Company’s website at [matasgroup.com/](https://matasgroup.com/) 

**Gender diversity on the Board of Directors and in leadership positions**

This section constitutes the Company’s reporting pursuant to section 99b and 107d of the Danish Financial Statements Act.

Matas Group is committed to promoting gender diversity across all levels of the Group. The aim is to maintain an equal share (40%–60%) of both genders on Matas’ Board of Directors in accordance with the provisions of the Danish Companies Act and the Danish Business Authority’s guidance here on.

Top Management Team:

- Matas A/S top management consist of the Board of Directors. Matas A/S’ Board of Director

comprises of three women and three men, thereby fulfilling the requirement of gender balance.

Other Management Levels:

- Matas A/S’ other management levels consist of 2 employees. Matas A/S’ other management levels comprises 2 men.
- The Company has below 50 employees, consequently no policy for other managerial levels has been established.

	FY 2023/24
<b>Top Management Team</b>	
Total number of members	6
Underrepresented gender %	50
Target figure %	40
Year for meeting target	2023
<b>Other Management Levels</b>	
Total number of members	2
Underrepresented gender %	0

Matas A/S only consists of 2 employees, which also constitute the other management levels, defined by regulation. To comply with the regulation, we report on the gender diversity of Matas A/S’ other management team. However, as this does not indicate the general gender diversity across the Group, we have provided additional voluntary gender diversity reporting.

**Voluntary gender diversity reporting**

To fully reflect gender diversity across Matas Group, we have chosen to provide additional

reporting on the gender distribution of our top management teams. Our reporting is based on the composition of the management in Matas Group, which consists of employees in our Executive Management Team of Matas Group and includes employees from our 2 largest subsidiaries, Matas Operations A/S and KICKS Group AB. The reporting is found in our ESG report FY 2023/24 at <https://matasgroup.com/esg/> 

**Diversity in Matas Group management**

Matas Group recognises the importance of a diverse workforce, including, but not limited to, the diverse representation of age, gender, nationality, ethnicity, international experience, and educational background. We believe that if we offer a workplace where diversity is valued and prioritised, we can support a high performing and engaged workforce that plays a significant role in the success of the Company.

We recognise that diversity in the workforce can influence an inclusive corporate culture and we aim for our employees, as well as leadership management teams and Board of Directors to reflect the surrounding community. As a result, maintaining diversity on the Board of Directors is important, and explicitly signals our managerial values and priorities. The Board of Directors discusses diversity at Matas Group’s management levels annually and sets measurable targets.

In the financial year 2023/24, we have worked to support diversity among our employees and

promote an inclusive corporate culture. With the appointment of a new board member, the Board of Directors received new experiences, expertise, and educational background, in addition to equal gender distribution.

Our strong focus on promoting diversity is furthermore structurally prioritised in our recruitment processes. Consequently, job descriptions, job advertisements, screening of applicants and job interviews should not without due consideration be aimed at a particular gender, age ethnicity, disability, sexual orientation, or religion.

**Duties and responsibilities of the Board of Directors**

At Matas Group, management duties and responsibilities are divided between the Company’s Board of Directors and Executive Committee. No person is a member of both of these bodies, and no member of the Board of Directors has previously been a member of the Executive Committee. Matas Group has Rules of Procedure for the Board of Directors, which is reviewed and approved by the Board of Directors.

The Board of Directors holds seven ordinary board meetings plus a strategy seminar each year and will further convene as required. In the 2023/24 financial year, eleven board meetings and one strategy seminar were held. The Executive Committee is in charge of the day-to-day management, while the Board of Directors supervises the work of the Executive Committee and

The Board of Directors consists of up to seven members elected by the annual general meeting

Once a year, in connection with the board evaluation, the Board of Directors defines the qualifications, continuity, renewal, diversity and competencies the Board of Directors must possess in order for the Board of Directors to best perform

The Board of Directors evaluates its work on an annual basis. The Chair of the Board is responsible for the evaluation process, which in the financial year 2023/24 included an external advisor to give an independent view on the performance and compositions of the Board of Directors. This year, the evaluation process included a review of competencies needed to support the Group Strategy; a qualitative assessment and workshop to further strengthen the cooperating between board members; and 360-degree feedback for each member. The evaluation process also brought valuable input for selecting and nominating new candidates for the Board of Directors. Overall, the evaluation concluded that the Board

The Board of Directors has set up three committees – an Audit Committee, a Nomination Committee and a Remuneration Committee – charged with assisting the Board of Directors in its work.

The Board of Directors has set up an Audit Committee, the Chair of which is independent and is skilled in accounting. The Audit Committee is chaired by Birgitte Nielsen and also consists of Kenneth Melchior and Malou Aamund. The duties of the Audit Committee include monitoring the financial reporting process, Matas Group's internal control and risk management systems.

■ Present    ■ Absent





the organisation and efficiency of the accounting function and the collaboration with the independent auditors. The Audit Committee held six meetings during the financial year 2023/24.

#### **Nomination Committee**

The Board of Directors has set up a Nomination Committee, which is chaired by Lars Vinge Frederiksen and also consists of Mette Maix and Henrik Taudorf Lorensen. The overall purpose of the Nomination Committee is to help the Board of Directors ensure that appropriate plans and processes are in place for the nomination of candidates to the Board of Directors and the Executive Committee. The Nomination Committee held three meetings during the financial year 2023/24.

#### **Remuneration Committee**

The Board of Directors has set up a Remuneration Committee, which is chaired by Lars Vinge Frederiksen and also consists of Mette Maix and Henrik Taudorf Lorensen. The purpose of the Remuneration Committee is to ensure that Matas Group maintains a Remuneration Policy for the members of the Board of Directors and the Executive Committee and to assist with the preparation of the Company's annual Remuneration Report.

The Remuneration Committee held five meetings during the financial year 2023/24. The current Remuneration Policy was approved at the Annual General Meeting in June 2021. An updated Remu-

neration Policy is subject to approval at the Annual General Meeting in June 2024. In addition, the Remuneration Committee defined KPIs for the remuneration of the Executive Committee and followed up on these. Lastly, the Remuneration Committee oversaw the preparation of a separate Remuneration Report for 2023/24.

#### **Remuneration of members of the Board of Directors and the Executive Committee**

The Board of Directors has adopted a Remuneration Policy, which has been approved by the general meeting.

The Remuneration Policy and the remuneration paid to the Board of Directors and the Executive Committee are detailed in the Company's annual Remuneration Report. Additional information may be found in note 33 to the Consolidated financial statements and on the Company's website, [matasgroup.com/](https://matasgroup.com/) ➔

#### **Internal controls and risk management in relation to the financial reporting process**

In order to ensure that the external financial reporting is in accordance with IFRS and other applicable rules, gives a true and fair view and is free of material misstatement, a number of internal control and risk management procedures have been established for the financial reporting process.

## Control environment

The Board of Directors sets the general framework for internal controls and risk management in Matas Group, while the Executive Committee has the operational responsibility for establishing efficient control and risk management in the financial reporting. The Executive Committee oversees that policies and working procedures in connection with the financial reporting are appropriate to mitigate the risk of errors. The internal controls are the responsibility of the individual departments, and the accounting and controlling functions are segregated.

The Audit Committee assists in monitoring the financial reporting process. This includes an annual evaluation of the efficiency of the risk management and internal controls, including a review of policies and working procedures and an evaluation of staffing and qualifications in the finance and IT organisations.

Each year, the Audit Committee assesses the need for an internal audit department. Based on the relatively low complexity of Matas Group, the controlling function's line of reference to the Group CFO and the ongoing dialogue with the auditors, it has, as yet, not been deemed necessary to establish an internal audit department for the Group.

## Risk assessment

The Board of Directors and the Executive Committee regularly assess the key risks involved in the financial reporting based on a materiality concept. This includes an evaluation of general accounting policies and critical accounting estimates and the related risk and sensitivity assessment. The risk of fraud is also assessed. For additional information on critical accounting estimates, see note 2 to the consolidated financial statements.

## Control activities

In order to monitor results, store performance, financing and other risks, standardised monthly reports following up on budgets and a number of key performance indicators (KPIs) are prepared.

Interim financial statements are closed according to a planned process which includes, among other things, reconciliation of all material line items and additional financial controls in order to identify and eliminate any errors as early as possible. In order to ensure segregation of duties, the Group controlling function reports to Group CFO, not to local Executive Management Teams.

In order to counter fraud in the stores, cash funds are reconciled on a regular basis, and cash is deposited with banks. Dual approval procedures in connection with bank transfers have been set up in the finance function.

## Information and communication

Matas Group has established a standardised process for external reporting to ensure that a true and fair view is provided of its performance.

With regards to Matas Group's internal rules on inside information, the Company maintains an open communication process which ensures efficient control of its performance and financial reporting that provides a true and fair view. Providing clarity for each employee with respect to his or her role and relevant working procedures is an important element of this.

## Monitoring

Management conducts its ongoing monitoring based on the monthly financial reporting, liquidity analyses and KPI reports combined with a continuous dialogue with the accounting and controlling functions.

The Audit Committee monitors and reports to the Board of Directors on the procedures for the key line items and checks that the Executive Committee observes Group policies and addresses any weaknesses. The external auditors attend all Audit Committee meetings and at least once a year without the Executive Committee and report any material weaknesses in their long-form audit report.

Matas Group has also established a whistleblower scheme, through which breaches of laws and regulations can be reported anonymously if the person reporting a concern wishes to avoid using the normal channels of communication. More details on the whistleblower scheme can be found in the section on ESG.

Matas Group has also established a Compliance Steering Group, consisting of Group CFO (Chair), Group General Counsel, EVP KICKS, EVP Matas Denmark and the Director for CSR, HR and Communication. The Compliance Steering Group meets quarterly plus ad hoc if needed and reports to the Executive Management Team.



# Board of Directors



**Lars Vinge Frederiksen**  
Chair

Born 1958, Danish nationality  
Professional board member  
Member of the Board of Directors since 2013  
Re-elected in 2023  
Chair of the Remuneration and Nomination Committees  
Independent board member

Other  
directorships

Member of the board of directors and of the remuneration and nomination committees of Tate & Lyle PLC, London. He is chair of the supervisory board of PAI Partners SA, Paris and chair of the Danish Hearth Association (Hjerteforeningen).

Expertise

Special expertise in general management, strategic development and financial communication for listed international companies as well as his expertise in corporate governance, mergers and acquisitions and business development.



**Mette Maix**  
Deputy Chair

Born 1969, Danish nationality  
Professional board member  
Member of the Board of Directors since 2017  
Re-elected in 2023  
Member of the Remuneration and Nomination Committees  
Independent board member

Member of the board of directors of Aarstiderne A/S, Good Food Group A/S, UNICEF Danmark and Danske Spil.

Special expertise in international sales, brand development and retail, including omnichannel and physical retail, and experience in general management, ESG, digitalisation and strategic development.



**Birgitte Nielsen**  
Board member

Born 1963, Danish nationality  
Professional board member  
Member of the Board of Directors since 2013  
Re-elected in 2023  
Chair of the Audit Committee  
Independent board member

Member of the board of directors of Kirk Kapital A/S, Topsøe Holding A/S and De Forenede Ejendomsselskaber A/S.

Special expertise in general management and strategic development, board experience, including extensive financial and accounting expertise, and capital markets experience.

# Board of Directors



**Henrik Taudorf Lorensen**  
Board member

Born 1971, Danish nationality  
Founder and CEO of TAKT A/S  
Member of the Board of Directors since 2020  
Re-elected in 2023  
Member of the Remuneration and Nomination Committees  
Independent board member

Other  
directorships

Member of the board of directors of Louisiana Museum of Modern Art and Pongo Partners ApS and Director of TAKT A/S' subsidiary TAKT Export ApS.

Expertise

Special expertise in strategy development, consumer and corporate branding, ESG, internationalisation, and general management for PE-backed and listed ownerships.



**Kenneth Melchior**  
Board member

Born 1983, Danish nationality  
Vice President, General Manager, Zalando Lounge  
Member of the Board of Directors since 2021  
Re-elected in 2023  
Member of the Audit Committee  
Independent board member

Member of the board of directors of Lex Deux ApS and member of the board of directors of LCB ApS.

Special expertise in international retail, in-depth insights into digital marketing, international knowledge of customer clubs and loyalty programmes and experience in launching e-commerce in several European markets.



**Malou Aamund**  
Board member

Born 1969, Danish nationality  
Professional board member  
Member of the Board of Directors since 2023  
Elected in 2023  
Member of the Audit Committee  
Independent board member

Member of the board of directors of DSV A/S, KIRKBI A/S, WS Audiology A/S and LEGO Foundation.

Special expertise within cross-sector in digital transformation, sustainability and cybersecurity, in both a PE-backed and corporate context.

# Executive Management Team



From left to right:

Alice Wassard  
Per Johannesen Madsen  
Brian Andersen  
Lise Ryevad  
Gregers Wedell-Wedellsborg  
Carola Lundell  
David Heeroma

# Executive Committee



**Gregers Wedell-Wedellsborg**  
Group CEO\*

Born 1972, Danish nationality  
Group CEO at Matas since November 2017

Gregers holds a MSc in political science from University of Copenhagen and a MPA from Harvard University

- Group Executive Vice President, Coop Denmark
- Digital Director, TV 2 Denmark
- Management positions, Berlingske Media
- Consultant, Accenture
- Officer, Royal Danish Guard
- Board experience since 2012



**Per Johannesen Madsen**  
Group CFO\*

Born 1968, Danish nationality  
Group CFO at Matas since August 2022

Per holds a MSc in Business Administration Economics and Auditing from Copenhagen Business School

- Group CFO, Scandlines
- Executive Vice President & CFO, Copenhagen Airport
- Senior Finance positions Nordic & Germany, The CocaCola Company
- Auditor & Consultant, Arthur Andersen

\* The Group CEO and Group CFO together constitute the Executive Committee.

# Executive Management Team



**Lise Ryevad**  
EVP Matas

Born 1970, Danish nationality  
EVP at Matas since September 2023

Experience  
and directorship

Lise holds a bachelor's degree in Business Administration (BBA) from South Bank University, London and an Executive certificate from Copenhagen Business School

- CCO at Matas since October 2018
- Director of Airport Sales, Copenhagen Airports A/S
- Commercial Director, L'Oréal Denmark
- Marketing Director, L'Oréal Paris
- Product Management positions at Mars and Nestlé
- Board Experience since 2016



**Carola Lundell**  
EVP KICKS

Born 1974, Swedish nationality  
EVP at KICKS since September 2023

Carola holds a MSc in Business and Administration from University of Stockholm

- Chief Marketing Officer, KICKS
- Chief Commercial Officer, Nelly.com
- Management positions, TV 4
- Head of Digital, Coop
- Vice President Digital, Electrolux
- Board experience since 2016



**Brian Andersen**  
EVP Group Digital & Loyalty

Born 1975, Danish nationality  
EVP Group Digital & Loyalty since April 2024

Brian holds a MSc in Human Computer Interaction from Aarhus School of Business

- E-commerce director at Matas since January 2018
- Head of E-commerce, The Masai Clothing Company
- Director of coop.dk, Coop Denmark
- Online Sales & Marketing Manager, FDM Travel
- E-commerce Manager, Bon' A Parte
- Board experience since 2020



**David Heeroma**  
EVP Group Operations

Born 1984, Swedish nationality  
EVP Group Operations since September 2023

David holds a MSc in Industrial Engineering from the Royal Institute of Technology in Stockholm

- COO, CIO/CDO KICKS
- Board of Directors, Skincity
- Principal at Axholmen Consulting
- Consultant, Applied Value Group



**Alice Wassard**  
EVP Group Commercial

Born 1970, Danish nationality  
EVP Commercial Matas Group since April 2024

Alice holds a MSc in Economics and Business Administration from Copenhagen Business School

- Head of procurement and supplier relation Beauty and In house brands Matas
- Management and Director positions, Estée Lauder companies
- Management and Director positions, L'Oréal Nordic
- Board experience since 2020

Share capital (DKK)	95,728,730
Number of shares (of DKK 2.50)	38,291,492
Nominal value per share	DKK 2.50
Shares classes	1
Restrictions on transferability and voting rights	None
Stock exchange	Nasdaq Copenhagen
Trading symbol	MATAS
ISIN code	DK0060497295
Closing price at 31 March, 2023	DKK 84.20
Closing price at 31 March, 2024	DKK 117.00

Change in share price  
during the financial year

+39%

# Shareholder information

Matas A/S is listed on Nasdaq Copenhagen and is a component of the OMX Copenhagen Mid Cap index.

## Share capital

Matas A/S held 382,981 treasury shares at 31 March 2024 (358,423 at 31 March 2023). Treasury shares are held for the purpose of cancelling shares bought back and meeting the obligations under the long-term incentive program. In addition, treasury shares may be used for deferred payment for acquisitions.

