M A T A S

Annual Report 2024-2025

1 APRIL 2024 – 31 MARCH 2025

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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To our shareholders

Nordic strategy drives profitable growth

2024/25 marked our first full year together with KICKS as Matas Group, and the first year of executing our new strategy to Win the Nordics. We are pleased to report continued profitable growth – we are off to a great start.

Dear shareholders,
Matas Group is the leading beauty and wellbeing destination in the Nordics. Together, we are around 3,500 dedicated full-time colleagues serving customers in almost 500 stores, and through market leading webshops accounting for around 30% of total revenue, and with now >6 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.

We are on a long-term growth journey to Win the Nordics. But first, a look at what we have achieved in our first full year together as Matas Group.

A strong year for both Matas and KICKS: Results and execution
We are happy to report that 2024/25 was another record year driven by underlying growth and earnings improvement. We delivered DKK 8.4 billion in revenues and DKK 1.2 billion EBITDA before special items. On a proforma basis, this is 7.0% currency neutral growth and an EBITDA margin before special items of 14.5% compared to 14.3% last year. Both the revenue growth and EBITDA margin increase were within our guidance range.

Matas grew 8.0%, driven by continued assortment expansion and e-commerce growth of 18.5%. Back in August 2021, Matas sat an ambition to reach DKK 5 billion by 2025/26. We reached that ambition well ahead of time.

Gregers Wedell-Wedellsborg
Group CEO

Lars Vinge Frederiksen
Chair

"One year into our strategy to Win the Nordics, we are off to a great start and are well on track to meet our long-term financial ambitions."

#1
Nordic market leader

KICKS growth accelerated to 5.3% proforma currency neutral, with growth reported in all markets and channels. KICKS e-commerce, excluding Skincity, grew 30.1% proforma currency neutral. The migration and wind-down of Skincity into KICKS was completed by year-end 2024/25.

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 both physical stores and e-commerce delivered growth in 2024/25.

As highlighted in the sustainability section of this report, we have a new Group ESG strategy that aligns with our business goals. We committed to the Science Based Targets initiative and look forward to working closely with our suppliers and partners to achieve our targets.

One year into our new strategy: A great start to Win the Nordics

One year ago, we presented our new growth strategy, "Win the Nordics", as well as new long-term financial ambitions to reach above DKK 10 billion revenue and EBITDA margin before special items of 15-16% in 2027/28. After one year, we are well on track.

The Nordic health and beauty market is big and attractive and our strategy, Win the Nordics, aims at becoming the number one in all Nordic markets, channels, and core categories. We see headroom to expand our leadership in each market, improve the customers experience and market positions in stores and online, 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. Our strategy is built on three core pillars: More for you, Closer to you and Stronger for you. Below are highlights from 2024/25 in each pillar.

More for you

- Expanded our assortment across both Matas and KICKS to offer consumers more choice across more categories.
- Added high-demand brands such as e.l.f, Dyson, MILK and ACO Skincare.
- Initiated the Nordic roll-out of our in-house brands portfolio with the launch of Matas Striber in KICKS.
- Integrated the Skincity offer in KICKS and launched dermatological skincare with brands previously exclusive to pharmacies.
- Invested in improving price perception and offering better deals for consumers and members.

Closer to you

- Expanded, upgraded and opened stores, including a highly successful Helsinki flagship store in Finland and a brand new store in Aarhus, Denmark.
- Strenghtened the online customer experience with faster delivery, more content, and personalisation.
- Increased customer engagement and reached over 6 million Nordic club members, with younger demographics joining.
- Sustained customer satisfaction at a high level.

Stronger for you

- Operating two new automated logistic centers, one outside Stockholm and since 1 April 2025 one outside Copenhagen, to enable long-term growth and efficiency.
- Established a Nordic Group set-up with shared Group functions and ways of working to support all markets.
- Realised synergies from the KICKS transaction in line with the expected DKK 140 million EBITDA improvement by 2025/26.
- Was ranked a top 20 most attractive employer in Denmark, and top 10 among Danish women.

Looking ahead

It has been a successful first year of the new Nordic strategy and our first full year together with KICKS, 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 continued integration.

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

The capital distribution policy is changed from at least 20% to at least 40% of adjusted profit after tax. The Board of Directors propose to the Annual General Meeting (AGM) a dividend of DKK 2.00 per share. Subject to renewed mandate to purchase own shares by the AGM, M&A activity and the financial gearing level, Matas Group will also launch an up to DKK 100 million share buyback program.

The macroeconomic outlook is now more uncertain, reflected in declining consumer confidence which may impact consumer spending and market growth. Our wider revenue guidance for 2025/26 reflects this uncertainty.

Matas Group has successfully refinanced at competitive terms, securing the financing of future growth and improved liquidity.

As announced on 24 April 2025, I (Lars Vinge Frederiksen) am stepping down from the Board of Directors after almost 12 years. Under my tenure, Matas has made a complete transformation from a Danish brick and mortar retailer to a Nordic omnichannel beauty giant. The Board of Directors intends to appoint Malou Aamund as Chair of the Board following the Annual General Meeting, scheduled for 16 June 2025. We look forward to meeting our shareholders there. Thank you.

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

Highlights 2024/25

Financial highlights

Revenue growth
(Group, proforma currency neutral)

7.0%

EBITDA margin before special items

14.5%

in line with guidance

Proposed dividend
per share of DKK

2.00

for approval at the Annual General Meeting

Market position

Matas Group the Nordic market leader

#1

Our markets

matas | KICKS

Denmark | Sweden | Norway | Finland

EBITDA improvement from transaction
of DKK million

140

by 2025/26 from synergies and stand-alone improvements

Strategy execution

New brands launched in Matas / KICKS

~260 / ~70

Online growth continued (proforma)

14.2%

22.2% excluding Skincity

Two automated and scaleable warehouses
a platform for future

Growth

ESG

The new Matas Logistic Centre (MLC) is now EU taxonomy aligned.

New ESG strategy that aligns with our business goals, focusing on managing the impact we have on people, planet and product responsibly.

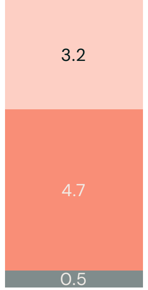
We remain committed to decarbonisation and the Science Based Targets initiative.

Read more in the sustainability section of this report page 49.

Matas Group

The Nordic leader

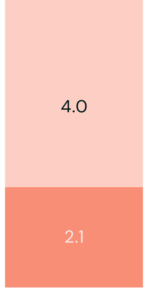
Matas and KICKS joined forces as Matas Group in 2023. Together, we are well positioned to create even better experiences for our customers. By combining two highly complementary businesses, with a compelling strategic rationale, we are also well positioned to build on our Nordic leadership position within beauty and wellbeing and bring value to our customers, partners and investors.



8.4

Revenue (DKK billion)

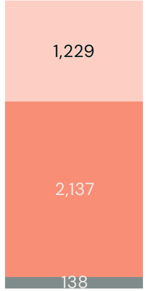
- KICKS
- Matas
- Other[1]



+6

Club members, millions

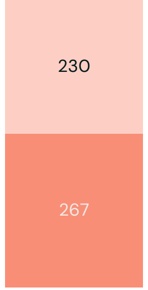
- KICKS
- Matas



~3,500

Full-time employees

- KICKS
- Matas incl. Group HQ
- Other[1]



~500

Stores

- KICKS
- Matas

1 "Other" represents Firtal, Grænn and Web Sundhed.

This is Matas Group

14.5%
EBITDA margin[1]

#1
Nordic market position

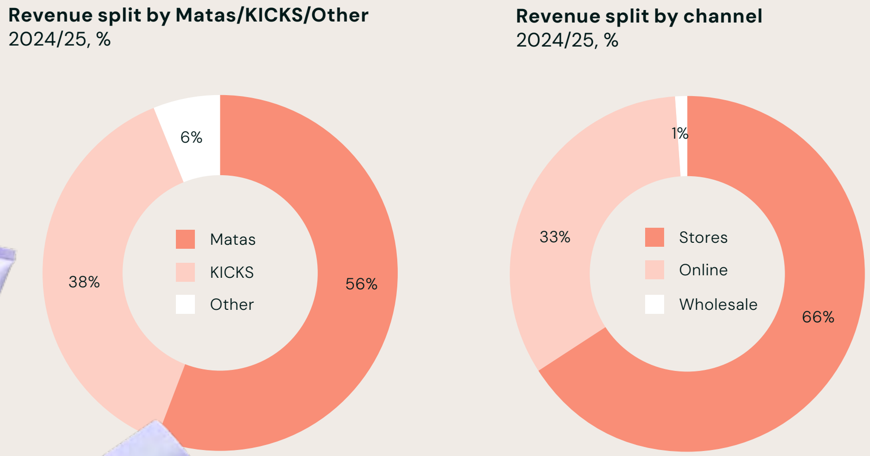
33%
Share of revenues from online

~11%
Estimated Nordic market share

~700
Suppliers

+70,000
SKU base

1 EBITDA margin before special items 2024/25



Complementary footprint
Matas Group is connecting a big and attractive Nordic market and more than 6 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

Matas Group has a proven and scalable business model to deliver the best customer experience. We are connecting more than 6 million loyal club members to brands in a big and attractive Nordic market while being the top-of-mind brand with high customer satisfaction.

Proven model

Matas Group has a proven and scalable business model, with competitive advantage througout 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 continously for stores and online.