At 31 March 2024, Matas A/S' market capitalisation was DKK 4.5 billion (31 March 2023: DKK 3.2 billion). The average daily turnover in Matas A/S' shares was DKK 8.8 million, an increase of 40% compared DKK 6.3 million in 2022/23.

## Authorisations relating to the share capital

At the Annual General Meeting held on 27 June 2019, the Board of Directors was authorised as described below in relation to the share capital.

- In the period until 1 April 2024, the Board of Directors is authorised to increase the Company's share capital in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 9,570,000. The capital increase must take place at market price and may be effected by cash payment or as consideration for a full or partial acquisition of business activities or other assets.

- In the period until 1 April 2024, the Board of Directors is authorised to increase the Company's share capital in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 1,000,000 in connection with the issue of new shares for the benefit of the Company's employees and/or employees in its subsidiaries. The new shares will be issued at a subscription price to be determined by the Board of Directors that may be below the market price.
- New shares issued in pursuance of the above authorisations, which are not to exceed a nominal amount of DKK 9,570,000, must be issued to named holders and be registered in the name of the holder in the Company's register of shareholders, must be fully paid up, must be negotiable instruments and must in every respect carry the same rights as the existing shares. The Board of Directors is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Articles of Association as may be required as a result of the Board of Directors' exercise of the said authorisations.

The Board of Directors is further authorised to purchase treasury shares to the extent the Company's holding of treasury shares at no time exceeds 10% of the share capital. The purchase price must not deviate by more than 10% from the listing price on Nasdaq Copenhagen at the time of the purchase. The authorisation is valid until 19 June 2024. The Board of Directors proposes that the authorisation be renewed at the Annual General Meeting to be held on 19 June 2024.



Allocation of capital and dividend policy

Matas Group’s capital structure must always ensure the financial flexibility required to implement the strategic objectives announced.

Matas has a long-term financial gearing ratio target of 2.0–3.0x, measured as net interest-bearing debt to EBITDA before special items. The financial gearing ratio may under exceptional circumstances temporarily exceed 3x on a quarterly basis.

Distributions by way of dividends and share buybacks are expected to amount to at least 20% of adjusted profit after tax, subject to gearing target and near-term risk and opportunities.

Ownership

During the financial year 2023/24, Matas’ shareholder base grew by 4% to 21,414 registered shareholders. The proportion of shares held by Danish shareholders was 65%, compared to 66% in the preceding year.

Shareholders holding more than 5% of the share capital in Matas A/S according to attest shareholding notifications are:

- Brightfolk A/S, Denmark (10.0%)
- ATP, Denmark (7.39%)

Dividend

The Board of Directors proposes that DKK 2.00 per share, equivalent to 76.6 million and 25.4% of Matas Group’s adjusted profit after tax for 2023/24, be distributed as dividends.

Investor relations website

Information about Matas A/S and its shares, share price, company announcements, financial data, annual and interim reports, investor presentations, financial calendar etc. can be found on [matasgroup.com/](https://matasgroup.com/)

Investor relations

It is the policy of Matas A/S to communicate precisely, actively and in a timely manner to its stakeholders in the financial markets in order to ensure that all investors have equal and adequate access to relevant information as a basis for trading in and pricing of the Company’s shares. This is done taking into account the rules and legislation applicable to companies listed on Nasdaq Copenhagen. For further details on our investor relations policy, please visit [matasgroup.com/](https://matasgroup.com/)

At 31 March 2024, Matas A/S is covered by four equity analysts. For a full list of analysts, please see [matasgroup.com/](https://matasgroup.com/)

Financial calendar 2024/25

19 June 2024	Annual General Meeting for 2023/24
14 August 2024	Interim report – Q1 2024/25
15 November 2024	Interim report – Q2 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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# G R O U P

# Statement by the Board of Directors and the Executive Management

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Matas A/S for the financial year 1 April 2023 – 31 March 2024.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

In our opinion, the Annual Report of Matas A/S for the financial year 1 April 2023 to 31 March 2024 with the file name Matas-2024-03-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Allerød, 28 May 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*

*Birgitte Nielsen*

*Malou Aamund*

*Henrik Taudorf Lorensen*

# Independent auditor's report

To the shareholders  
of Matas A/S

## Report on the audit of the Financial Statements

### Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements (pp 58 – 106) give a true and fair view of the Group's and the Parent Company's financial position at 31 March 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 April 2023 to 31 March 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

### What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Matas A/S for the financial year 1 April 2023 to 31 March 2024 comprise statement of comprehensive income, statement of cash flows, statement of financial position, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

### Appointment

We were first appointed auditors of Matas A/S on 29 June 2023 for the financial year 2023/24. We have been appointed annually by shareholder resolution for a total period of uninterrupted engagement of 1 year including the financial year 2023/24.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2023/24. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key audit matter

### Valuation of goodwill

The carrying amount of goodwill at 31 March 2024 amounts to DKK 4,096 million, corresponding to 47% of total assets.

Goodwill must be tested for impairment at least annually, which is done by Management based on a discounted cash flow model.

The significant assumptions are Management's view of prices, volumes, growth rates, costs, investments and discount rates.

We focused on this, as there is a high level of subjectivity in determining the significant assumptions and the models used are complex.

The accounting treatment is described in notes 2 and 17 of the consolidated financial statements.

## How our audit addressed the key audit matter

Our audit procedures included performing risk assessment procedures to obtain an understanding of the methodology used by Management to assess the carrying amount of goodwill.

We obtained impairment tests prepared by Management and evaluated the reasonableness of estimates and judgements made by Management in preparing these.

We assessed the significant assumptions and challenged whether these are reasonable and supported by the most recently approved Management budgets, including expected future performance of the cash generating units (CGUs), and challenged whether these are appropriate in light of future macro-economic expectations in the markets.

We made use of our internal valuation specialists in the audit and tested the mathematical accuracy of the relevant models prepared by Management. Furthermore, we assessed the appropriateness of disclosures in the Consolidated Financial Statements.

### Business combinations

On 31 August 2023, Matas completed the acquisition of KICKS Group AB for a cash consideration of DKK 692 million.

As part of the acquisition, Management is required to prepare a purchase price allocation ("PPA"), whereby the identified assets and liabilities are separately recognised and valued at its fair value in the opening balance sheet.

In order to determine the fair value of the separately identified assets and liabilities in the business combination, Management is required to perform significant judgements related to the fair value assessment of the relevant assets and liabilities.

We focused on the PPA, as there is a high level of subjectivity in determining the fair value of the acquired assets and liabilities.

The accounting treatment is described in note 29 of the consolidated financial statements.

Our audit procedures included performing risk assessment procedures to obtain an understanding of the methodology used by Management to assess the fair value of the identified assets and liabilities.

We challenged the significant assumptions used to determine the fair value of the acquired assets and assumed liabilities.

We assessed the reasonableness of the useful life of customer relationships, the applied revenue growth, profitability, royalty rates, discount rates as well as tested the mathematical accuracy of the relevant models prepared by Management.

We involved our internal specialists in assessing the valuation methodologies applied by Management in the valuation of the acquired assets and liabilities in the PPA. Furthermore, we assessed the appropriateness of the disclosure in the Consolidated Financial Statements.

## Statement on Management's Review

Management is responsible for Management's Review, pp 5 – 49 and 107 – 108.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional

requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Matas A/S for the financial year 1 April 2023 to 31 March 2024 with the filename Matas-2024-03-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Matas A/S for the financial year 1 April 2023 to 31 March 2024 with the file name Matas-2024-03-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 28 May 2024

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR no 33 77 12 31

*Michael Groth Hansen*

State Authorised  
Public Accountant  
mne33228

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# M A T A S



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# G R O U P

# Statement of comprehensive income

for the year ended 31 March

(DKKm)	Note	2023/24	2022/23
Revenue	3, 4	6,701	4,489
Cost of goods sold	5	(3,623)	(2,413)
<b>Gross profit</b>		<b>3,078</b>	<b>2,076</b>
Other external costs	6	(792)	(445)
Staff costs	7	(1,299)	(825)
Other operating income and expenses, net		19	3
<b>EBITDA before special items</b>		<b>1,006</b>	<b>809</b>
Special items	6, 8	(102)	(5)
<b>EBITDA</b>		<b>904</b>	<b>804</b>
Depreciation, amortisation and impairment	9, 32	(525)	(381)
<b>EBIT</b>		<b>379</b>	<b>423</b>
Share of profit or loss after tax of associates	10	1	(5)
Financial income	11	12	1
Financial expenses	12	(144)	(46)
<b>Profit before tax</b>		<b>248</b>	<b>373</b>
Tax on profit for the year	13	(79)	(92)
<b>Profit for the year</b>		<b>169</b>	<b>281</b>

(DKKm)	Note	2023/24	2022/23
<b>Other comprehensive income</b>			
Currency adjustment of foreign entities and loan		21	-
Tax on currency adjustment of foreign entities and loan		(4)	-
<b>Other comprehensive income after tax</b>		<b>17</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>186</b>	<b>281</b>
<b>Distributed as follows:</b>			
Shareholders of Matas A/S		186	281
Minority shareholders		-	-
		<b>186</b>	<b>281</b>
<b>Earnings per share:</b>			
Earnings per share, DKK	14	4.45	7.41
Diluted earnings per share, DKK	14	4.43	7.37

# Statement of cash flows

for the year ended 31 March

(DKKm)	Note	2023/24	2022/23
Profit before tax		248	373
Depreciation, amortisation and impairment	9	525	381
Share of profit or loss after tax of associates	10	(1)	5
Financial income	11	(12)	(1)
Financial expenses	12	144	46
Other non-cash operating items, net		11	8
<b>Cash generated from operations before changes in working capital</b>		<b>915</b>	<b>812</b>
Changes in working capital	28	(187)	(70)
<b>Cash generated from operations</b>		<b>728</b>	<b>742</b>
Corporation tax paid		(83)	(64)
<b>Cash flow from operating activities</b>		<b>645</b>	<b>678</b>
Acquisition of intangible assets	16	(155)	(162)
Acquisition of property, plant and equipment	18	(251)	(92)
Sale of subsidiaries		2	-
Acquisition of subsidiaries and operations	29	(617)	(2)
<b>Cash flow from investing activities</b>		<b>(1,021)</b>	<b>(256)</b>
<b>Free cash flow excluding sale and acquisition of subsidiaries and operations</b>		<b>239</b>	<b>424</b>
<b>Free cash flow</b>		<b>(376)</b>	<b>422</b>

(DKKm)	Note	2023/24	2022/23
Raising of loans with credit institutions	26	1,121	-
Repayment of loans with credit institutions		(189)	(126)
Repayment of lease liabilities	32	(289)	(172)
Interest received	11	4	1
Interest paid	12	(84)	(40)
Dividend paid		(76)	(76)
Acquisition of treasury shares		(21)	-
<b>Cash flow from financing activities</b>		<b>466</b>	<b>(413)</b>
<b>Net cash flow from operating, investing and financing activities</b>		<b>90</b>	<b>9</b>
Currency adjustment		4	-
Cash and cash equivalents, beginning of period		37	28
<b>Cash and cash equivalents, end of period</b>		<b>131</b>	<b>37</b>

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

# Statement of financial position

at 31 March

(DKKm)	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	16, 17	4,096	3,999
Trademarks and trade names	16	184	58
Software	16	258	151
Other intangible assets	16	132	85
<b>Total intangible assets</b>		<b>4,670</b>	<b>4,293</b>
Lease assets	32	1,157	622
Land and buildings	18	108	88
Other fixtures and fittings, tools and equipment	18	89	65
Leasehold improvements	18	208	27
Plant in progress	18	170	60
<b>Total property, plant and equipment</b>		<b>1,732</b>	<b>862</b>
Investments in associates	10	1	1
Deferred tax	23	17	-
Deposits		47	44
Other securities and investments		1	1
<b>Total other non-current assets</b>		<b>66</b>	<b>46</b>
<b>Total non-current assets</b>		<b>6,468</b>	<b>5,201</b>
<b>Current assets</b>			
Inventories	20	1,864	912
Trade receivables	21	76	44
Corporation tax receivable		17	20
Other receivables		38	25
Prepayments		74	41
Cash and cash equivalents		131	37
<b>Total current assets</b>		<b>2,200</b>	<b>1,079</b>
<b>Total assets</b>		<b>8,668</b>	<b>6,280</b>

(DKKm)	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	96	96
Translation reserve		17	-
Treasury share reserve		(43)	(44)
Retained earnings		3,315	3,234
Dividend proposed for the financial year	15	76	76
<b>Equity, shareholders in Matas A/S</b>		<b>3,461</b>	<b>3,362</b>
Non-controlling interests		1	1
<b>Total equity</b>		<b>3,462</b>	<b>3,363</b>
<b>Liabilities</b>			
Deferred tax	23	227	199
Lease liabilities	32	850	462
Provisions	25	28	28
Credit institutions, non-current	26	2,007	918
Other payables	27	5	13
<b>Total non-current liabilities</b>		<b>3,117</b>	<b>1,620</b>
Credit institutions, current	26	55	110
Lease liabilities	32	360	189
Provisions	25	19	2
Prepayments from customers	24	221	161
Trade payables		1,070	634
Other payables	27	364	201
<b>Total current liabilities</b>		<b>2,089</b>	<b>1,297</b>
<b>Total liabilities</b>		<b>5,206</b>	<b>2,917</b>
<b>Total equity and liabilities</b>		<b>8,668</b>	<b>6,280</b>

# Statement of changes in equity

at 31 March

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity at 1 April 2023</b>	<b>96</b>	<b>-</b>	<b>(44)</b>	<b>76</b>	<b>3,234</b>	<b>3,362</b>	<b>1</b>	<b>3,363</b>
Currency adjustment of foreign entities and loan	-	21	-	-	-	21	-	21
Tax on currency adjustment of foreign entities and loan	-	(4)	-	-	-	(4)	-	(4)
<b>Other comprehensive income</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>17</b>
Profit for the year	-	-	-	76	93	169	-	169
<b>Total comprehensive income</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>76</b>	<b>93</b>	<b>186</b>	<b>-</b>	<b>186</b>
<b>Transactions with owners</b>								
Dividend paid	-	-	-	(76)	-	(76)	-	(76)
Dividend on treasury shares	-	-	-	-	-	-	-	-
Exercise of LTIP	-	-	23	-	(23)	-	-	-
Acquired for future LTIP	-	-	(22)	-	-	(22)	-	(22)
Share-based payment after tax	-	-	-	-	11	11	-	11
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(76)</b>	<b>(12)</b>	<b>(87)</b>	<b>-</b>	<b>(87)</b>
<b>Equity at 31 March 2024</b>	<b>96</b>	<b>17</b>	<b>(43)</b>	<b>76</b>	<b>3,315</b>	<b>3,461</b>	<b>1</b>	<b>3,462</b>



# Statement of changes in equity

at 31 March

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity at 1 April 2022</b>	<b>96</b>	<b>-</b>	<b>(76)</b>	<b>76</b>	<b>3,055</b>	<b>3,151</b>	<b>1</b>	<b>3,152</b>
Other comprehensive income	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	76	205	281	-	281
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>205</b>	<b>281</b>	<b>-</b>	<b>281</b>
<b>Transactions with owners</b>								
Dividend paid	-	-	-	(76)	-	(76)	-	(76)
Dividend on treasury shares	-	-	-	-	-	-	-	-
Exercise of LTIP	-	-	32	-	(32)	-	-	-
Share-based payment after tax	-	-	-	-	6	6	-	6
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>(76)</b>	<b>(26)</b>	<b>(70)</b>	<b>-</b>	<b>(70)</b>
<b>Equity at 31 March 2023</b>	<b>96</b>	<b>-</b>	<b>(44)</b>	<b>76</b>	<b>3,234</b>	<b>3,362</b>	<b>1</b>	<b>3,363</b>

# Summary of notes to the financial statements

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<b>Note 9</b>	Depreciation, amortisation and impairment	75	<b>Note 23</b>	Deferred tax	81			
<b>Note 10</b>	Share of profit or loss after tax of associates	75	<b>Note 24</b>	Prepayments from customers	82			
<b>Note 11</b>	Financial income	75	<b>Note 25</b>	Provisions	82			
<b>Note 12</b>	Financial expenses	75	<b>Note 26</b>	Amounts owed to credit institutions	83			
<b>Note 13</b>	Tax	76	<b>Note 27</b>	Other payables	83			
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# Notes to the financial statements

## Note 1 – Accounting policies

Matas A/S is a public limited company domiciled in Denmark. The Annual Report and the financial statements of the Parent Company, Matas A/S, for the year ended 31 March 2024 include both the consolidated financial statements of Matas A/S and its subsidiaries (Matas Group) and the separate financial statements of the Parent Company, Matas A/S.

The consolidated financial statements of Matas A/S and the financial statements of the parent company, Matas A/S, for 2023/24 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

The Board of Directors and the Executive Committee considered and adopted the Annual Report of Matas A/S for 2023/24 on 28 May 2024. The Annual Report will be presented to the shareholders of Matas A/S for approval at the Annual General Meeting to be held on 19 June 2024.