Loyal customers

Above 6 million loyal club members

Own media suite with national reach

Lower marketing cost ratio

Strongest supplier relations
Decade-long supplier relationships

Best terms and access to brands, news, and exclusives

Loved "only in" brands
High-margin in-house brands in multiple categories

Selective distribution/ authorised retailer

Best in class supply chain
New centralised and highly automated warehouses

Low fulfillment cost

Powerful omni-channel presence
Leading store network of ~500 stores and leading online sites

Cost advantages in customer acquisition and fulfillment

Beauty experts
+3,500 full-time colleagues and beauty professionals

Value beyond the product

Business model

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

National top-of-mind banners and brands

Value-adding sourcing set-up

- Third-party – Supplier relations
- Brand-building partner
- Own brands portfolio

One-stop beauty and wellbeing offering

- High-end beauty
- Everyday beauty
- Health and wellbeing

Omni-channel specialty retail

- Stores
- App
- E-commerce

Customer relations and loyalty

- Trained advisors
- Club
- Own media

Competitive operating platform

- Efficient automated warehouses
- Scalable and stable IT platform and data capability
- ESG action and accountability
- Culture of results and relations

Financial highlights 2024/25

Matas (including subsidiaries)

Revenue (DKKm)

5,228

Revenue growth

8.0%

(2023/24: 7.8%)
with growth in all channels

Gross profit margin

47.5%

(2023/24: 46.5%)

KICKS

Revenue (DKKm)

3,151

Revenue growth, proforma currency neutral

5.3%

(2023/24: 3.4% proforma currency neutral)
with growth in all channels and all markets

Gross profit margin

44.0%

(7 months in 2023/24: 44.4% and 44.8% proforma currency neutral)

Matas Group

Revenue (DKKm)

8,379

in line with guidance

Revenue growth, proforma currency neutral

7.0%

(2023/24: 6.1% proforma currency neutral)

EBITDA margin before special items

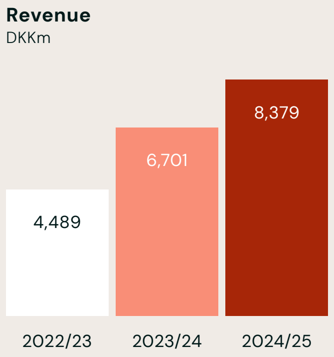
14.5%

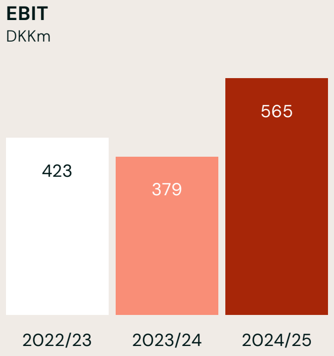
in line with guidance (2023/24: 14.3% proforma)

5-year key financials

(DKKm)	2024/25	Matas incl. KICKS 7 months 2023/24	Matas incl. KICKS 12 months proforma currency neutral 2023/24	2022/23	2021/22	2020/21
Statement of comprehensive income						
Revenue	8,379	6,701	7,831	4,489	4,344	4,164
Gross profit	3,870	3,078	3,592	2,076	2,000	1,892
EBITDA	1,189	904	1,015	804	810	788
EBIT	565	379	383	423	388	380
Net financials	(181)	(131)	(149)	(50)	(37)	(27)
Profit before tax	384	248	234	373	351	353
Profit for the period after tax	282	169	158	281	277	269
Special items	27	102	101	5	(7)	9
EBITDA before special items	1,216	1,006	1,116	809	803	797
Adjusted profit after tax	336	302	291	322	358	358
Statement of financial position						
Total assets	9,574	8,668		6,280	6,055	6,143
Total equity	3,716	3,462		3,363	3,152	3,039
Net working capital	799	378		23	(12)	(126)
Net interest-bearing debt	3,825	3,140		1,642	1,649	1,727
Statement of cash flows						
Cash flow from operating activities	715	645		678	505	935
Investments in tangible assets	(477)	(250)		(92)	(51)	(51)
Cash flow from investing activities	(717)	(1,021)		(256)	(232)	(178)
Free cash flow	(2)	(376)		422	273	757

See page 210 for definitions of key financials.