### Basis of preparation

The consolidated financial statements are presented in DKK, and all amounts are rounded to millions (DKKm) unless otherwise stated.

The accounting policies set out below have been used consistently in respect of the financial year and to comparative figures. For standards implemented prospectively, comparatives are not restated.

Matas A/S has implemented all new or amended financial reporting standards and interpretations adopted by the EU that apply to the financial year 1 April 2023 – 31 March 2024. These have not significantly affected Matas' Annual Report for 2023/24.

### Change in accounting policies/reclassifications

Matas Group support 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 costs. Support from suppliers not directly linked to a specific activity has been reclassified to a reduction in Cost of goods sold in accordance with the standards.

This change has resulted in a reallocation in the statement of comprehensive income decreasing the cost of goods sold for 2023/24 by DKK 81 million and increasing other external cost with the same amount. Consequently gross profit for 2023/24 improved by DKK 81 million increasing the gross margin by 1.2 percentage points, but there is no impact on EBITDA. Comparable figures have been adjusted accordingly, decreasing the cost of goods sold for 2022/23 by DKK 62 million and increasing other external cost with the same amount. Consequently gross profit for 2022/23 improved by DKK 62 million increasing the gross margin by 1.4 percentage points and with no impact on EBITDA.

Media income from suppliers relating to sale of data services is recognised as other operating income secondary to the principal activities of the Group where it previously had been deducted in other external costs.

This change has resulted in a reclassification in the statement of comprehensive income increasing other operating income for 2023/24 by DKK 4 million and increasing other external cost with the same amount, with no impact on EBITDA. Comparable figures have been adjusted accordingly, increasing other operating income for 2022/23 by DKK 3 million and increasing other external cost with the same amount, with no impact on EBITDA.

(DKKm)	2023/24			2022/23		
	Reported income statement	Change	Income statement before change	Reported income statement	Change	Income statement before change
Revenue	6,701	–	6,701	4,489	–	4,489
Cost of goods	(3,623)	81	(3,704)	(2,413)	62	(2,475)
<b>Gross profit</b>	<b>3,078</b>	<b>81</b>	<b>2,997</b>	<b>2,076</b>	<b>62</b>	<b>2,014</b>
Other external cost	(792)	(85)	(707)	(445)	(65)	(380)
Staff costs	(1,299)	–	(1,299)	(825)	–	(825)
Other operating income, net	19	4	15	3	3	–
<b>EBITDA before special items</b>	<b>1,006</b>	<b>–</b>	<b>1,006</b>	<b>809</b>	<b>–</b>	<b>809</b>
Special items	(102)	–	(102)	(5)	–	(5)
<b>EBITDA</b>	<b>904</b>	<b>–</b>	<b>904</b>	<b>804</b>	<b>–</b>	<b>804</b>

The changes in accounting policies have not impacted statement of cashflows nor statement of financial position in neither 2023/24 nor in the comparable figures for 2022/23.

### Alternative performance measures

The Annual Report includes non-IFRS financial ratios. We believe that non-IFRS ratios provide investors and the Group's management with valuable information for purposes of evaluating the Group's financial performance. As other companies may calculate these ratios in a different way than Matas Group does, they may not be comparable with the ratios applied by other companies. Accordingly, these financial ratios should not be considered a

# Notes to the financial statements

## Note 1 – Accounting policies continued

substitute for performance measures defined under IFRS. For a definition of the performance measures applied by Matas Group, see 'Definitions of key financials'.

### Description of accounting policies

#### Consolidated financial statements

The consolidated financial statements comprise the financial statements of the Parent Company, Matas A/S, and subsidiaries in which Matas A/S has control. Matas A/S has control of a company if the Group is exposed to or has rights to variable returns from its involvement in the company and has the ability to affect those returns through its power over the company.

In the assessment of whether Matas Group has control, de facto control and potential voting rights that are real and have substance at the date of the statement of financial position are taken into account.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries financial statements prepared according to Matas Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains to the extent that a write-down has not been made.

The subsidiaries line items are recognised 100% in the consolidated financial statements. Non-controlling interests share of profit/loss for the year and of equity in subsidiaries that are not wholly owned is included in the consolidated profit and equity, respectively, but is presented separately.

#### Business combinations

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated financial statements until the date of disposal. The comparative figures are not restated to reflect acquisitions.

In connection with acquisitions of new entities over which Matas Group obtains control, the acquisition method is used. The acquired entities' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

The acquisition date is the date when Matas Group effectively obtains control over the acquired entity.

Any excess of the consideration transferred over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill under intangible assets. Goodwill is not amortised but is tested annu-

ally for impairment. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating unit subsequently forming the basis for the impairment test.

The consideration for a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events occurring or on agreed conditions being met, that part of the consideration is recognised at fair value at the acquisition date. Contingent consideration that is not an equity instrument is subsequently measured at fair value through profit or loss.

If uncertainties exist regarding identification or measurement of acquired assets, liabilities or contingent liabilities, initial recognition will take place on the basis of provisional values. If it subsequently becomes apparent that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and the comparative figures are restated. Hereafter, goodwill is not adjusted.

Gains and losses on disposal of subsidiaries are stated as the difference between the sales amount and the carrying amount of net assets including goodwill at the date of disposal less cost of disposal.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the date of the statement of financial position. The difference between the exchange rates at the date of the statement of financial position and at the date at which the receivable or payable arose or was recognised in the latest consolidated financial statements is recognised as financial income or financial expenses.

#### Statement of comprehensive income

##### Revenue

Matas Group generates revenue from sales of Mass Beauty and High-End Beauty products, vitamins, minerals and supplements, household and personal care products and over-the-counter medicine through the Matas Group's chain's store network and web shops.

Matas Group's sales agreements are divided into separately identifiable performance obligations (relating primarily to the loyalty programmes at Matas and KICKS), which are recognised and measured separately at fair

# Notes to the financial statements

## Note 1 – Accounting policies continued

value. If a sales agreement comprises more than one performance obligation, the total sales value of the sales agreement is allocated proportionately to the individual performance obligations of the agreement. Performance obligations in relation to the non-performed proportion of revenue related to the allocation of points under the loyalty programmes are deducted. 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 giftcards issued that will never be redeemed.

Revenue is recognised when control of the individual identifiable performance obligation passes to the customer. For Matas Group, this is generally when the goods are handed over.

Revenue is measured at the fair value of the agreed consideration net of VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue. Having regard to Matas' operations, with sales generally being made directly to consumers, the fair value corresponds to the agreed selling price net of discounts and the value of points earned by the customer.

The proportion of the total consideration that is variable, for example in the form of discounts, bonus payments, etc., is recognised in revenue when it is highly probable that it will not be subsequently reversed due to, for example, non-redemption of points earned.

### Cost of goods sold

Cost of goods sold comprises costs for purchase of goods for the year plus deviations in inventories in generating the revenue for the year.

Cost of goods sold is recognised after deduction of supplier discounts and bonuses and after general marketing contributions from suppliers.

### Other external costs

Other external costs primarily comprise net marketing costs after deduction of marketing income from suppliers for advertising in the Group's own media and stores. Other external costs also comprise administrative expenses and maintenance costs. Costs are recognised by the amount attributable to this financial year.

### Staff costs

Staff costs comprise wages, salaries, pensions and other staff costs are recognised in the financial year in which services are rendered by the Group's employees. Whenever the Group provides long-term employee benefits, the cost are accrued to match the rendering of the services by the employees. Termination benefits are recognised at the time of the agreement between the Group and the employee is made and no future service is rendered by the employee in exchange for benefits.

### Other operating income and expenses

Other operating activities are secondary to the principal activities of the Group and include insurance compensations for business interruptions, subsidies from Governments, media income for sale of data services, income from merchandising and promotions in stores for suppliers and compensation expenses.

### Special items

Special items include significant income and expenses which management considers of a special nature in relation to the Group's ordinary operations. Special items also include significant non-recurring items, including benefits related to retirement of members of the Executive Committee, integration costs and transaction costs in a business combination and adjustments of earn-outs.

Significant restructuring of processes and structural adjustments are included in special items. Special items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

### Share of profit or loss after tax of associates

Matas Group's share of the profits or losses after tax of associates is recognised in the statement of comprehensive income after elimination of the proportionate share of intra-group gains/losses.

### Financial income and expenses

Financial income and expenses comprise interest income and expenses and gains and losses on transactions denominated in foreign currencies. Furthermore, amortisation of financial assets and liabilities, as well as surcharges and allowances under the tax prepayment scheme and changes in the fair value of derivative financial instruments which are not designated as hedging instruments are included.

### Tax on profit for the year

The Parent Company and its Danish subsidiaries are subject to the Danish rules on mandatory joint taxation of Matas Group. The jointly taxed entities are taxed under the tax prepayment scheme.

Matas A/S is the administration company in respect of the joint taxation and accordingly pays all corporation taxes to the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense is recognised in profit or loss, other comprehensive income or directly in equity.

# Notes to the financial statements

## Note 1 – Accounting policies continued

### Statement of financial position

#### Intangible assets

##### Goodwill

Goodwill is initially recognised in the statement of financial position at cost as described under “Business combinations”. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

##### Trademarks and trade names

Trademarks and trade names acquired in business combinations are measured at cost less accumulated impairment losses. KICKS trademarks and trade names are not amortised.

##### Other intangible assets

Other intangible assets, which primarily comprise software, customer lists and shares in co-operative property, including intangible assets acquired in business combinations, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over 3–10 years.

#### Property, plant and equipment

Land and buildings, fixtures, fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for Matas Group. The replaced components are derecognised in the statement of financial position and their carrying amount transferred to profit or loss. All other costs for ordinary repairs and maintenance are recognised in profit or loss as incurred.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Buildings	75 years
Building parts	10–25 years
Fixtures, fittings, tools and equipment	1–7 years
Leasehold improvements	2–8 years
Land is not depreciated.	

Depreciation is calculated on the basis of the residual value less impairment losses. The useful life and residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on depreciation is recognised prospectively as a change in accounting estimates.

#### Lease assets and lease liabilities

The Group performs annually a reassessment considering each individual lease where there has been any significant change, including assessment of several performance targets to categorise the individual leases into a specific category as part of the review of the strategy for 2023/24 – 2027/28. This corresponds to Matas Group's commercial approach considering the development in performance and the development in the market for rental and main traffic flows.

The estimated lease period is 2–5 years to reflect the commercial approach and the strategy.

Right-of-use assets and lease liabilities are recognised in the statement of financial position when, under a lease concerning a specific identified asset, right-of-use assets are made available to Matas Group for the lease term and when the Group obtains the right to substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Matas Group recognises lease liabilities at the commencement date of the lease, measured at the present value of future lease payments, discounted using an alternative borrowing rate. The following lease payments are recognised as part of the lease liability:

- Fixed payments
- Variable payments changing in accordance with changes in an index or a rate based on the applicable index or rate
- Payments under extension options that Matas Group is reasonably certain to exercise

The lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a change in the underlying contractual cash flows due to changes in an index or a rate or if Matas Group changes its assessment as to whether it reasonably expects to exercise an extension or termination option.

A right-of-use asset is initially measured at cost, corresponding to the value of the lease liability adjusted for prepaid lease payments plus any initial direct costs and estimated costs of reinstatement or similar and less any discounts granted or other types of incentives received from the lessor.



# Notes to the financial statements

## Note 1 – Accounting policies continued

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and impairment. The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset. The right-of-use asset is recognised in the statement of comprehensive income on a straight-line basis.

The right-of-use asset is adjusted for changes in the lease liability resulting from changes in the lease terms or changes in the contractual cash flows according to changes in an index or a rate.

Right-of use assets are depreciated on a straight-line basis over the estimated lease term, which is:

Leased stores, etc.	2-7 years
Administration and warehouse buildings, etc.	2-10 years
Cars and other leases	3 years

Matas Group has opted not to recognise leases of low-value assets and short-term leases in the statement of financial position. Lease payments concerning such leases are instead recognised in the statement of comprehensive income on a straight-line basis.

### Investments in associates

Investments in associates are measured under the equity method at the proportionate share of the enterprises' equity value calculated in accordance with Matas Group's accounting policies minus or plus the proportionate share of unrealised intra-group gains and losses and plus values added on acquisition, including goodwill.

Investments are tested for impairment whenever there is an indication of impairment.

Associates with negative equity value are measured at zero value. If Matas Group has a legal or constructive obligation to cover the associate's negative balance, such obligation is recognised under liabilities.

Acquisitions of investments in associates are accounted for under the purchase method, see the description of business combinations.

### Impairment testing of non-current assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or whenever there is an indication of impairment, initially before the end of the acquisition year.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit and written down to the recoverable amount through profit or loss if the carrying amount is higher. The recoverable amount is generally computed as the present value of the expected future net cash flows.

The carrying amount of other non-current assets is reviewed for impairment on an ongoing basis. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. The impairment loss is recognised under depreciation, amortisation and impairment losses.

Impairment of goodwill is not reversed. Impairment of other assets is reversed to the extent that there have been changes in the assumptions and estimates that led to the impairment loss. Impairment losses are only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount of the asset after amortisation/depreciation, had the asset not been impaired.

### Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value.

Goods for resale are measured at cost, comprising the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and developments in the expected sales price.

### Receivables

Receivables are measured at amortised cost. Impairment charges are recognised according to the simplified expected credit loss model, under which the total loss is recognised in the statement of comprehensive income at the same time as the receivable is recognised in the statement of financial position based on the lifetime expected credit loss.

### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years and are measured at cost.

### Equity

#### Dividend

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

# Notes to the financial statements

## Note 1 – Accounting policies continued

### Translation reserve

The translation reserve in the consolidated financial statements comprises the Parent Company's share of foreign exchange differences arising on translation of financial statements of foreign entities from their functional currencies into the presentation currency used by Matas Group (Danish kroner).

### Treasury share reserve

The treasury share reserve comprises cost of acquisition for the Group's portfolio of treasury shares. Dividends received from treasury shares are recognised directly in retained earnings in equity.

### Incentive programmes

The value of services received as consideration for options granted is measured at the fair value of the options.

For equity-settled share options, the fair value is measured at the grant date and recognised under staff costs over the vesting period. The balancing item is recognised directly in equity as a shareholder transaction.

On initial recognition of Performance Share Units (PSUs), the number of PSUs expected to vest is estimated. Subsequent to initial recognition, the estimate is adjusted to reflect the actual number of exercised PSUs.

The fair value of the PSUs granted is estimated using basic assumptions. The calculation takes into account the terms and conditions of the PSUs granted. The fair value of the PSUs is based on the share price at issue.

### Provisions

Provisions are recognised when, as a result of an event occurring before or at the date of the statement of financial position, Matas Group has a legal or a constructive obligation, and it is probable that there may be an outflow of economic benefits to meet the obligation.

Provisions are measured at Management's best estimate of the amount which is expected to be required to settle the liability.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability.

Provisions for the reinstatement of tenancies etc. upon eviction are measured at the present value of the expected future liability at the date of the statement of financial position. The provision is determined based on current legislation and estimated future costs, discounted to their present value. Any specific risks that are believed to apply to the provision are recognised in estimated costs. The discount factor used reflects the general level of interest rates. Liabilities are recognised as they arise and are adjusted on a regular basis to reflect changes in requirements, price levels, etc. The present value of the costs is recognised in the cost of the items of property,

plant and equipment in question and depreciated with these assets. The increase of the present value over time is recognised under financial expenses in the statement of comprehensive income.

### Employee benefits

#### Pension obligations and similar non-current liabilities

Matas Group has entered into pension schemes and similar arrangements with the majority of its employees.

Contributions to defined contribution plans where Matas Group currently pays fixed pension payments to independent pension funds are recognised in profit or loss in the period to which they relate, and any contributions outstanding are recognised in the statement of financial position as other payables.

Matas Group has not established any defined benefit pension plans.

### Current and deferred tax

In accordance with the joint taxation rules, Matas A/S in its capacity as administration company assumes the liability for payment to the tax authorities of its Danish subsidiaries' corporation taxes as the joint taxation contributions are received from the subsidiaries.

Current tax payable and receivable is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax on temporary differences relating to goodwill which is not deductible for tax purposes, office buildings and other items where temporary differences – other than business acquisitions and leases – arise at the date of acquisition without affecting either the profit or loss for the year or the taxable income is not recognised. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the date of the statement of financial position, will apply at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in comprehensive income.

# Notes to the financial statements

## Note 1 – Accounting policies continued

Matas has applied the exception to recognise and disclose information about deferred tax in the OECD/ EU Pillar Two Model Rules and their local implementation.

### Prepayments from customers

Prepayments from customers comprise performance obligations regarding issued gift vouchers and customer loyalty programmes. Performance obligations regarding gift vouchers are recognised at the date of issue. Liabilities relating to gift vouchers and the customer loyalty programme are recognised in revenue when used and/or expired.