5-year key financials, ratios

(DKKm)	2024/25	Matas incl. KICKS 7 months 2023/24	Matas incl. KICKS 12 months proforma currency neutral 2023/24	2022/23	2021/22	2020/21
Ratios						
Revenue growth[1]	25.0%	49.3%	74.4%	3.3%	4.3%	12.9%
Gross margin	46.2%	45.9%	45.9%	46.2%	46.0%	45.4%
EBITDA margin	14.2%	13.5%	13.0%	17.9%	18.6%	18.9%
EBITDA margin before special items	14.5%	15.0%	14.3%	18.0%	18.5%	19.1%
EBIT margin	6.7%	5.7%	4.9%	9.4%	8.9%	9.1%
Cash conversion	8.9%	42.6%		59.9%	54.5%	109.7%
Adjusted earnings per share	8.84	7.94	7.66	8.50	9.40	9.35
Earnings per share, DKK	7.42	4.45	4.16	7.41	7.27	7.04
Diluted earnings per share, DKK	7.37	4.43	4.14	7.37	7.20	6.96
Dividend per share (proposed), DKK	2.00	2.00		2.00	2.00	2.00
Share price, end of year, DKK	132.0	117.0		84.2	96.3	83.1
ROIC before tax including goodwill	8.8%	11.3%		9.4%	9.9%	9.6%
ROIC before tax excluding goodwill	20.4%	35.4%		45.0%	50.1%	40.6%
Net working capital as a percentage of LTM revenue	9.5%	4.8%		0.5%	(0.3)%	(3.0)%
Investments[2] as a percentage of revenue	8.6%	15.2%		5.7%	5.3%	4.3%
Investments excluding acquisitions as a percentage of revenue	8.4%	6.1%		5.7%	4.2%	3.6%
Net interest-bearing debt/EBITDA before special items	3.1	2.8		2.0	2.1	2.2
Number of transactions (millions)	37.8	31.9	36.9	23.2	22.0	20.9
Average basket size (DKK)	218.3	206.3	209.1	188.8	192.2	197.5
Number of stores	497	491		260	260	265
Club members Matas and KICKS (millions)	6.07	5.68		1.87	1.74	1.69
Club Matas Plus members (thousands)	118.8	100.7		68.9	52.6	21.5
Average number of employees (FTE)	3,504	2,931	3,450	2,124	2,164	2,152

1 Revenue growth proforma currency neutral 2024/25: 7.0%.
2 Total investments, i.e. CAPEX, acquisitions, etc.

14.5%

EBITDA margin before special items

7.42 DKK

Earnings per share

218.3 DKK

Average basket size

3,504 FTE

Average number of employees

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 a big and attractive market expected to outgrow GDP from 2024 to 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 2025/26 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)

>40%

Dividend and share buyback, distribution of minimum 40% of adjusted profit after tax.

M A T A S

Strategy and guidance

G R O U P

The market

A year after acquiring KICKS, Matas Group has firmly established itself as the #1 Nordic market leader in beauty and wellbeing. Reflecting on this milestone, we are proud to have delivered on both our strategic and financial targets, reinforcing our position as the region's leading beauty and wellbeing destination in the market.

Highlights

01
Big and attractive market

02
Driven by structural trends

03
Unconsolidated with shift in competitive landscape

04
High margins across the value chain

The Nordic market is big and attractive, and expected to outgrow GDP from 2024 to 2027.

Beauty has historically been resilient to macroeconomic and demand cycles with Premium beauty being more exposed than Mass beauty and Health & wellbeing.

01 Big and attractive market

The Nordic beauty and wellbeing market remains robust and appealing, with a projected value of DKK >70 billion in 2025 (Euromonitor). The market is expected to outgrow GDP in the region from 2024 to 2027.

Sweden continues to be the largest market for beauty and wellbeing in the Nordics, followed by Norway, Denmark, and Finland. Notably, Norway has the highest per capita spending in this sector, underscoring the strong consumer demand. The Swedish market is anticipated to experience the highest growth rate, followed by Norway, Finland, and Denmark. This presents significant opportunities for Matas Group to expand in these high-growth markets beyond Denmark. Per capita spending on beauty and personal care in the Nordics is significant, with an estimated revenue of DKK 2,000-3,000 per capita. The market's resilience is partly attributed to the "lipstick effect", where consumers maintain their preference for beauty products even during economic downturns.

Premium skincare and dermatological beauty are projected to see high growth rates, driven by increasing consumer demand for high-efficacy, science-backed products. Make-up and fragrance are also set for solid expansion, fueled by a growing preference for niche and luxury brands. Haircare, including professional and styling products is also expected to grow, as consumers invest more in salon-quality treatments at home.

02 Driven by structural trends

The Nordic beauty market continues to evolve, and the demand for professional-grade and science-backed skincare continues to rise, with consumers prioritising quality and efficacy over price. Mature consumers are increasingly seeking products that help them maintain a youthful appearance, while younger consumers are starting their beauty routines earlier and purchasing more frequently. The beauty industry plays a crucial role in offering appropriate advice and products to meet these diverse consumer needs.

Social media continues to drive interest across all age groups, and social media and influencer marketing play a crucial role in shaping trends, with younger demographics seeking new product innovations and engaging heavily in online beauty communities. This continues to influence purchasing decisions and brand engagement.

Similarly, the health and wellbeing market is witnessing a surge in demand for vitamins, supplements, and functional nutrition, as consumers prioritise preventive health and holistic wellness. There is a growing preference for natural, organic, and plant-based health products, fueled by increased health awareness and digital accessibility to information. Wearable technology and digital health solutions are also gaining traction, enabling consumers to track and manage their wellness more effectively.

03 Unconsolidated with shift in competitive landscape

The competitive landscape remains fragmented, with specialty retail demonstrating resilience and consumers showing a strong preference for omnichannel experiences. This trend is evidenced by online players expanding into brick-and-mortar spaces. Conversely, hypermarkets and supermarkets are losing market share to value retailers, and department stores are experiencing a decline. The rise of social commerce platforms, such as TikTok Shop, is also reshaping the market, offering new avenues for product visibility and sales, however, the scale of this remains small for now.

04 High margins across the value chain

The Nordic beauty and wellbeing market is characterised by high margins across the value chain, driven by strong consumer demand for premium products, brand loyalty, and a willingness to invest in quality. Categories such as skincare, fragrance, and professional haircare command particularly high margins, supported by innovation, strong branding, and effective marketing. Consumers are increasingly demanding innovation and newness, driving suppliers to maintain disciplined and agile approaches to product development.

Additionally, the growing trend toward exclusive in-house brands and niche beauty offerings further enhances profitability. The region's omnichannel retail landscape also allows for a premium shopping experience that reinforces pricing power. With consumers continuing to prioritise quality and efficacy, the Nordic beauty market remains a highly attractive and resilient high-margin industry.

In summary, the Nordic beauty and wellbeing market offers substantial growth potential, driven by favorable consumer trends and a dynamic competitive environment. Matas Group is well-positioned to capitalise on these opportunities, leveraging our market leadership and deep understanding of consumer preferences across the region.

Strategy execution

Our strategy "Win the Nordics" aims at solidifying our position as the leading Nordic beauty and wellbeing retailer. The strategy is built on three core pillars: More for You, Closer to You, and Stronger for You.

One year into the strategy, we are pleased to report significant progress in all areas throughout the year. This reflects a successful integration, a strong execution of Win the Nordics strategy and our continued commitment to be #1 in all markets, all channels and all core categories – Matas Group has truly been stronger together.

Matas Group strategic priorities

All for you

More for you		Closer to you		Stronger for you	
Roll out "one-stop" offering and concept	Expand and improve portfolio of in-house brands	Take e-commerce market shares and fuel omni experience	Refresh, upgrade and open stores	Integrate and share to operate efficiently	Build long-term platform and culture

Potential value creating M&A

Company-wide ESG commitment

Read more about Matas Group's ESG strategy on page 57

01 More for you

Widening and deepening the offering and growing in-house brands

Matas Group has continued expanding its product assortment over the past year, introducing new brands and categories that enhance the one-stop-shopping experience for customers. The addition of high-demand brands such as e.l.f, Dyson, MILK, and ACO Skincare has strengthened our position in key beauty and wellbeing segments. The expansion of the niche fragrance universe, both online and in-store, has catered to evolving consumer preferences and seasonal gifting trends. Furthermore, the continued roll-out of dermatological skincare and professional haircare products has deepened our expertise in specialist categories, ensuring that Matas and KICKS remain top-of-mind destinations for beauty and wellness consumers across the Nordics.

Over the past year, Matas Group has strengthened its in-house brand portfolio, reinforcing its position as a key driver of differentiation. The launch of Matas Striber in KICKS has been well received, expanding its reach beyond Denmark. Additionally, KICKS' in-house brands, including Atelier Rouge and BeautyAct, have successfully entered the Matas ecosystem online, broadening the product offering for customers. The Vitamins & Supplements category has also seen significant momentum, with double-digit growth underscoring the strong demand for high-quality, own-brand health products. These initiatives demonstrate Matas Group's strategic focus on developing exclusive, high-margin products that enhance customer loyalty and drive profitability.

In 2024/25, Matas Group also made strategic investments in enhancing price perception, aligning our product offerings with the evolving expectations of our customers. This initiative has not only strengthened customer trust but also increased our market share by effectively communicating value and quality at every price point both at KICKS and at Matas.

Key milestones during the year:

- New high-demand brands introduced across Matas and KICKS, including e.l.f., MILK, Dyson, Kevin Murphy, and ACO Skincare.
- Launch of Beauty Pharmacy (Dermatological skincare) in Sweden following its success in Matas Denmark.
- Expansion of niche fragrance offerings, enhancing gifting season appeal with new launches on kicks.se and updates on matas.dk.
- Streamlined the in-house portfolio and launched Matas Striber in KICKS.
- Strategic investments in improved price perception to enhance customer value.

~11%

Matas Group has ~11% market share within beauty and wellbeing and significant growth potential in a growing market

02 Closer to you

Strenghtening customer engagement and reaching +6 million members

Matas Group continues to strengthen its digital presence and customer engagement. Over the past year, Matas Group has strengthened customer engagement and digital presence, reaching over 6 million Nordic members across Matas and KICKS. Online sales saw significant growth, with 14.2% proforma currency neutral growth in 2024/25. Membership satisfaction (NPS) continued to rise, particularly among younger demographics who are shopping across more categories and channels. By enhancing omnichannel experiences and optimising membership programmes, Matas Group has solidified its connection with consumers across the Nordics.