Points issued under the customer loyalty programmes are recognised as a performance obligation at the date of recognition of the related sales. The performance obligation is measured at the estimated fair value of the loyalty points allocated.

### Financial liabilities

Financial liabilities are recognised at the date of borrowing at fair value less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost, applying the effective interest rate method, to the effect that the difference between the proceeds and the nominal value is recognised under financial expenses over the term of the loan.

Other non-financial liabilities are measured at net realisable value.

### Statement of cash flows

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition, and cash flows from disposed businesses are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as profit before tax adjusted for non-cash operating items, changes in working capital and dividends received and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and operations and of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not recognised as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, acquisition and disposal of treasury shares, interest received and payment of interest and dividends to shareholders.

## Note 1 – Accounting policies continued

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less at the acquisition date which are subject to an insignificant risk of changes in value, and which can be converted into cash without hindrance.

### Segment information

The Group's gross profit and assets are segmented in banners and on the basis of geographical regions in accordance with the management reporting for the current year.

## Note 2 – Significant accounting estimates, assumptions and judgments

### Estimation uncertainty

In preparing the consolidated financial statements, Management makes a number of accounting estimates and assumptions that form the basis for the presentation, recognition and measurement of Matas' assets and liabilities.

The computation of the carrying amount of certain assets and liabilities requires that estimates and assumptions be made about future events. The estimates and assumptions used are based on historical experience and other factors which Management assesses to be reliable, but which are inherently subject to uncertainty. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the Company is subject to risks and uncertainties which may result in actual results differing from these estimates. It may be necessary to change previously made estimates as a result of changes in the circumstances on which the previous estimates were based or because of new knowledge or subsequent events.

The special risks to which Matas is exposed are described in the Management's review and in the notes.

### Impairment testing of goodwill

In performing the annual impairment test of goodwill, an assessment is made of how the cash-generating unit to which goodwill relates will be able to generate sufficient positive net cash flows in the future to support the value of goodwill and other net assets of the relevant part of the Group. Due to the nature of the Group's activities, the forecast cash flows cover many years into the future and are as such subject to some estimation uncertainty. This uncertainty is reflected in the discount rate applied.

The impairment test and key sources of estimation uncertainty are described in detail in note 17.

### Inventory measurement

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value. Goods for resale are measured at cost, comprising the purchase price plus delivery costs. The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and developments in the expected sales price. Full stock counts are

# Notes to the financial statements

## Note 2 – Significant accounting estimates, assumptions and judgments continued

performed at all stores once a year, predominantly in the last quarter of the financial year. A provision for shrinkage after the stock count corresponding to 1.8% of sales in the period was made at the date of the stock count. The shrinkage percentage reflects the shrinkage reported by the majority of the stores performing their stock count in the last quarter of the financial year. The shrinkage percentage was unchanged compared to 2022/23.

### Measurement of prepayments

Prepayments from customers comprise performance obligations regarding issued gift vouchers and customer loyalty programmes.

Prepayments relating to gift vouchers are recognised at the date of issue.

For the customer loyalty programmes, performance obligations are recognised at the date of recognition of the sale triggering the allocation of loyalty points. The obligation is measured at the estimated fair value of the loyalty points allocated. The estimated fair value is by nature subject to some uncertainty with respect to the actual future redemption of points. Loyalty points are measured based on historical redemption rate.

### Determining the term of a lease

The lease term covers the non-cancellable period of the lease plus periods comprised by an extension option which Matas Group reasonably expects to exercise and plus periods comprised by a termination option which The Group reasonably expects not to exercise. Matas Group's store leases often contain options entitling the Group to extend the lease in pursuance of Danish tenancy law. On initial recognition of the lease liability, Matas Group considers whether it reasonably expects to exercise the extension option and estimates the expected lease term, which estimates are reassessed upon the occurrence of a significant event or a significant change in circumstances that is within the Group's control. Upon expiry of the non-cancellable period, the individual leases are assessed in consideration of Matas Group's strategy. The legal environment in Sweden, Norway and Finland do not provide same flexibility in terms of available lease extension periods as in Denmark. A 'Preferred end date' is to be used as guidance in combination with gathered data from the contracts and addendums to arrive at a reasonably certain lease end date. A general rule has been applied so that the reasonably certain period of years that management agrees to exceed the 'Preferred end date' has been set to 2 years. Meaning that if the extension applied will go over the preferred date by 2 years and more, then the extension option should not be exercised.

### Determining the discount factor in a lease

Matas Group applies an alternative borrowing rate for purposes of measuring the present value of future lease payments. In determining this alternative borrowing rate, Matas Group divides its portfolio of lease assets into categories with similar characteristics and risk profiles. The alternative borrowing rate is determined on initial recognition and in connection with subsequent changes resulting from Matas Group revising its assessment as to whether it reasonably expects to exercise a purchase, extension or termination option or from the lease being modified.

## Note 3 – 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 2023/24	KICKS 2023/24	Total 2023/24	Matas 2022/23	KICKS 2022/23	Total 2022/23
Revenue	4,840	1,861	6,701	4,489	–	4,489
Cost of goods sold	(2,587)	(1,036)	(3,623)	(2,413)	–	(2,413)
<b>Gross profit</b>	<b>2,253</b>	<b>825</b>	<b>3,078</b>	<b>2,076</b>	<b>–</b>	<b>2,076</b>
Gross margin	46.5%	44.4%	45.9%	46.2%	–	46.2%
Other external costs			(792)			(445)
Staff costs			(1,299)			(825)
Other operating income and expenses, net			19			3
<b>EBITDA before special items</b>			<b>1,006</b>			<b>809</b>
Special items			(102)			(5)
<b>EBITDA</b>			<b>904</b>			<b>804</b>

Matas Group's non-current assets are mainly physically located in Denmark and Sweden as presented in the table below.

### Geographical information

(DKKm)	2023/24	2022/23
Denmark	5,252	5,201
Sweden	1,003	–
Other countries	213	–
<b>Total non-current assets at 31 March</b>	<b>6,468</b>	<b>5,201</b>

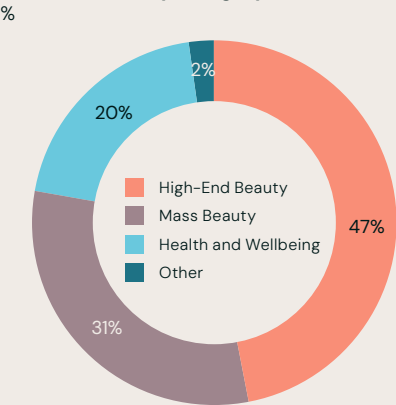
# Notes to the financial statements

## Note 4 – Revenue

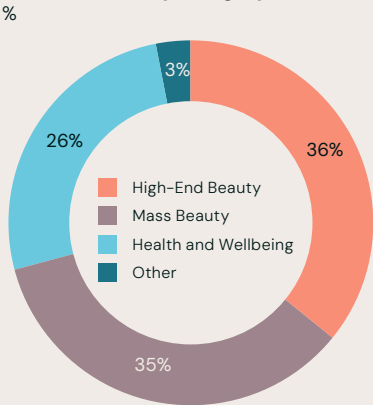
(DKKm)	2023/24	2022/23
Retail sales	6,588	4,380
Wholesale sales etc.	113	109
<b>Total revenue</b>	<b>6,701</b>	<b>4,489</b>

During the financial year 2023/24, 30.8% of the Group's revenue was generated by its web shops, compared with 26.8% in 2022/23.

Retail revenue by category 2023/24



Retail revenue by category 2022/23



Revenue breaks down by product groups as follows

(DKKm)	2023/24	2022/23
High-End Beauty	3,064	1,561
Mass Beauty	2,056	1,536
Health and Wellbeing	1,345	1,157
Other	123	126
Wholesale sales etc.	113	109
<b>Total revenue</b>	<b>6,701</b>	<b>4,489</b>

The product groups may be specified 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 and 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 and dermatological skincare.
- **Other:** Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and garden (cleaning and maintenance, electrical products, interior decoration, textiles, etc.) and value adjustment of loyalty points.
- **Wholesale sales etc.** comprise sales concerning the associated Matas store in Greenland B2B and sales by Grænn A/S, Graenn GmbH, Firtal Group and Web Sundhed A/S outside of Matas Group.

Revenue from sales of products through 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. The Group does not have any sale of services.

# Notes to the financial statements

## Note 4 – Revenue continued

A small proportion of the 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 giftcards 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 31 March 2024 (31 March 2023: DKK 57 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 31 March 2024 was insignificant, as was the amount of guarantee commitments, similar to last year.

### Geographical information

(DKKm)	2023/24	2022/23
Denmark	4,812	4,466
Sweden	1,130	–
Other countries *	759	23
<b>Total revenue</b>	<b>6,701</b>	<b>4,489</b>

\* Revenue in other countries related to the reportable segment Matas amounted to DKK 28 million in 2023/24 (2022/23: DKK 23 million).

## Note 5 – Cost of goods sold, etc.

(DKKm)	2023/24	2022/23
Cost of goods sold for the year	3,625	2,413
Write-down of inventories for the year	56	50
Reversal of write-down of inventories	(58)	(50)
<b>Total cost of goods sold etc.</b>	<b>3,623</b>	<b>2,413</b>

## Note 6 – Fees to the auditors appointed by the shareholders in general meeting

(DKKm)	2023/24	2022/23
Audit	4	2
Other assurance engagements	–	–
Tax and VAT assistance	2	–
Other services	3	1
<b>Total fees to auditors appointed by the shareholders in general meeting</b>	<b>9</b>	<b>3</b>

Fees for services other than the statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark, amounted to DKK 4 million. This includes tax and due diligence services and other assurance reporting engagements.

Of other services, DKK 4 million is presented as special items in 2023/24 (2022/23: DKK zero million).



# Notes to the financial statements

## Note 7 – Staff costs

(DKKm)	2023/24	2022/23
Wages and salaries	1,188	794
Defined contribution plans	81	52
Share-based payment	11	8
Other staff costs	104	17
<b>Total staff costs</b>	<b>1,384</b>	<b>871</b>

(DKKm)	2023/24	2022/23
Staff costs in statement of comprehensive income	1,299	825
Special items in statement of comprehensive income	33	-
Intangible assets *	52	46
<b>Total staff costs</b>	<b>1,384</b>	<b>871</b>
Average number of FTEs	2,931	2,124

\* Over the past financial years, Matas Group has made investments in the implementation of the Company's strategy for purposes of developing concepts and digitalising Matas Group's activities using its own staff and thereby capitalising staff costs to intangible assets.

Management's remuneration is disclosed in note 33.

## Note 8 – Special items

(DKKm)	2023/24	2022/23
<b>Costs related to the acquisitions of KICKS Group AB:</b>		
Transaction costs	49	-
Integration costs	63	-
Income from reversal of earn out in Web Sundhed	(10)	-
Matas Celebration party, last one in 2007	-	5
<b>Total special items</b>	<b>102</b>	<b>5</b>

Special items reconcile to the income statement as specified below:

(DKKm)	2023/24			2022/23		
	Reported income statement	Special items	Adjusted income statement	Reported income statement	Special items	Adjusted income statement
Revenue	6,701	-	6,701	4,489	-	4,489
Cost of goods	(3,623)	-	(3,623)	(2,413)	-	(2,413)
<b>Gross profit</b>	<b>3,078</b>	<b>-</b>	<b>3,078</b>	<b>2,076</b>	<b>-</b>	<b>2,076</b>
Other external cost	(792)	(79)	(871)	(445)	(5)	(450)
Staff costs	(1,299)	(33)	(1,332)	(825)	-	(825)
Other operating income, net	19	10	29	3	-	3
<b>EBITDA before special items</b>	<b>1,006</b>	<b>(102)</b>	<b>904</b>	<b>809</b>	<b>(5)</b>	<b>804</b>
Special items	(102)	102	-	(5)	5	-
<b>EBITDA</b>	<b>904</b>	<b>-</b>	<b>904</b>	<b>804</b>	<b>-</b>	<b>804</b>

# Notes to the financial statements

## Note 9 – Depreciation, amortisation and impairment

(DKKm)	2023/24	2022/23
Amortisation, software	110	77
Amortisation, other intangible assets	59	46
Depreciation, property, plant and equipment	79	70
Depreciation of lease assets	277	182
Loss on disposal of property, plant and equipment	-	6
<b>Total depreciation, amortisation and impairment</b>	<b>525</b>	<b>381</b>

## Note 10 – Share of profit or loss after tax of associates

The share of profit or loss after tax of associates amounted to a profit of DKK 1 million for 2023/24 from Geniads ApS against a loss of DKK 5 million in 2022/23 primarily concerning the investment in Mild A/S.

## Note 11 – Financial income

(DKKm)	2023/24	2022/23
Interest credit institutions	4	-
Currency gains	7	-
Other	1	1
<b>Total financial income</b>	<b>12</b>	<b>1</b>
Interest from financial assets measured at amortised cost amounts to	-	-

## Note 12 – Financial expenses

(DKKm)	2023/24	2022/23
Interest, credit institutions	84	30
Interest, lease liabilities	45	9
Interest, contingent consideration	4	4
Amortisation of financing costs	3	2
Currency losses	4	-
Other	4	1
<b>Total financial expenses</b>	<b>144</b>	<b>46</b>
Interest on financial liabilities measured at amortised cost amounts to	133	43

# Notes to the financial statements

## Note 13 – Tax

(DKKm)	2023/24	2022/23
<b>Tax on the profit for the year breaks down as follows:</b>		
Tax on the profit for the year	79	92
<b>Total tax</b>	<b>79</b>	<b>92</b>
<b>Tax on the profit for the year has been calculated as follows:</b>		
Current tax	90	82
Deferred tax	(13)	6
Current tax regarding previous years	2	4
<b>Total</b>	<b>79</b>	<b>92</b>
<b>Tax on profit for the year can be explained as follows:</b>		
Computed 22.0% tax on profit before tax	55	82
Incentive programmes	-	1
Current payments, discounting	1	1
Limitation of right to deduct interest	8	2
Other	4	2
Transaction costs	9	-
Tax regarding previous years	2	4
<b>Total tax</b>	<b>79</b>	<b>92</b>
Effective tax rate	31.9%	24.7%

Matas Group is not expected to be materially impacted by the OECD/EU Pillar Two Model Rules and their local implementation. All countries where the Group has operations impose taxation in excess of 15%. Consequently, the rules are not expected to materially increase tax payments nor change the Group's effective tax rate.

## Note 14 – Earnings per share

	2023/24	2022/23
<b>Profit for the year (the Group's share), DKKm</b>	<b>169</b>	<b>281</b>
Average number of shares	38,291,492	38,291,492
Average number of treasury shares	(281,338)	(409,851)
<b>Average number of outstanding shares</b>	<b>38,010,154</b>	<b>37,881,641</b>
Average dilutive effect of outstanding PSUs	184,623	185,442
<b>Diluted average number of outstanding shares</b>	<b>38,194,777</b>	<b>38,067,083</b>
Earnings per share of DKK 2.50	4.45	7.41
Diluted earnings per share of DKK 2.50	4.43	7.37
Adjusted earnings per share of DKK 2.50	7.94	8.50

Adjusted earnings per share is calculated based on adjusted profit after tax as defined in definitions of key financials.

## Note 15 – Dividend per share

Based on the satisfactory financial results, the Board of Directors proposes that DKK 76 million (2022/23: DKK 76 million), equivalent to 25.4% of adjusted profit after tax for 2023/24 (2022/23: 24.0%), be distributed as dividends, equivalent to DKK 2.00 per share (2022/23: DKK 2.00).

# Notes to the financial statements

## Note 16 – Intangible assets

(DKKm)	Goodwill	Trademarks and trade names	Software	Other intangible assets	Total
<b>Cost at 1 April 2023</b>	<b>3,999</b>	<b>1,204</b>	<b>562</b>	<b>203</b>	<b>5,968</b>
Additions on acquisitions	94	132	94	59	379
Currency adjustment	3	4	3	2	12
Additions	–	–	120	35	155
<b>Cost at 31 March 2024</b>	<b>4,096</b>	<b>1,340</b>	<b>779</b>	<b>299</b>	<b>6,514</b>
<b>Amortisation and impairment at 1 April 2023</b>	<b>–</b>	<b>1,146</b>	<b>411</b>	<b>118</b>	<b>1,675</b>
Amortisation	–	10	110	49	169
<b>Amortisation and impairment at 31 March 2024</b>	<b>–</b>	<b>1,156</b>	<b>521</b>	<b>167</b>	<b>1,844</b>
<b>Carrying amount at 31 March 2024</b>	<b>4,096</b>	<b>184</b>	<b>258</b>	<b>132</b>	<b>4,670</b>
<b>Cost at 1 April 2022</b>	<b>3,993</b>	<b>1,204</b>	<b>446</b>	<b>156</b>	<b>5,799</b>
Additions on acquisitions	6	–	–	1	7
Additions	–	–	116	46	162
<b>Cost at 31 March 2023</b>	<b>3,999</b>	<b>1,204</b>	<b>562</b>	<b>203</b>	<b>5,968</b>
<b>Amortisation and impairment at 1 April 2022</b>	<b>–</b>	<b>1,136</b>	<b>334</b>	<b>81</b>	<b>1,551</b>
Amortisation	–	10	77	37	124
<b>Amortisation and impairment at 31 March 2023</b>	<b>–</b>	<b>1,146</b>	<b>411</b>	<b>118</b>	<b>1,675</b>
<b>Carrying amount at 31 March 2023</b>	<b>3,999</b>	<b>58</b>	<b>151</b>	<b>85</b>	<b>4,293</b>
Amortised over	–	–	3–8 years	3–10 years	

Other intangible assets comprise customer lists and shares in co-operative property as well as other intangible assets acquired in business combinations. Except for goodwill, KICKS trademarks and trade names, all intangible assets are considered to have a limited useful life.