With more than 6 million members across the Nordics, Matas Group holds a significant business advantage, providing us with an extensive and engaged customer base. This large membership base enables us to gather valuable insights into consumer preferences and behaviors, allowing for more targeted and effective marketing strategies, as well as providing even better service and advise to our customers. Furthermore, the strength of our membership programmes enhances customer loyalty and increases lifetime value, creating a solid foundation for long-term growth. The scale of our membership also provides us with the ability to negotiate better terms with partners, suppliers, and service providers, further driving our competitive edge in the market.

Store expansions and upgrades continued, including the highly successful Helsinki flagship store launch, fueling sales in 32 KICKS stores across Finland.

Key milestones during the year:

- Significant membership growth, reaching over 6 million Nordic members, with Matas now more than 2 million members and KICKS almost 4 million members.

- Online sales grew 14.2% proforma currency neutral in 2024/25 (22.2% proforma currency neutral growth excluding Skincity).

- Member satisfaction (NPS) continues to improve, with younger demographics shopping across more categories and channels.

- 6 net store openings, including Helsinki flagship store, plus store renewals and relocations, including a brand new store in Aarhus, Denmark.

03 Stronger for you

Step-change in logistics and employer proposition

Over the past year, Matas Group has strengthened its operational platform and physical presence, ensuring long-term scalability and efficiency. Logistics improvements remained on track, with Matas' new Logistics Center now operational following a test phase, and KICKS' Logistics Center ramping up. Synergy realisation on track, and Skincity's wind-down and migration to KICKS is completed by year-end 2024/25.

Beyond our customer focus, Matas Group was also ranked as a top 20 employer in Denmark, reflecting our commitment to building a strong, engaged workforce. This recognition not only highlights our efforts to foster an inclusive and supportive work environment but also strengthens our ability to attract top talent, which is essential in driving innovation and maintaining a competitive edge in the market.

Key milestones during the year:

- KICKS' Logistics Center ramp-up progressing well, supporting strong online growth and enhancing operational efficiency.

- Matas' Logistics Center is now operational following an earlier test phase, enabling long-term growth and efficiency.

- Synergy realisation on track, with Skincity's wind-down and migration to KICKS completed by year-end 2024/25.

Outlook and next steps

As we continue executing our Win the Nordics strategy, we remain focused on:

- Further expanding our brand portfolio and strengthening our in-house brands.

- Enhancing omnichannel experiences and personalisation for our customers.

- Driving synergies across logistics and operations to improve efficiency and scalability and the ways of working for our employees.

Financial guidance 2025/26

Total consolidated Group revenue is expected to grow between 3% and 7% currency neutral in 2025/26, equivalent to ~3.9% to 7.9% excluding Skincity (closed during 2024/25). The EBITDA margin before special items is expected to be around 15%. CAPEX, excluding M&A, is expected to be in the range of 3 to 4% of revenue.

Consolidated revenue

Reported consolidated revenue for 2024/25 amounted to DKK 8,379 million, in line with our revenue guidance for the year which was upgraded on 7 January 2025 following a strong Christmas quarter. The consolidated revenue for 2024/25 is the base for the revenue guidance for 2025/26. Assuming the same exchange rates as in 2024/25, the currency neutral consolidated revenue growth for 2025/26 is expected to range from 3% to 7%, equivalent to 3.9% to 7.9% excluding Skincity (closed during 2024/25)[1].

Consolidated revenue growth in 2025/26 is expected to be driven by continued market growth and our assortment expansion together with continued growth in e-commerce as well as the execution of our Win the Nordics strategy across our markets. The macroeconomic outlook is now more uncertain, reflected in declining consumer confidence which may impact consumer spending and market growth. Our wider revenue guidance range for 2025/26 reflects this uncertainty.

1 Exchange rate adjusted revenue growth of ~3.7-7.7% based on forward rates for NOK/DKK of 0.621 and SEK/DKK of 0.679 as of 7 May 2025. The guidance for 2025/26 is based on underlying growth assumptions across the markets on a currency neutral basis. Average rates for 2024/25 were SEK/DKK of 0.652 and NOK/DKK of 0.638. Actual exchange rates will impact revenues.

Matas Group financial guidance 2025/26

3-7%

Revenue growth, currency neutral[2]

~3.9-7.9%

Excluding Skincity, currency neutral growth

Around 15%

EBITDA margin before special items

2 Based on 2024/25 revenue and assuming the same exchange rates as in 2024/25: NOK/DKK of 0.638 and SEK/DKK of 0.652.

Consolidated EBITDA margin

The reported EBITDA margin before special items for 2024/25 at 14.5% is the starting point for the consolidated EBITDA margin guidance for 2025/26. For 2025/26, the consolidated EBITDA margin before special items is expected to be around 15%.

The consolidated EBITDA margin in 2025/26 is expected to be driven by operating leverage and synergies. In addition to the DKK 140 million in synergies and stand-alone improvements announced at closing of the KICKS acquisition, we have identified further cost synergies with an annual EBITDA impact of around DKK 50 million fully phased in in 2026/27. We expect around DKK 40 million in integration cost in 2025/26 which will be booked as special items. Negative margin impact is expected from continued investments in assortment expansion, channel mix and increased competition in the market. Matas' new automated Logistic Center opened in April 2025, and a positive effect on margin is expected in 2025/26, but with full impact in 2026/27.

CAPEX

CAPEX, excluding M&A, is expected to be around 3 to 4% of revenue, in line with the long-term ambition and corresponding to DKK ~330 million at mid-point of the revenue and CAPEX guidance, including approximately DKK 30 million for Matas Logistic Center. The investments supports Matas Group's long-term competitiveness, growth and profitability.

Financial ambitions for 2027/28

In connection with the publication of last year's Annual Report, Matas Group presented the new growth strategy, “Win the Nordics” as well as new financial ambitions: Revenue of above DKK 10 billion in 2027/28 and an EBITDA margin before special items of 15.0 to 16.0% in 2027/28. Annual CAPEX, excluding M&A, is expected to be 3 to 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 changed from minimum 20% to minimum 40% 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.

M A T A S

Results

G R O U P

Revenue Q4 2024/25

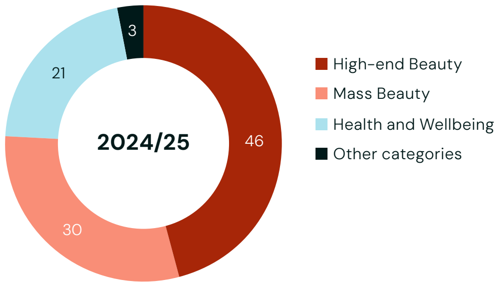
Matas Group generated total revenue of DKK 1,878 million in Q4 2024/25, a year-on-year increase of 6.8% from DKK 1,758 million in Q4 2023/24. Retail sales were up by 6.8% to DKK 1,845 million.

Total revenue grew DKK 120 million compared to Q4 2023/24, Matas (including Other[1]) grew DKK 95 million or 8.7%. The remaining growth of DKK 25 million derives from KICKS, and KICKS grew 4.6% currency neutral. KICKS growth was impacted by the integration of Skincity into KICKS. KICKS excluding Skincity grew 10.7% currency neutral, and KICKS online excluding Skincity grew 40.9% in Q4 2024/25.

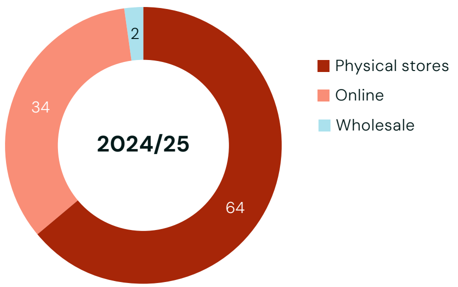
High-end Beauty and Mass Beauty grew in total DKK 65 million or 4.9% compared to Q4 2023/24.

The number of transactions increased by 6.4% to 8.7 million compared to 8.2 million in Q4 2023/24, while the average basket size increased by 0.6% to DKK 211 per transaction in the quarter.

Retail revenue by category (%)



Revenue by sales channel (%)



(DKKm)	Q4 2024/25	Q4 2023/24	Growth (%)	Currency neutral Q4 2023/24	Growth currency neutral (%)
Categories					
High-end Beauty	857	835	2.7%	830	3.3%
Mass Beauty	555	512	8.3%	511	8.3%
Health and Wellbeing	380	353	7.6%	353	7.6%
Other categories	53	27	92.5%	28	94.2%
Retail revenue	**1,845**	**1,727**	**6.8%**	**1,722**	**7.1%**
Retail revenue by category (%)					
High-end Beauty	46%	48%		48%	
Mass Beauty	30%	30%		30%	
Health and Wellbeing	21%	20%		20%	
Other categories	3%	2%		2%	
Sales channels					
Physical stores	1,211	1,178	2.8%	1,175	3.1%
Online	634	549	15.4%	547	15.8%
Wholesale	33	31	8.2%	30	8.2%
Total revenue	**1,878**	**1,758**	**6.8%**	**1,752**	**7.2%**
Revenue by sales channel (%)					
Physical stores	64%	67%		67%	
Online	34%	31%		31%	
Wholesale	2%	2%		2%	

1 "Other" represents Firtal, Grænn and Web Sundhed.

Categories

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

High-end Beauty

Luxury beauty products, including cosmetics, skin and haircare prod-ucts and fragrances. High-end Beauty is the larges category in KICKS.

Mass Beauty

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

Health and Wellbeing

MediCare (OTC medicine and nursing products). Vitamins, minerals, health supplements, specialty foods and herbal medic-inal products. Sports, nutrition and exercise. Baby and parent. Sexual wellness, Personal care products (oral, foot and intimate care and hair removal) and special skincare.

Other

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

Performance by category

The beauty segment accounted for 76.5% or DKK 1,412 million of the retail revenue, compared to 78.0% in Q4 2023/24.

Mass Beauty was one of the primary growth drivers with DKK 43 million or 8.3% growth compared to Q4 2023/24.