## Note 17 – Impairment testing

### Goodwill

Goodwill increased by DKK 97 million in 2023/24 as a result of the acquisition of the shares in the Swedish beauty company KICKS Group AB on 31 August 2023. As at 31 March 2024, Management tested the carrying amount of goodwill for impairment at individual cash-generating unit (CGU) level, defined as the Matas chain, KICKS Group, Firtal Group, Grænn and Web Sundhed.

Goodwill has been allocated as follows between individual CGUs:

(DKKm)	2023/24	2022/23
Matas chain	3,729	3,729
KICKS Group	97	–
Firtal Group	119	119
Grænn	85	85
Web Sundhed	66	66
<b>Goodwill at 31 March</b>	<b>4,096</b>	<b>3,999</b>

Management monitors goodwill on the basis of the overall group of CGUs, and the annual impairment testing of goodwill is thus performed for the Matas chain, KICKS Group, Firtal Group, Grænn and Web Sundhed.

Recoverable amounts are in each individual case calculated as the higher of the value in use and the fair value less costs to sell. The descriptions below set out the value on which the recoverable amount is based.

### Key assumptions

The cash flow is based on the budget and target plans for the next five years. Cash flows beyond the five-year period are extrapolated using the terminal period growth rate. The budget and plans for 2024/25–2028/29 represent management's best estimate. The key assumptions on which management bases its cash flow projections are: Volumes, Sales prices, Input costs, Operating investments, Terminal period growth. The assumptions are determined at CGU level and are based on past experience, external sources of information and industry-relevant observations for each CGU. Local conditions, such as expected developments in macroeconomic and market conditions specific to the individual CGUs, are considered. The assumptions are challenged and verified by management at CGU and Group level.

# Notes to the financial statements

## Note 17 – Impairment testing continued

### Matas chain

As regards to the Matas chain, the recoverable amount is based on the value in use, which is determined using expected net cash flows on the basis of the 2024/25 budget approved by the Board of Directors and a projection for the remaining forecast period (the years 2024/25–2028/29). For the terminal period, an expected EBITDA growth rate of 2.0% p.a. (31 March 2023: 1.5% p.a.) has been used.

In the long-term perspective, demand is expected to be affected by changes in the demographics, mix of consumers and consumer behaviour that support health and beauty trends in Denmark, and by developments in revenue, product prices and margins. In addition, the level of innovation among manufacturers as well as product launches will affect demand. Matas' underlying growth is expected to be positive. In the short-term perspective, growth will depend partly on general economic trends. Matas anticipates long-term market growth within its product areas of an average 2.0% p.a., assuming stable economic growth.

Earnings during the forecast period are based on the EBITDA level indicated in the 2024/25 budget and expected investments.

In performing the impairment test, Management used a discount factor (WACC) after tax of 8.5% (2022/23: 7.9%), a discount factor before tax of 10.0% (2022/23: 9.7%).

The weighted average growth rate used to extrapolate future net cash flows for the years after 2028/29 is estimated at 2.0% (31 March 2023: 1.5%). The growth rate is not assessed to exceed the long-term average growth rate within the Matas chain's markets.

Based on the impairment test performed for the Matas chain at 31 March 2024, there is no current evidence of impairment. In Management's assessment, likely changes in the basic assumptions described above will not lead to the carrying amount exceeding the recoverable amount.

The WACC before tax may increase by 1.8 percentage points or terminal period EBITDA may decrease by 20.8% before there is need for impairment.

### KICKS Group

KICKS Group is affected by the same demand mechanisms as the Matas chain and short-term growth will depend partly on general economic trends, while it anticipates long-term market growth within its product areas of an average 2.0% p.a., assuming stable economic growth.

Earnings during the forecast period are based on the EBITDA level indicated in the 2024/25 budget and expected investments.

In performing the impairment test, Management used a discount factor (WACC) after tax of 8.5%, a discount factor before tax of 9.8%.

The weighted average growth rate used to extrapolate future net cash flows for the years after 2028/29 is estimated at 2.0%. The growth rate is not assessed to exceed the long-term average growth rate within the KICKS Group's markets.

Based on the impairment test performed for the KICKS Group at 31 March 2024, there is no current evidence of impairment.

The WACC before tax may increase by 6.2 percentage points or terminal period EBITDA may decrease by 41.3% before there is need for impairment.

### Firtal Group

As regards to Firtal Group, the recoverable amount is based on the value in use, which is determined using expected net cash flows on the basis of the 2023/24 budget approved by the Board of Directors and a projection for the remaining forecast period (the years 2025/26–2028/29). For the terminal period, an expected EBITDA growth rate of 2.0% p.a. (31 March 2023: 1.5% p.a.) has been used. Firtal Group was acquired in autumn 2018.

Earnings during the forecast period are based on the EBITDA level indicated in the 2024/25 budget and expected investments.

In performing the impairment test, Management used a discount factor (WACC) after tax of 8.5% (2022/23: 7.9%), a discount factor before tax of 10.0% (2022/23: 9.5%).

The weighted average growth rate used to extrapolate future net cash flows for the years after 2027/28 is estimated at 2.0% (31 March 2023: 1.5%).

Based on the impairment test performed for Firtal Group at 31 March 2024, there is no current evidence of impairment. In Management's assessment, likely changes in the basic assumptions described above will not lead to the carrying amount exceeding the recoverable amount.

The WACC before tax may increase by 1.2 percentage points or terminal period EBITDA may decrease by 15.9% before there is need for impairment.

### Grænn

As regards to Grænn, the recoverable amount is based on the value in use, which is determined using expected net cash flows on the basis of the 2024/25 budget approved by the Board of Directors and a projection for the remaining forecast period (the years 2025/26–2028/29). For the terminal period, an expected EBITDA growth rate of 2.0% p.a. has been used.

Grænn emerged from a merger between Danish beauty companies Kosmolet A/S and Miild A/S, a merger that took place in November 2023. Grænn owns, among other popular brands, the Danish make-up brand Nilens Jord, which was the largest Danish make-up brand in the financial year 2023/24.

# Notes to the financial statements

## Note 17 – Impairment testing continued

Earnings during the forecast period are based on the EBITDA level indicated in the 2024/25 budget and expected investments.

In performing the impairment test, Management used a discount factor (WACC) after tax of 8.5%, a discount factor before tax of 10.0%.

The weighted average growth rate used to extrapolate future net cash flows for the years after 2028/29 is estimated at 2.0%.

Based on the impairment test performed for Grænn at 31 March 2024 there is no current evidence of impairment. In Management's assessment, likely changes in the basic assumptions described above will not lead to the carrying amount exceeding the recoverable amount.

The WACC before tax may increase by 4.4 percentage points or terminal period EBITDA may decrease by 45.8% before there is need for impairment.

### Web Sundhed

As regards to Web Sundhed, the recoverable amount is based on the value in use, which is determined using expected net cash flows on the basis of the 2024/25 budget approved by the Board of Directors and a projection for the remaining forecast period (the years 2025/26–2028/29). For the terminal period, an expected EBITDA growth rate of 2.0% p.a. (31 March 2023: 1.5% p.a.) has been used.

Web Sundhed was acquired in April 2021 and consists of the companies Apo IT ApS and Web-Apo ApS. The activities of the acquired businesses comprise sourcing, IT, logistics and marketing services.

In performing the impairment test, Management used a discount factor (WACC) after tax of 9.5% (2022/23: 9.5%), a discount factor before tax of 10.9% (2022/23: 11.2%).

The weighted average growth rate used to extrapolate future net cash flows for the years after 2028/29 is estimated at 2.0% (31 March 2022: 1.5%).

Based on the impairment test performed for Web Sundhed at 31 March 2024, there is no current evidence of impairment. In Management's assessment, likely changes in the basic assumptions described above will not lead to the carrying amount exceeding the recoverable amount.

The WACC before tax may increase by 0.5 percentage points or terminal period EBITDA may decrease by 7.7% before there is need for impairment.

## Note 18 – Property, plant and equipment

(DKKm)	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Plant in progress	Total
<b>Cost at 1 April 2023</b>	<b>143</b>	<b>368</b>	<b>233</b>	<b>60</b>	<b>804</b>
Additions on acquisitions	8	22	138	–	168
Currency adjustment	–	1	4	–	5
Additions	21	46	64	120	251
Disposals	–	(3)	(2)	(10)	(15)
<b>Cost at 31 March 2024</b>	<b>172</b>	<b>434</b>	<b>437</b>	<b>170</b>	<b>1,213</b>
<b>Depreciation and impairment at 1 April 2023</b>	<b>56</b>	<b>303</b>	<b>205</b>	<b>–</b>	<b>564</b>
Depreciation	8	45	26	–	79
Disposals	–	(3)	(2)	–	(5)
<b>Depreciation and impairment at 31 March 2024</b>	<b>64</b>	<b>345</b>	<b>229</b>	<b>–</b>	<b>638</b>
<b>Carrying amount at 31 March 2024</b>	<b>108</b>	<b>89</b>	<b>208</b>	<b>170</b>	<b>575</b>
<b>Cost at 1 April 2022</b>	<b>136</b>	<b>351</b>	<b>232</b>	<b>10</b>	<b>730</b>
Additions on acquisitions	–	–	–	–	–
Additions	7	24	7	55	92
Disposals	–	(7)	(6)	(5)	(18)
<b>Cost at 31 March 2023</b>	<b>143</b>	<b>368</b>	<b>233</b>	<b>60</b>	<b>804</b>
<b>Depreciation and impairment at 1 April 2022</b>	<b>50</b>	<b>265</b>	<b>192</b>	<b>–</b>	<b>506</b>
Depreciation	6	45	20	–	70
Disposals	–	(6)	(6)	–	(13)
<b>Depreciation and impairment at 31 March 2023</b>	<b>56</b>	<b>303</b>	<b>205</b>	<b>–</b>	<b>564</b>
<b>Carrying amount at 31 March 2023</b>	<b>88</b>	<b>65</b>	<b>27</b>	<b>60</b>	<b>240</b>
Depreciated over:	10–75 years	1–7 years	2–8 years	–	



# Notes to the financial statements

## Note 19 – Treasury shares

	Number of shares at DKK 2.5		% of share capital	
	2023/24	2022/23	2023/24	2022/23
1 April	358,423	626,585	0.93%	1.64%
Disposed of in connection with exercise of LTIP	(185,442)	(268,162)	(0.48)	(0.70)%
Acquired for future LTIP	210,000	–	0.55	–
<b>Treasury shares at 31 March</b>	<b>382,981</b>	<b>358,423</b>	<b>1.00%</b>	<b>0.94%</b>

A total of 185,442 treasury shares were vested in connection with the exercise of LTIP 2020/21. Reference is made to note 33 for a description of the Group's incentive programmes.

For an overview of outstanding incentive programmes, see note 33.

## Note 20 – Inventories

(DKKm)	2023/24	2022/23
Goods for resale	1,864	912
Carrying amount of inventories recognised at net selling price	–	–
<b>Inventories at 31 March</b>	<b>1,864</b>	<b>912</b>

Provisions for shrinkage made at 31 March 2024 amounted to DKK 44 million (31 March 2023: DKK 31 million).  
Provision for obsolescence made at 31 March 2024 amounted to DKK 31 million (31 March 2023: DKK 20 million).

## Note 21 – Trade receivables

Trade receivables primarily relate to wholesale sales. Provisions for expected losses on trade receivables, included in the carrying amount of trade receivables, have developed as follows:

Expected loss on trade receivables based on an estimated loss rate:

(DKKm)	2023/24	2022/23
1 April	1	1
Impairment in the year	–	–
Realised in the year	(1)	–
<b>Impairment at 31 March</b>	<b>–</b>	<b>1</b>

Moreover, the following trade receivables which were overdue but not impaired at 31 March are included:

(DKKm)	2023/24	2022/23
<b>Maturity:</b>		
Up until 30 days	6	–
Between 30 and 90 days	2	–
More than 90 days	2	–
<b>Total overdue trade receivables at 31 March</b>	<b>10</b>	<b>–</b>

# Notes to the financial statements

## Note 22 – Equity

### Share capital

The nominal value of the share capital is DKK 95,728,730 divided into shares of DKK 2.50, equivalent to 38,291,492 shares and 38,291,492 votes. The shares are not divided into share classes.

### Capital structure

The Group's capital structure must at all times ensure the financial flexibility required to implement the strategic objectives announced.

The financial gearing ratio, measured as net interest-bearing debt to EBITDA before special items, may under exceptional circumstances, such as major strategic initiatives, temporarily exceed 3. The financial gearing ratio was 2.8 times at 31 March 2024 (31 March 2023: 2.0 times)

The free cash flow will, in order of priority, be used to bring down debt if the financial gearing target has not been met; for investing for profitable growth within the existing business; and for distribution to the shareholders by way of dividends and, possibly, share buybacks.

The ratio of equity to total equity and liabilities was 40.0% at 31 March 2024 (31 March 2023: 53.6%).

## Note 23 – Deferred tax

(DKKm)	2023/24	2022/23
Deferred tax at 1 April	199	193
Additions on acquisitions	24	–
Deferred tax for the year, recognised in profit for the year	(13)	6
<b>Deferred tax at 31 March</b>	<b>210</b>	<b>199</b>
<b>Deferred tax is recognised as follows in the statement of financial position:</b>		
Deferred tax (asset)	(17)	–
Deferred tax (liability)	227	199
<b>Deferred tax at 31 March, net</b>	<b>210</b>	<b>199</b>
<b>Deferred tax relates to:</b>		
Intangible assets	242	204
Property, plant and equipment	1	1
Inventories	(4)	(1)
Other assets and liabilities	(29)	(5)
<b>Deferred tax at 31 March, net</b>	<b>210</b>	<b>199</b>

Unrecognised deferred tax assets which are not expected to be utilised against future earnings amount to DKK 19 million (2022/23: DKK 10 million).

# Notes to the financial statements

## Note 23 – Deferred tax continued

Changes in temporary differences during the year:

(DKKm)	Balance at 1 April	Additions on acquisitions	Recognised in profit for the year, net	Balance at 31 March
<b>2023/24</b>				
Intangible assets	204	38	-	242
Property, plant and equipment	1	-	-	1
Inventories	(1)	-	(3)	(4)
Other assets	(5)	(14)	(10)	(29)
<b>Total</b>	<b>199</b>	<b>24</b>	<b>(13)</b>	<b>210</b>

(DKKm)	Balance at 1 April	Additions on acquisitions	Recognised in profit for the year, net	Balance at 31 March
<b>2022/23</b>				
Intangible assets	196	-	8	204
Property, plant and equipment	1	-	-	1
Inventories	-	-	(1)	(1)
Other assets	(4)	-	(1)	(5)
<b>Total</b>	<b>193</b>	<b>-</b>	<b>6</b>	<b>199</b>

## Note 24 – Prepayments from customers

Prepayments from customers comprise performance obligations regarding issued gift vouchers and the Club Matas customer loyalty programme. Prepayments relating to gift vouchers are recognised at the date of issue.

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. 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.

(DKKm)	2023/24	2022/23
1 April	161	155
Additions on acquisitions	33	-
Recognised in the year	428	325
Settled in the year	(401)	(319)
<b>Prepayments from customers at 31 March</b>	<b>221</b>	<b>161</b>

## Note 25 – Provisions

(DKKm)	2023/24	2022/23
<b>Included in non-current liabilities</b>		
Obligation for reinstatement of tenancies	28	28
Additions on acquisitions	-	-
<b>Total provisions, non-current</b>	<b>28</b>	<b>28</b>
<b>Included in current liabilities:</b>		
Restructuring provisions	19	2
Additions on acquisitions	-	-
<b>Total provisions, current</b>	<b>19</b>	<b>2</b>

# Notes to the financial statements

## Note 26 – Amounts owed to credit institutions

(DKKkM)	2023/24	2022/23
<b>Amounts owed to credit institutions are recognised in the statement of financial position as follows:</b>		
Non-current liabilities	2,007	918
Current liabilities	55	110
<b>Total</b>	<b>2,062</b>	<b>1,028</b>
<b>Nominal value</b>	<b>2,065</b>	<b>1,030</b>
Falls due more than 5 years after the reporting date, nominal value	–	–
<b>Fair value</b>	<b>2,065</b>	<b>1,030</b>

The fair value of financial liabilities is determined as the present value of expected future instalments and interest payments. The current interest rate for similar loan periods in Matas Group is used as discount rate.

Amounts owed to credit institutions carry variable interest at an initial margin in the range of 70–210 basis points above CIBOR (2022/23: 55–110 basis points above CIBOR ) and include a margin ratchet dependent on the level of leverage.

Matas Group cash pool arrangement had a deposit interest at 31 March 2024 of 3.2500% (3.6500 less margin 0.4000) and loan interest was 4.8937% (4.000 plus margin 0.8937). At 31 March 2023 the deposit interest was 2.5100% (2.9100 less margin 0.4000) and loan interest was 3.9750% (3.2600 plus margin 0.7150).

Matas Group's credit facility is subject to special covenants. Matas Group has complied with these covenants since raising the facility.

## Note 27 – Other payables

(DKKkM)	2023/24	2022/23
<b>Included in non-current liabilities:</b>		
Contingent consideration	5	13
<b>Total other payables, non-current liabilities</b>	<b>5</b>	<b>13</b>
<b>Included in current liabilities:</b>		
VAT payable	56	41
Holiday pay obligation	122	65
Pay-related liabilities	136	51
Contingent consideration	34	33
Other creditors	16	11
<b>Total other payables, current liabilities</b>	<b>364</b>	<b>201</b>

# Notes to the financial statements

## Note 28 – Changes in working capital

(DKKm)	2023/24	2022/23
Change in inventories	(334)	(19)
Change in deposits and receivables	(31)	(43)
Change in trade payables and other payables	178	(8)
<b>Total changes in working capital</b>	<b>(187)</b>	<b>(70)</b>

(DKKm)	1 April 2023	Cash flows	Additions on acquisitions	Non-cash changes	31 March 2024
<b>2023/24</b>					
Credit institutions	1,030	931	101	-	2,062
Lease liabilities	651	(289)	543	305	1,210
<b>Liabilities from financing activities</b>	<b>1,681</b>	<b>642</b>	<b>644</b>	<b>305</b>	<b>3,272</b>

(DKKm)	1 April 2022	Cash flows	Additions on acquisitions	Non-cash changes	31 March 2023
<b>2022/23</b>					
Credit institutions	1,158	(128)	-	-	1,030
Lease liabilities	523	(172)	-	300	651
<b>Liabilities from financing activities</b>	<b>1,681</b>	<b>(300)</b>	<b>-</b>	<b>300</b>	<b>1,681</b>

## Note 29 – Acquisition of subsidiaries and contingent consideration

Purchase Price Allocation (DKKm)	2023/24	2022/23
Cash	75	-
Trade receivables	30	-
Other receivables	30	-
Prepaid expenses and deferred income	16	-
Inventories	626	-
Deposits	8	-
Plant and equipment and right-of-use assets	723	-
Intangible assets, software	91	-
Intangible assets, trademarks	132	-
Intangible assets, member programme	60	-
<b>Assets acquired</b>	<b>1,791</b>	<b>-</b>
Trade payables	(288)	-
Credit institutions	(101)	-
Lease liability	(543)	-
Deferred tax liability	(24)	-
Other payables	(143)	-
Prepaid income and deferred expenses	(94)	-
<b>Liabilities assumed</b>	<b>(1,193)</b>	<b>-</b>
<b>Net identifiable assets acquired</b>	<b>598</b>	<b>-</b>
Goodwill arising on acquisitions	94	6
<b>Purchase consideration</b>	<b>692</b>	<b>6</b>
<b>Outflow of cash to acquire subsidiary, net of cash acquired:</b>		
Cash consideration	(692)	(6)
Less cash balances	75	-
Contingent liabilities	-	4
<b>Net outflow of cash – investing activities</b>	<b>(617)</b>	<b>(2)</b>

Adjustments may be applied to the purchase price allocation for a period of up to 12 months from the acquisition date in accordance with IFRS.

# Notes to the financial statements

## Note 29 – Acquisition of subsidiaries and contingent consideration continued

### Acquisitions in 2023/24

On 31 August 2023, Matas A/S acquired 100% of the shares in KICKS Group AB, including the subsidiaries KICKS Norge AS, Skincity Sweden AB, Skincity Finland OY, Skincity Norway AS, KICKS Kosmetikkedjan OY, Axbeautyhouse AB, Myself & Friends AB (together “KICKS”). KICKS was acquired through Matas Sverige AB.

The total purchase price for the shares amounted to SEK 1,100 million, equivalent to DKK 692 million, paid fully upon closing of the transaction.

Jointly, the combined entity will operate the market leading beauty and wellbeing omnichannel retail concept in the Nordics. Through the combination, Matas and KICKS will be able to better serve customer demand for larger assortment, new brands, access to stores, fast, convenient and inspiring online shopping and keep a continued focus on personal and expert advisory and service. Matas and KICKS will serve +5 million club members across the four Nordic markets with almost 500 stores, leading web shops, +4,000 skilled colleagues, and offer a category leading portfolio of third party brands, own brands, and services.

Management expects that the acquisition of KICKS will bring synergies of minimum DKK 100 million in EBITDA once fully phased in by 2025/26. The synergies are expected from increased operating leverage, customer loyalty, similarities and overlaps in business models, services and marketing strategies, as well as IT and digitalisation agendas.

The transaction and synergies are expected to provide EPS percentage accretion by 2024/25 and double-digit EPS percentage accretion by 2025/26.

### Revenue

Since the acquisition, KICKS has contributed with DKK 1,861 million in revenues. If KICKS had been acquired at 1 April 2023, the consolidated revenue for 2023/24 would have amounted to DKK 7,834 million<sup>1</sup> compared to actual DKK 6,701 million.

### Gross profit

Group cost are currently not separated from the segments below gross profit why it is impractical to look at performance below gross profit for KICKS separately. KICKS has contributed with DKK 825 million in gross profit. If KICKS had been acquired at 1 April 2023, the consolidated gross profit for 2023/24 would have amounted to DKK 3,590 million<sup>1</sup> compared to actual DKK 3,078 million.

### Acquisition and integration related costs

Special items included in EBITDA in 2023/24 amounted to DKK 112 million. Special items are related to acquisition of KICKS amounting to DKK 49 million and initiation of the integration of DKK 63 million. For the periods to come, up to DKK 100 million is expected in integration costs, with the majority expected within the first 12 months.

### Goodwill

The DKK 94 million in goodwill arising from the acquisition derives primarily from the minimum DKK 100 million in EBITDA synergies, as well as from the expected approximately DKK 40 million standalone improvement to KICKS' EBITDA, from already invested and executed initiatives. None of the goodwill is tax deductible.

### Acquisitions in 2022/23

Having acquired the remaining 60% of the shares in Miild A/S at 30 September 2022, Matas now owns all the shares in the company. Miild A/S is a Danish beauty brand focusing on allergy-friendly cosmetics.

The consideration amounted to DKK 2 million in cash, to which should be added a potential earn-out payment of an estimated DKK 4 million. The provisional purchase price allocation shows values added on acquisition in the form of goodwill of DKK 6 million.

Transaction costs in the amount of DKK 1 million were incurred in connection with the acquisition. The transaction cost has been recognised under other external costs for 2022/23. Other than this, the acquisition did not affect activities in 2022/23.

### Revenue

Revenue and loss for the 2022/23, calculated as if Miild A/S had been acquired at 1 April 2022, amounted to DKK 6 million and DKK 2 million, respectively.

### Acquisitions after the reporting period

No acquisitions took place after the reporting period.

### Goodwill

Goodwill represents the value of the existing employees and know-how as well as expected synergies from the combination with Matas Group. The goodwill recognised is not tax-deductible. Management has based its fair value measurement on assumptions not observable in the market, which corresponds to level 3 measurement in the fair value hierarchy.

<sup>1</sup> Based on a SEK/DKK exchange rate of 0.6543, NOK/DKK exchange rate of 0.6461, and EUR/DKK exchange rate of 7.4534 (average of April 2023 – March 2024)



# Notes to the financial statements

## Note 29 – Acquisition of subsidiaries and contingent consideration continued

The carrying amount of goodwill developed as follows:

(DKKm)	2023/24	2022/23
Goodwill at 1 April	3,999	3,993
Addition on acquisition of KICKS Group AB	94	–
Addition on acquisition of Miild A/S	–	6
Currency adjustment	3	–
<b>Goodwill at 31 March</b>	<b>4,096</b>	<b>3,999</b>

## Note 30 – Contingent liabilities and security

Matas Group is a party to a number of minor disputes that are not expected to affect its financial position or future earnings to any significant extent.

Matas Group has, in the normal course of business, provided security in the form of bank guarantees to store lessors for a total amount of DKK 33 million (2022/23: DKK 15 million).

Matas Group has, in the normal course of business, provided security in the form of Group guarantees to store lessors for a total amount of DKK 20 million (2022/23: DKK 6 million).

## Note 31 – Financial risks and financial instruments

### The Group's risk management policy

As a consequence of its financing, Matas Group is exposed to changes in the level of interest rates. Matas Group also has exposure to changes in foreign currencies. Matas Group does not engage in active speculation in financial risks. The Group's financial management is thus aimed solely at controlling the financial risks which are a direct result of the Group's operations and financing.

For a description of the accounting policies and methods applied, including recognition criteria and measurement basis, see the accounting policies.

In 2023/24, the Group's risk exposure changed due to acquisition of KICKS, especially introducing more net currency exposure and due to the increased size of the Group, the need for a larger liquidity buffer compared to previous years. The Groups' risk management policies have changed accordingly.

## Note 31 – Financial risks and financial instruments continued

### Interest rate risks

It is Matas Group policy to hedge interest rate risks on its loans when it is assessed attractive. Hedging is usually made by means of interest rate swaps or the like, through which floating-rate loans are converted into loans with a fixed interest rate.

Due to Matas Group's floating-rate cash and cash equivalents and debt to credit institutions, a drop in interest rates of 1% p.a. relative to the actual level of interest rates would, other things being equal, have a positive effect on the profit for the year of DKK 20 million (2022/23: DKK 9 million) and on year-end equity of DKK 20 million (31 March 2023: DKK 9 million). Sensitivity on interest rates are symmetric, resulting in an increase in interest of 1% p.a. would have the same nominal effect as a decrease of 1% p.a.

### Sensitivity analysis assumptions

Sensitivities are calculated on the basis of financial assets and liabilities recognised at 31 March. No adjustments have been made for instalments, raising of loans, etc. during the course of the year. Estimated fluctuations are based on the current market situation and expectations for developments in the interest rate level.

### Currency risk

The Group's currency risk is primarily related to its net exposure to NOK and SEK through KICKS operations. The SEK exposure is currently limited via sourcing in SEK. It is the Group's policy to hedge material net currency exposure based on forecast operating cash flows for the next 12 months, effective from financial year 2024/25. The Group has not entered into any foreign exchange contracts as per 31 March 2024. Net exposure for balance sheet items, including KICKS inventory, are not actively hedged.

### Sensitivity analysis assumptions

Please find below the table of the impact of profit before tax and equity from changes in the Group's primary currencies:

(DKKm)	2023/24			2022/23	
	Change in exchange rate	Profit before tax	Equity	Profit before tax	Equity
SEK	+10%	25	36	–	–
NOK	+10%	–	35	–	–

The movements in the income statement arise from monetary items (cash, borrowings, receivables and payables) where the functional currency of the entity differs from the currency that the monetary items are denominated in. The currency movements in equity arise from monetary items where the functional currency of the entity differs from the currency that the monetary items are denominated in. The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency.

# Notes to the financial statements

## Note 31 – Financial risks and financial instruments continued

### Liquidity risk

Liquidity risk results from the Group's potential inability to meet the obligations associated with its financial liabilities, for example settlement of financial debt and payment of suppliers.

The Group's liquidity reserve consists of cash and cash equivalents and unutilised credit facilities and amounted to DKK 768 million at 31 March 2024 (31 March 2023: DKK 940 million). The Group aims to maintain sufficient cash resources for, among other things, strategic investments. The Group's financial liabilities fall due as follows:

(DKK m)	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
<b>2023/24</b>					
<i>Non-derivative financial instruments</i>					
Credit institutions **	2,062	2,300	159	2,141	–
Lease liabilities	1,210	1,331	384	868	79
Trade payables	1,070	1,070	1,070	–	–
Contingent consideration and deferred purchase price*	39	40	20	20	–
<b>Financial liabilities at 31 March 2024</b>	<b>4,381</b>	<b>4,741</b>	<b>1,633</b>	<b>3,029</b>	<b>79</b>
<b>2022/23</b>					
<i>Non-derivative financial instruments</i>					
Credit institutions	1,028	1,031	111	920	–
Lease liabilities	651	711	188	523	–
Trade payables	634	634	634	–	–
Contingent consideration and deferred purchase price*	47	51	35	16	–
<b>Financial liabilities at 31 March 2023</b>	<b>2,360</b>	<b>2,427</b>	<b>968</b>	<b>1,459</b>	<b>–</b>

\* In the judgement of the fair value of the contingent considerations and deferred purchase price there has been used non-observable (level 3) assumptions. Of the contingent consideration and deferred purchase price per 31 March 2024 DKK 25 million was paid in April 2024 (April 2023: DKK 10 million).

\*\* Of the DKK 2,141 million due within 1 to 5 years all is due within three years.

### Maturity analysis assumptions

The maturity analysis is based on all undiscounted cash flows including estimated interest payments. The estimates of interest payments are based on current market conditions.

On the basis of the Group's expectations regarding future operations and its current cash resources, no significant liquidity risks have been identified.

### Credit risk

The Group's credit risks are related to receivables and cash and cash equivalents. The maximum credit risk related to financial assets corresponds to the values recognised in the statement of financial position. The credit risk on trade receivables is assessed locally and monitored at Group level.

The Group is not exposed to any significant risks regarding any one individual customer or partner. Accordingly, trade receivables are not insured. The Group has no significant overdue receivables and has therefore only recognised minor loss allowances, see note 21.

(DKK m)	Carrying amount 31 March 2024	Fair value 31 March 2024	Carrying amount 31 March 2023	Fair value 31 March 2023
Deposits	47	47	44	44
Trade receivables	76	76	44	44
Other receivables	38	38	25	25
Cash and cash equivalents	131	131	37	37
<b>Financial assets at amortised cost</b>	<b>292</b>	<b>292</b>	<b>150</b>	<b>150</b>
<i>Non-current financial liabilities</i>				
Credit institutions	2,007	2010	918	920
Lease liabilities	850	850	462	462
<i>Current financial liabilities</i>				
Credit institutions	55	55	110	110
Lease liabilities	360	360	189	189
Suppliers	1,070	1,070	634	634
<b>Financial liabilities at amortised cost</b>	<b>4,342</b>	<b>4,345</b>	<b>2,313</b>	<b>2,315</b>

The methods applied are unchanged from 2022/23.

# Notes to the financial statements

## Note 31 – Financial risks and financial instruments continued

### Derivative financial instruments

Matas Group may use derivative financial instruments to hedge the interest rate risk on the Company's loans. Matas Group does not actively speculate in the interest rate or currency rate development.

As of 31 March 2024 Matas Group has no active instruments.

## Note 32 – Leases

Matas' lease assets are as follows:

(DKKm)	2023/24	2022/23
Store leases, etc.	986	571
Administration and warehouse buildings etc.	164	45
Cars and other leases	7	6
<b>Total lease assets</b>	<b>1,157</b>	<b>622</b>

An addition of DKK 552 million was recognised as right-of-use assets in connection with the acquisition of KICKS on 31 August 2023, cf. note 29. Further an addition of DKK 122 million was recognised in September primarily regarding KICKS' central warehouse in Rosersberg, Stockholm.

In 2023/24 a reassessment was performed which has made an additional right-of-use asset of DKK 60 million. (2022/23: DKK 306 million).

Matas Group's lease liabilities may be specified as follows:

(DKKm)	2023/24	2022/23
Non-current liabilities	850	463
Current liabilities	360	188
<b>Total lease liabilities</b>	<b>1,210</b>	<b>651</b>

An addition of DKK 543 million was recognised as lease liabilities in connection with the acquisition of KICKS on 31 August 2023, cf. note 29.

Most store leases in Denmark are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject terms of notice between 3 and 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)	2023/24	2022/23
Store leases	242	166
Administration and warehouse buildings, etc.	31	12
Cars and other leases	4	4
<b>Total depreciation of lease assets</b>	<b>277</b>	<b>182</b>

In 2023/24, Matas made lease payments concerning recognised assets of DKK 289 million (2022/23: DKK 183 million).

Interest in the amount of DKK 45 million was expensed in 2023/24 (2022/23: DKK 9 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 63 million in 2023/24 (2022/23: DKK 10 million).

A total amount of DKK zero million 2023/24 (2022/23: DKK 3 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 million at 31 March 2024 (31 March 2023: DKK zero million).

# Notes to the financial statements

## Note 33 – Management’s remuneration, share options and shareholdings

At the Annual General Meeting held on 29 June 2023, it was approved that the Chair of the Board of Directors received a fixed annual fee DKK of 787,500, Deputy Chair of the Board of Directors received DKK 472,500 and board members received DKK 315,000.

Chair and the members of the Audit Committee receive DKK 157,500 and DKK 78,750, respectively, the Chair and the members of the Nomination Committee receive DKK 78,750 and DKK 39,375, respectively, and the Chair and the members of the Remuneration Committee receive DKK 78,750 and DKK 39,375, respectively, in addition to the fixed annual fee for their board work. No separate remuneration is paid for board meetings held in another country than the board member’s country of residence, but travel expenses are reimbursed.

The fixed salary of the members of the Executive Committee consists of a salary, pension contributions and other employee benefits. In addition, the members of the Executive Committee are eligible to receive a short-term bonus subject to achievement of certain financial targets. The Group CEO and Group CFO are eligible to receive a bonus of up to 100% of their annual base salary.

Moreover, the members of the Executive Committee are eligible to receive share options or other rights such as PSUs (Performance Share Units) at a value of up to 100% of their annual base salary excluding pension contributions as at the date of grant. A breakdown of management compensation included in staff costs (see note 7) appears as follows:

(DKKm)	Fixed salary incl. benefits	Pension contributions	Short-term bonus	Total	PSUs	Total, including PSUs
<b>2023/24</b>						
Gregers Wedell-Wedellsborg	6	1	11	18	8	26
Per Johannesen Madsen	3	1	6	10	2	12
<b>Executive Committee, total</b>	<b>9</b>	<b>2</b>	<b>17</b>	<b>28</b>	<b>10</b>	<b>38</b>
<b>Other executives, total</b>	<b>10</b>	<b>1</b>	<b>4</b>	<b>15</b>	<b>10</b>	<b>25</b>
Lars Vinge Frederiksen	1	-	-	1	-	1
Henrik Taudorf Lorensen	-	-	-	-	-	-
Mette Maix	1	-	-	1	-	1
Birgitte Nielsen	1	-	-	1	-	1
Kenneth Melchior	-	-	-	-	-	-
Lars Jensen <sup>1)</sup>	-	-	-	-	-	-
Malou Aamund <sup>2)</sup>	-	-	-	-	-	-
<b>Board of Directors, total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Total</b>	<b>22</b>	<b>3</b>	<b>21</b>	<b>46</b>	<b>20</b>	<b>66</b>
<b>Total excluding other executives</b>	<b>12</b>	<b>2</b>	<b>17</b>	<b>31</b>	<b>10</b>	<b>41</b>

1) Resigned on 29 June 2023. 2) Joined on 29 June 2023.

Matas A/S may terminate an employment relationship with a member of the Executive Committee by giving up to 24 months’ notice. A member of the Executive Committee may terminate the employment relationship by giving at least four months’ notice. Termination benefits cannot exceed the aggregate compensation paid to the member of the Executive Committee during the last 24 months.

# Notes to the financial statements

## Note 33 – Management's remuneration, share options and shareholdings continued

(DKKm)	Fixed salary incl. benefits	Pension contributions	Short-term bonus	Total	PSUs	Total, including PSUs
<b>2022/23</b>						
Gregers Wedell-Wedellsborg	5	1	3	9	6	15
Per Johannesen Madsen	2	-	-	2	1	3
<b>Executive Committee, total</b>	<b>7</b>	<b>1</b>	<b>3</b>	<b>11</b>	<b>7</b>	<b>18</b>
<b>Other executives, total</b>	<b>20</b>	<b>2</b>	<b>4</b>	<b>26</b>	<b>9</b>	<b>35</b>
Lars Vinge Frederiksen	1	-	-	1	-	1
Lars Frederiksen <sup>1)</sup>	-	-	-	-	-	-
Henrik Taudorf Lorensen	-	-	-	-	-	-
Mette Maix	1	-	-	1	-	1
Birgitte Nielsen	1	-	-	1	-	1
Kenneth Melchior	-	-	-	-	-	-
Lars Jensen <sup>2)</sup>	-	-	-	-	-	-
<b>Board of Directors, total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>Total<sup>3)</sup></b>	<b>31</b>	<b>2</b>	<b>7</b>	<b>40</b>	<b>16</b>	<b>56</b>
<b>Total excluding other executives</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>14</b>	<b>7</b>	<b>21</b>

<sup>1)</sup> Resigned on 28 June 2022.

<sup>2)</sup> Joined on 28 June 2022. <sup>3)</sup> Total is including roundings.

One executive resigned during the financial year 2022/23.

In accordance with Matas A/S' overall guidelines on incentive pay, Matas in 2023/24 granted a total of 189,027 PSUs to purchase shares in Matas A/S, consisting of 98,033 PSUs to members of the Executive Committee and 90,994 PSUs to key employees. Depending on the achievement of two KPIs, which are each weighted 50%, the number of PSUs granted may at vesting vary between 75% and 150% of the number originally granted. One KPI is based on the EBITDA before special items performance and the other on the revenue performance in the period

up to and including financial year 2025/26. The PSUs are granted free of charge, and provided that the PSUs vest and do not lapse, each PSU entitles the holder to receive one Matas share at the time of vesting. Provided that the KPIs described above are achieved, the PSUs granted will vest after publication of the Annual Report for 2025/26.

Assuming minimum and maximum achievement, respectively, of the KPIs by the end of financial year 2025/26, the PSUs represent a value of DKK 12 million and DKK 25 million, respectively.

Programme	Number of employees	Number of PSUs granted	Market value at grant (DKKm)
2021/22	11	123,082	11 – 21
Adjustment relating to employees no longer part of management	(3)	(31,778)	(3) – (6)
<b>2021/22, adjusted</b>	<b>8</b>	<b>91,304</b>	<b>8 – 15</b>
Related to Executive Committee	1	44,293	4 – 7
Related to Other executives	7	47,011	4 – 8
2022/23	12	180,248	11 – 22
Adjustment relating to employees no longer part of management	(1)	(20,476)	(1) – (2)
<b>2022/23, adjusted</b>	<b>11</b>	<b>159,772</b>	<b>10 – 20</b>
Related to Executive Committee	2	77,579	5 – 10
Related to Other executives	9	82,193	5 – 10
2023/24	16	189,027	12 – 25
Adjustment relating to employees no longer part of management	-	-	-
<b>2023/24, adjusted</b>	<b>16</b>	<b>189,027</b>	<b>12 – 25</b>
Related to Executive Committee	2	98,033	6 – 13
Related to Other executives	14	90,994	6 – 12

# Notes to the financial statements

## Note 33 – Management’s remuneration, share options and shareholdings continued

Movements in outstanding PSUs:

(No.)	Gregers Wedell-Wedellsborg	Per Johannesen Madsen	Executive Committee, total	Other Executives	Total	Market value at grant (DKKm)
Outstanding at 1 April 2023	147,511	21,879	169,390	170,248	339,638	22 – 44
PSUs vested in 2023/24	(47,518)	–	(47,518)	(41,044)	(88,562)	(5) – (9)
PSUs granted in 2023/24	61,726	36,307	98,033	90,994	189,027	12 – 25
Employees no longer part of management	–	–	–	–	–	–
<b>Outstanding at 31 March 2024</b>	<b>161,719</b>	<b>58,186</b>	<b>219,905</b>	<b>220,198</b>	<b>440,103</b>	<b>29 – 60</b>

The number of outstanding PSUs under all ongoing programmes totals 492,357 including employees no longer part of management.

In 2023/24, the cost recognised relating to PSUs amounted to DKK 10 million (2022/23: DKK 8 million).

### Shareholdings

Shareholdings of the Board of Directors and the Executive Committee in Matas A/S and changes in shareholdings in 2023/24:

	Shareholding at 1 April 2023 No.	Purchase/sale in the period No.	Shareholding at 31 March 2024 No.	Market value at 31 March 2024 (DKKm)
<b>Board of Directors</b>				
Lars Vinge Frederiksen, Chairman	19,095	9,864	28,959	3.4
Birgitte Nielsen	3,439	–	3,439	0.4
Henrik Taudorf Lorensen	2,000	–	2,000	0.2
Mette Maix	1,700	–	1,700	0.2
Kenneth Melchior	356	200	556	0.1
Malou Aamund <sup>1)</sup>	–	2,000	2,000	0.2
<b>Executive Committee</b>				
Gregers Wedell-Wedellsborg	145,945	23,079	169,024	19.8
Per Johannesen Madsen	30,200	20,000	50,200	5.9

<sup>1)</sup> Joined on 29 June 2023.



# Notes to the financial statements

## Note 34 – 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 interests as well as associates.

Management’s remuneration is disclosed in note 33.

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

(DKKm)	2023/24	2022/23
Revenue	1	–
Other external costs	(12)	(11)
Receivables	1	1
Trade payables	–	–

## Note 35 – Events after the date of the statement of financial position

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

## Note 36 – New financial reporting regulation

Impact of the new or amended standards and interpretations Matas has adopted from 1 April 2023:

The adoption of the new and amended standards and interpretations has not had a significant impact on recognition, measurement, or disclosures in the consolidated financial statements for 2023/24 and is not anticipated to have a significant impact on future periods.

### New standards and interpretations not yet adopted

IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2023/24. Matas expects to adopt the accounting standards and interpretations as they become mandatory. None of the new or amended standards or interpretations are expected to have a significant impact on the consolidated financial statements.

The new EU Corporate Sustainability Reporting Directive (CSRD) including the European Sustainability Reporting Standards developed by the European Financial Reporting Advisory Group (EFRAG) has not yet become effective and has consequently not been implemented in the Annual Report for 2023/24. Matas expects to report on the ESRS standards as part of the adoption of the directive in 2024 as it becomes mandatory.

# Matas Group

	Domicile	Ownership
<b>Parent Company</b>		
Matas A/S	Denmark	
<b>Subsidiaries</b>		
Matas Operations A/S	Denmark	100%
Matas Property A/S	Denmark	100%
Firtal Group ApS	Denmark	100%
Firtal Web A/S	Denmark	100%
Firtal Tech ApS	Denmark	60%
Firtal Distribution ApS	Denmark	100%
Grænn A/S (former Kosmolet A/S and Miild A/S)	Denmark	100%
Web Sundhed ApS	Denmark	100%
Web-Apo ApS	Denmark	100%
Apo IT ApS	Denmark	100%
Matas Sverige AB	Sweden	100%
KICKS Group AB	Sweden	100%
Skincity Sweden AB	Sweden	100%
Myself & Friends AB (dormant)	Sweden	100%
Axbeautyhouse AB (dormant)	Sweden	100%

	Domicile	Ownership
<b>Subsidiaries</b>		
Matas Norge AS	Norway	100%
KICKS Norge AS	Norway	100%
Skincity Norway AS	Norway	100%
KICKS Kosmetikkedjan OY	Finland	100%
Skincity Finland OY	Finland	100%
Matas Torshavn P/F*	Faroe Islands	100%
Graenn GmbH*	Germany	100%
<b>Associates</b>		
Geniads ApS	Denmark	50%

\* Companies not audited by PWC.

# M A T A S



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# G R O U P

# Statement of comprehensive income

for the year ended 31 March

(DKKm)	Note	2023/24	2022/23
Other operating income	3	10	10
Other external costs	16	(3)	(3)
Staff costs	4	(29)	(22)
<b>EBIT before special items</b>		<b>(22)</b>	<b>(15)</b>
Special items	5	(8)	-
<b>EBIT</b>		<b>(30)</b>	<b>(15)</b>
Financial income	6	1	-
Financial expenses	7	(4)	(5)
<b>Profit/loss before tax</b>		<b>(33)</b>	<b>(20)</b>
Tax on profit/loss for the year	8	5	3
<b>Profit/loss for the year</b>		<b>(28)</b>	<b>(18)</b>
<b>Other comprehensive income</b>			
Other comprehensive income after tax		-	-
<b>Total comprehensive income for the year</b>		<b>(28)</b>	<b>(18)</b>
<b>Proposed appropriation of profit</b>			
Proposed dividend: DKK 2.00 per share (2022/23: DKK 2.00 per share)		76	76
Retained earnings		(104)	(94)
<b>Total</b>		<b>(28)</b>	<b>(18)</b>

# Statement of cash flows

for the year ended 31 March

(DKKm)	Note	2023/24	2022/23
Profit/loss before tax		(33)	(20)
Financial income		(1)	-
Financial expenses	7	4	5
Non-cash operating items, etc.		8	8
<b>Cash generated from operations before changes in working capital</b>		<b>(22)</b>	<b>(7)</b>
Changes in working capital	11	1	1
<b>Cash generated from operations</b>		<b>(21)</b>	<b>(7)</b>
Corporation tax paid		(83)	(64)
<b>Cash flow from operating activities</b>		<b>(104)</b>	<b>(71)</b>
Change in receivables from Group entities		-	-
Acquisition of subsidiaries and operations		(5)	-
<b>Cash flow from investing activities</b>		<b>(5)</b>	<b>-</b>
<b>Free cash flow</b>		<b>(109)</b>	<b>(71)</b>
Dividend paid		(76)	(76)
Share buyback programme		(21)	-
Interest paid		(4)	(5)
Debt raised/settled with Group entities		210	152
<b>Cash flow from financing activities</b>		<b>109</b>	<b>71</b>
<b>Net cash flow from operating, investing and financing activities</b>		<b>-</b>	<b>-</b>
Cash and cash equivalents, beginning of period		-	-
<b>Cash and cash equivalents, end of period</b>		<b>-</b>	<b>-</b>

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

# Statement of financial position

at 31 March

(DKKm)	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	9	2,041	2,036
Deferred tax assets	8	5	5
<b>Total non-current assets</b>		<b>2,046</b>	<b>2,041</b>
<b>Current assets</b>			
Receivables from Group entities	13	–	–
Corporation tax receivable	8	119	28
Other receivables		–	–
<b>Total current assets</b>		<b>119</b>	<b>28</b>
<b>Total assets</b>		<b>2,165</b>	<b>2,069</b>

(DKKm)	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	96	96
Treasury share reserve		(43)	(44)
Retained earnings		1,611	1,727
Dividend proposed for the financial year		76	76
<b>Total equity</b>		<b>1,740</b>	<b>1,855</b>
<b>Liabilities</b>			
Payables to Group entities		423	213
Trade payables	13	2	1
<b>Total current liabilities</b>		<b>425</b>	<b>214</b>
<b>Total liabilities</b>		<b>425</b>	<b>214</b>
<b>Total equity and liabilities</b>		<b>2,165</b>	<b>2,069</b>

# Statement of changes in equity

at 31 March

(DKKm)	Share capital	Treasury share reserve	Proposed dividend	Retained earnings	Total
<b>Equity at 1 April 2023</b>	<b>96</b>	<b>(44)</b>	<b>76</b>	<b>1,727</b>	<b>1,855</b>
Other comprehensive income	-	-	-	-	-
Profit/loss for the year	-	-	76	(104)	(28)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>(104)</b>	<b>(28)</b>
<b>Transactions with owners</b>					
Dividend paid	-	-	(76)	-	(76)
Dividend on treasury shares	-	-	-	-	-
Exercise of LTIP	-	23	-	(23)	-
Acquired for future LTIP	-	(22)	-	-	(22)
Share-based payment after tax	-	-	-	11	11
<b>Total transactions with owners</b>	<b>-</b>	<b>1</b>	<b>(76)</b>	<b>(12)</b>	<b>(87)</b>
<b>Equity at 31 March 2024</b>	<b>96</b>	<b>(43)</b>	<b>76</b>	<b>1,611</b>	<b>1,740</b>
<b>Equity at 1 April 2022</b>	<b>96</b>	<b>(76)</b>	<b>76</b>	<b>1,847</b>	<b>1,943</b>
Other comprehensive income	-	-	-	-	-
Profit/loss for the year	-	-	76	(94)	(18)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>(94)</b>	<b>(18)</b>
<b>Transactions with owners</b>					
Dividend paid	-	-	(76)	-	(76)
Dividend on treasury shares	-	-	-	-	-
Exercise of LTIP	-	32	-	(32)	-
Share-based payment after tax	-	-	-	6	6
<b>Total transactions with owners</b>	<b>-</b>	<b>32</b>	<b>(76)</b>	<b>(26)</b>	<b>(70)</b>
<b>Equity at 31 March 2023</b>	<b>96</b>	<b>(44)</b>	<b>76</b>	<b>1,727</b>	<b>1,855</b>

# Summary of notes to the financial statements

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# Notes to the financial statements

## Note 1 – Accounting policies

The separate financial statements of the Parent Company are incorporated in the Annual Reports. The Danish Financial Statements Act requires separate parent company financial statements for companies reporting under IFRS.

The financial statements of the Parent Company are prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

The accounting policies are consistent with those of last year.

### Description of accounting policies

The Parent Company's accounting policies differ from the accounting policies applied in the consolidated financial statements (see note 1 to the consolidated financial statements) in the following respects:

### Other operating income

Other operating income consist of management fees from subsidiaries.

### Financial income

Dividend in subsidiaries is recognised in the Parent Company's statement of comprehensive income in the financial year in which the dividend is declared. An impairment test is performed if more than the comprehensive income of a subsidiary is distributed.

### Investments in subsidiaries

Investments in subsidiaries are measured at cost in the Parent Company's financial statements. Cost includes the purchase consideration calculated at fair value plus direct acquisition costs.

If there is an indication of impairment, an impairment test is performed as described in the accounting policies applied in the consolidated financial statements. Where the carrying amount exceeds the recoverable amount, the investment is written down to this lower value.

When distributing other reserves than retained earnings in subsidiaries, the distribution reduces the cost of the investments if the distribution is in the nature of a repayment of the Parent Company's investment.

### Tax

Matas A/S is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Matas A/S is the administration company in respect of the joint taxation and accordingly settles all corporation taxes with the tax authorities. Joint taxation contributions to/from subsidiaries are recognised under tax on the profit for the year. Tax payable and tax receivable are recognised under current assets/liabilities. Joint taxation contributions payable and receivable are recognised in the statement of financial position under receivables from and payables to Group entities.

Companies using the tax losses of other entities pay a joint taxation contribution to the Parent Company at an amount corresponding to the tax base of the tax losses used. Companies whose tax losses are used by other entities receive joint taxation contributions from the Parent Company corresponding to the tax base of the losses used (full distribution).

Matas has applied the exception to recognise and disclose information about deferred tax in the OECD/ EU Pillar Two Model Rules and their local implementation.

# Notes to the financial statements

## Note 2 – Accounting estimates and judgments

### Estimation uncertainty

The determination of the carrying amount of certain assets and liabilities requires estimates as to how future events will affect the value of such assets and liabilities at the date of the statement of financial position. Estimates material to the Parent Company's financial reporting are made, *inter alia*, by reviewing investments in subsidiaries for impairment.

The estimates used are based on assumptions which Management believes to be reliable, but which are inherently subject to uncertainty. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the Company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. The financial risks affecting the Matas Group are described in note 2 and note 17 to the consolidated financial statements.

The notes to the financial statements comprise disclosures on assumptions of future events and other estimation uncertainties at the date of the statement of financial position involving a considerable risk of changes that could lead to a material adjustment of the carrying amount of assets or liabilities in the coming financial year.

## Note 3 – Other operating income

(DKKm)	2023/24	2022/23
Management fee from Group entities	10	10
<b>Total</b>	<b>10</b>	<b>10</b>

## Note 4 – Staff costs

Remuneration of the Parent Company's Board of Directors and Executive Committee is recognised in profit or loss.

Fees to the Board of Directors are recognised in the amount of DKK 3 million (2022/23: DKK 3 million).

The remuneration of the Executive Committee is recognised in profit or loss in the amount of DKK 19 million (2022/23: DKK 11 million).

Share-based payment is recognised in the amount of DKK 11 million (2022/23: DKK 8 million) for the Executive Committee and other executives.

Average number of FTEs is 2 (2022/23: 2).

For additional information on remuneration of the Board of Directors and the Executive Committee, see note 33 to the consolidated financial statements.

## Note 5 – Special items

(DKKm)	2023/24	2022/23
<b>Costs related to the acquisitions of KICKS Group AB:</b>		
Transaction costs	8	-
<b>Total special items</b>	<b>8</b>	<b>-</b>

Special items relate to staff costs in the income statement.

## Note 6 – Financial income

(DKKm)	2023/24	2022/23
Interest, Group entities	1	-
<b>Total financial income</b>	<b>1</b>	<b>-</b>

# Notes to the financial statements

## Note 7 – Financial expenses

(DKKm)	2023/24	2022/23
Interest, Group entities	4	5
<b>Total financial expenses</b>	<b>4</b>	<b>5</b>

## Note 8 – Tax

(DKKm)	2023/24	2022/23
<b>Tax on the profit/loss for the year breaks down as follows:</b>		
Tax on the profit/loss for the year	(5)	(3)
<b>Total</b>	<b>(5)</b>	<b>(3)</b>
<b>Tax on the profit/loss for the year has been calculated as follows:</b>		
Joint taxation contributions	(6)	(5)
Deferred tax	-	2
Prior-year tax adjustment	1	1
<b>Total</b>	<b>(5)</b>	<b>(3)</b>
<b>Tax on the profit/loss for the year is explained as follows:</b>		
Computed 22.0% tax on profit/loss before tax	(7)	(5)
Interest expense limitation	-	1
Cash settlement of LTIP 2020/21 through equity	-	(1)
Provisions	-	1
Other	2	2
<b>Total</b>	<b>(5)</b>	<b>(3)</b>
Effective tax rate	(15.2)%	(12.7)%

Deferred tax assets as of 31 March 2024 are recognised by DKK 5 million (2022/23: DKK 5 million) regarding Matas Group share-based payments (PSUs). The change in the deferred tax assets in 2023/24 of DKK zero million is recognised in the income statement (2022/23: DKK 2 million).

## Note 9 – Investments in subsidiaries

(DKKm)	2023/24	2022/23
Cost at 1 April	2,036	2,036
Addition of Matas Sverige AB	5	
<b>Carrying amount at 31 March</b>	<b>2,041</b>	<b>2,036</b>

The Company's equity investment in Matas Operations A/S was 100% at 31 March 2023 (31 March 2022: ownership interest 100%). In agreement with subsidiary Matas Operations A/S, Matas A/S acquired Matas Sverige AB for SEK 7 million on 28 August 2023.

Impairment test have been made with no indication for impairment.

## Note 10 – Equity and treasury shares

### Share capital

The nominal value of the share capital is DKK 95,728,730 divided into shares of DKK 2.50, equivalent to 38,291,492 shares and 38,291,492 votes. The shares are not divided into share classes.

### Capital structure

The Company regularly assesses the need for adjustment of the capital structure. The capital is managed for the Group as a whole.

The ratio of equity to total equity and liabilities was 80.4% at 31 March 2024 (31 March 2023: 89.3%).

### Treasury shares

See note 19 to the consolidated financial statements.

# Notes to the financial statements

## Note 11 – Changes in working capital

(DKKm)	2023/24	2022/23
Change in receivables, prepayments and deferred income	–	1
Change in trade payables and other payables	1	–
<b>Total</b>	<b>1</b>	<b>1</b>

(DKKm)	1 April 2023	Cash flows	31 March 2024
<b>2023/24</b>			
Group entities	(213)	(210)	(423)
<b>Receivables/payables, financing activities</b>	<b>(213)</b>	<b>(210)</b>	<b>(423)</b>

(DKKm)	1 April 2022	Cash flows	31 March 2023
<b>2022/23</b>			
Group entities	(157)	(56)	(213)
<b>Receivables/payables, financing activities</b>	<b>(157)</b>	<b>(56)</b>	<b>(213)</b>

## Note 12 – Contingent liabilities and security

The Parent Company is jointly taxed with the other Danish companies of the Matas Group. As the administration company, the Company has unlimited and joint and several liability with the other entities participating in the joint taxation for Danish corporation tax payable by the jointly taxed entities. Corporation tax payable amounted to DKK zero at 31 March 2024 (31 March 2023: DKK zero). Any adjustments to the taxable joint taxation income may cause the Parent Company's liability to increase.

The Parent Company and a number of Matas Group's Danish subsidiaries are jointly and severally liable for the joint registration of VAT.

### Security

The Company has guaranteed all debt raised under the agreement with credit institutions.

Debts to credit institutions raised by the Company's subsidiaries stood at DKK 2,065 million at 31 March 2024 (31 March 2023: DKK 1,030 million).

# Notes to the financial statements

## Note 13 – Financial risks and financial instruments

The Company has no activity and no direct foreign currency risks.

### Liquidity risk

The Company has no material liquidity risk.

(DKKm)	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
<b>2023/24</b>					
<i>Non-derivative financial instruments</i>					
Trade payables	2	2	2	-	-
<b>31 March 2024</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>2022/23</b>					
<i>Non-derivative financial instruments</i>					
Trade payables	1	1	1	-	-
<b>31 March 2023</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>

### Maturity analysis assumptions

The maturity analysis is based on all undiscounted cash flows including estimated interest payments. The estimates of interest payments are based on current market conditions.

On the basis of the Company's expectations regarding future operations and the Company's current cash resources, no significant liquidity risks have been identified.

### Credit risk

The maximum credit risk related to financial assets corresponds to the values recognised in the statement of financial position.

The Company has no material credit risk.

(DKKm)	Carrying amount 2023/24	Fair value 2023/24	Carrying amount 2022/23	Fair value 2022/23
<b>Financial assets at amortised cost</b>				
	-	-	-	-
Suppliers	2	2	1	1
<b>Financial liabilities at amortised cost</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>

Financial liabilities measured at amortised cost have a short credit period and are deemed to have a fair value that is equivalent to the carrying amount.

# Notes to the financial statements

## Note 14 – Related parties

In addition to the disclosures in note 34 to the consolidated financial statements, the Parent Company's related parties comprise subsidiaries, see note 9 to the parent company's financial statements.

Matas A/S is jointly taxed with its subsidiaries. Joint taxation contributions from subsidiaries amounted to DKK (7) million in 2023/24 (2022/23: DKK (5) million).

Matas A/S has set up a management fee scheme with its subsidiaries, see note 3 to the Parent Company's financial statements, and a cash pool scheme.

No other transactions were made during the year with members of the Board of Directors, members of the Executive Committee, significant shareholders or other related parties with the exception of management remuneration. For additional information, see note 4 to the Parent Company's financial statements and note 33 to the consolidated financial statements.

## Note 15 – New standards and interpretations

The description in note 36 to the consolidated financial statements of new standards not yet in force also fully covers the Parent Company.

## Note 16 – Fees to the auditors appointed by the shareholders in general meeting

(DKKm)	2023/24	2022/23
Audit	1	-
Other assurance engagements	-	-
Tax and VAT assistance	-	-
Other services	-	-
<b>Total fees to auditors appointed by the shareholders in general meeting</b>	<b>1</b>	<b>-</b>

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## Other

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# G R O U P



# Definitions of key financials

The financial ratios shown in the list of key financials in the consolidated financial statements have been calculated in accordance with the guidelines of the Danish Finance Society.

<b>Revenue growth</b>	Revenue for the year less last year's revenue/last year's revenue	<b>Diluted earnings per share</b>	Profit for the year attributable to shareholders of Matas A/S divided by diluted average number of shares
<b>Gross margin</b>	Gross profit as a percentage of revenue	<b>Dividend per share</b>	Proposed dividend per share
<b>Earnings per share</b>	Profit for the year attributable to shareholders of Matas A/S divided by average number of shares		

In the Annual Report, Matas applies the following non-GAAP measures:

<b>Underlying (like-for-like) revenue growth</b>	Growth reported by retail stores included in two comparable periods	<b>Net financials</b>	The sum of financial income and financial expenses
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation and impairment	<b>Net working capital</b>	The sum of inventories, trade receivables, other receivables and prepayments less the sum of prepayments from customers, trade payables and other current liabilities
<b>EBITDA margin</b>	EBITDA as a percentage of revenue	<b>Free cash flow</b>	Cash flow from operating activities less net capital expenditure including acquisitions of subsidiaries and operations
<b>EBITDA before special items</b>	EBIT plus amortisation, depreciation and impairment losses plus specific costs/income which Management does not consider part of normal operations	<b>Free cash flow excluding sale of and acquisitions of subsidiaries and operations</b>	Free cash flow before sale of subsidiaries and acquisition of subsidiaries and operations
<b>EBITDA margin before special items</b>	EBITDA margin before special items as a percentage of revenue	<b>Net interest-bearing debt</b>	Debt to credit institutions and other interest-bearing debt less cash and cash equivalents
<b>EBITA</b>	EBIT plus amortisation of trademarks and other intangible assets except software plus any impairment losses in respect of goodwill and other intangible assets plus specific costs/income which Management does not consider part of normal operations	<b>Net interest-bearing debt to EBITDA before special items (gearing)</b>	Ratio of net interest-bearing debt at year-end to LTM EBITDA before special items
<b>EBITA margin</b>	EBITA as a percentage of revenue	<b>Invested capital</b>	The sum of property, plant and equipment, intangible assets and net working capital less parts of deferred tax
<b>EBIT</b>	Earnings before interest and tax	<b>Return on invested capital (ROIC) before tax, including goodwill</b>	EBITA as a percentage of average invested capital
<b>EBIT margin</b>	EBIT as a percentage of revenue	<b>Return on invested capital (ROIC) before tax, excluding goodwill</b>	EBITA as a percentage of average invested capital excluding goodwill
<b>Adjusted profit after tax</b>	Profit after tax for the year plus the tax-adjusted effect of amortisation of intangible assets except software and impairment losses and special items which are not considered part of normal operations	<b>Investments as a percentage of revenue</b>	The year's addition of intangible assets and property, plant and equipment, including acquisitions of subsidiaries and operations as a percentage of revenue
<b>Adjusted earnings per share</b>	Adjusted profit after tax divided by average outstanding number of shares	<b>Average basket size</b>	Average DKK amount a customer spends per visit in the physical stores or web shops, calculated by dividing total retail sales revenue by number of transactions.
<b>Cash conversion</b>	EBITDA before special items plus change in net working capital less capital expenditure divided by EBITDA before special items		

# Interim financial highlights

(Unaudited – part of management review)

(DKK m)	2023/24				2022/23			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Statement of comprehensive income</b>								
Revenue	1,758	2,508	1,285	1,150	1,051	1,396	989	1,054
Gross profit	845	1,115	596	522	498	642	455	481
EBITDA	182	404	138	180	161	296	160	187
EBIT	16	249	25	89	51	201	73	98
Net financials	(58)	(29)	(21)	(23)	(15)	(13)	(13)	(9)
Profit before tax	(42)	220	4	66	36	188	60	89
Profit for the period	(45)	163	2	49	18	147	47	69
<b>Statement of financial position</b>								
Assets	8,668	8,879	8,625	6,378	6,280	6,149	6,111	6,055
Equity	3,462	3,527	3,364	3,337	3,363	3,345	3,196	3,147
Net working capital	378	(46)	261	(50)	23	(119)	48	32
Net interest-bearing debt	3,140	2,490	3,003	1,483	1,642	1,235	1,584	1,562
<b>Statement of cash flows</b>								
Cash flow from operating activities	(235)	702	(74)	252	(46)	434	146	144
Investments in tangible assets	(75)	(109)	(51)	(16)	(14)	(16)	(48)	(14)
Cash flow from investing activities	(121)	(142)	(707)	(51)	(73)	(51)	(86)	(46)
Free cashflow	(356)	560	(781)	201	(119)	383	60	98
Acquisition of subsidiaries and operations	2	-	(617)	-	-	-	(2)	-
Free cash flow excluding acquisition of subsidiaries and operations	(358)	560	(164)	201	(119)	383	62	98
Net cash flow from operating, investing and financing activities	(282)	149	193	30	(95)	89	(3)	18

# Interim financial highlights – continued

(Unaudited – part of management review)

(DKKm)	2023/24				2022/23			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Key performance indicators</b>								
Number of transactions (millions)	8.2	11.1	6.6	6.0	5.5	6.8	5.4	5.5
Average basket size (DKK)	210.6	222.9	182.7	188.2	182.3	202.8	179.4	187.1
Total retail floor space (thousands of square metres)	105.2	104.9	104.1	53.7	53.3	53.7	53.5	53.5
Avg. revenue per square metre (DKK thousands) – LTM	79.7	83.3	82.7	83.6	81.9	80.6	80.3	79.9
Organic growth	4.4%	9.2%	8.0%	9.2%	8.3%	1.2%	1.6%	2.9%
<b>Adjusted figures</b>								
EBITDA	182	404	138	180	161	296	160	187
Special items included in EBITDA	22	20	39	21	–	–	–	5
EBITDA before special items	204	424	177	201	161	296	160	192
Depreciation of property, plant and equipment	(43)	(136)	(96)	(81)	(98)	(82)	(75)	(78)
EBITA before special items	161	288	81	120	63	214	85	114
Adjusted profit after tax	(13)	190	47	78	28	157	55	82
Gross margin	48.0%	44.5%	46.4%	45.4%	47.5%	46.0%	46.0%	45.6%
EBITDA margin	10.3%	16.1%	10.7%	15.6%	15.4%	21.2%	16.2%	17.7%
EBITDA margin before special items	11.6%	16.9%	13.8%	17.5%	15.4%	21.2%	16.2%	18.2%
EBITA margin	2.8%	11.5%	6.3%	10.4%	6.1%	15.3%	8.6%	10.8%
EBIT margin	0.9%	9.9%	1.9%	7.7%	4.8%	14.4%	7.4%	9.3%

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