Sales of make-up and skincare recorded ongoing significant growth during the quarter, with the new brand e.l.f. contributing substantially to this growth.

Health and Wellbeing grew 7.6% during the quarter, with Matas Striber Vital and Baby and Parent growing 25% compared to Q4 2023/24.

Revenue for Other categories almost doubled in Q4 2024/25 compared to 2023/24, but from a low base and driven by new categories.

Performance by sales channel

Physical stores grew revenue by 2.8% or DKK 33 million to DKK 1,211 million compared to Q4 2023/24. Matas (including Other) grew revenues in stores by 4.2%, including three additional stores since Q4 2023/24. KICKS revenues from stores grew 1.3% currency neutral in Q4, due to Swedish market being significantly impacted by consumer reaction to uncertainties in the global economy, pricing initiatives and campaign pressure. KICKS had three additional stores since Q4 2023/24. The number of stores end of March was 267 in Matas and 230 in KICKS.

Like-for-like Matas stores grew 3.3% and KICKS stores grew 1.0% in the quarter, partly driven by the very high online growth in KICKS excluding Skincity.

Online sales were up by 15.4% or DKK 85 million to DKK 634 million. Matas (including Other) online business grew 17.6%. KICKS online business grew 12.6% currency neutral in Q4. KICKS online excluding Skincity grew 40.9% in Q4. Overall, online sales accounted for 33.8% of Q4 2024/25 revenue against 31.3% in Q4 2023/24.

In Q4 2024/25 wholesale increased by DKK 2 million to DKK 33 million.

Costs and operating performance Q4 2024/25

Gross margin

Gross profit for Q4 2024/25 amounted to DKK 870 million, up from DKK 845 million in Q4 2023/24 (DKK 843 million currency neutral).

The gross margin was 46.4% in the quarter, compared to 48.1% currency neutral last year. The main reason for the decline is a high Q4 2023/24 baseline due to lower campaign activity during the KICKS Logistic Center ramp-up phase, channel mix effects from high online growth, and effects from planned delistings of selected in-house brands and the wind-down of Skincity.

Total operating expenses

Adjusted for special items, overall costs (other external costs and staff costs) accounted for 35.2% of revenue in Q4 2024/25 against 37.2% the year-earlier period currency neutral.

Other external costs

Other external costs amounted to DKK 245 million in Q4 2024/25 or 13.0% of revenue, down from DKK 256 million currency neutral in Q4 2023/24 equal to 14.6% of revenue.

Other external costs decreased by DKK 11 million currency neutral despite generally rising expenses, due to a corresponding increase in marketing income in Q4 2024/25.

Staff costs

Staff cost amounted to DKK 415 million in Q4 2024/25 against DKK 396 million in year-earlier period currency neutral. The staff cost accounted for 22.2% of the revenue in Q4 2024/25 compared to 22.6% for the same period last year currency neutral.

(DKKm)	Q4 2024/25	Q4 2023/24	Growth (%)	Currency neutral Q4 2023/24	Growth currency neutral (%)
Other external costs	245	255	(3.9)%	256	(4.7%)
As a percentage of revenue	13.0%	14.5%		14.6%	
Staff costs	415	395	5.1%	396	5.1%
As a percentage of revenue	22.2%	22.5%		22.6%	

Other operating income and expenses, net

Other operating income amounted to DKK 5 million in Q4 2024/25, down from DKK 10 million in Q4 2023/2024. Other operation income is mainly income relating to media income from suppliers relating to sale of data services.

EBITDA before special items

EBITDA before special items came to DKK 216 million in Q4 2023/24 against DKK 204 million in Q4 2023/24, and EBITDA margin before special items was 11.5%, against 11.5% in the year earlier period currency neutral.

Special items

Special items for the Group amounted to 14 million in Q4 2024/25, down from DKK 22 million currency neutral in Q4 2023/24. The costs relate to other external costs and personal costs associated with the integration of KICKS.

EBITDA

EBITDA came to DKK 202 million against DKK 182 million in Q4 2023/24 and EBITDA margin was 10.7%, against 10.3% in the year earlier period currency neutral.

Depreciation, amortisation, and impairment

The total depreciation, amortisation and impairment charges were down by DKK 13 million to DKK 153 million in Q4 2024/25, primarily due to the completion of depreciation on several assets compared to Q4 2023/24.

Net financials

Net financial expenses were down by DKK 20 million to DKK 38 million in Q4 2024/25 due to lower interest rates and therefore lower expenses.

Profit for the period after tax

Profit for Q4 2024/25 amounted to loss of DKK 3 million after tax, against a loss of DKK 45 million in Q4 2023/24 (loss of DKK 46 million currency neutral), mainly driven by higher margins, lower depreciations and lower net financials.

Adjusted profit for the period after tax

Adjusted profit after tax amounted to DKK 15 million in Q4 2024/25 compared to a loss of DKK 13 million in the year earlier period (loss of DKK 13 million currency neutral).

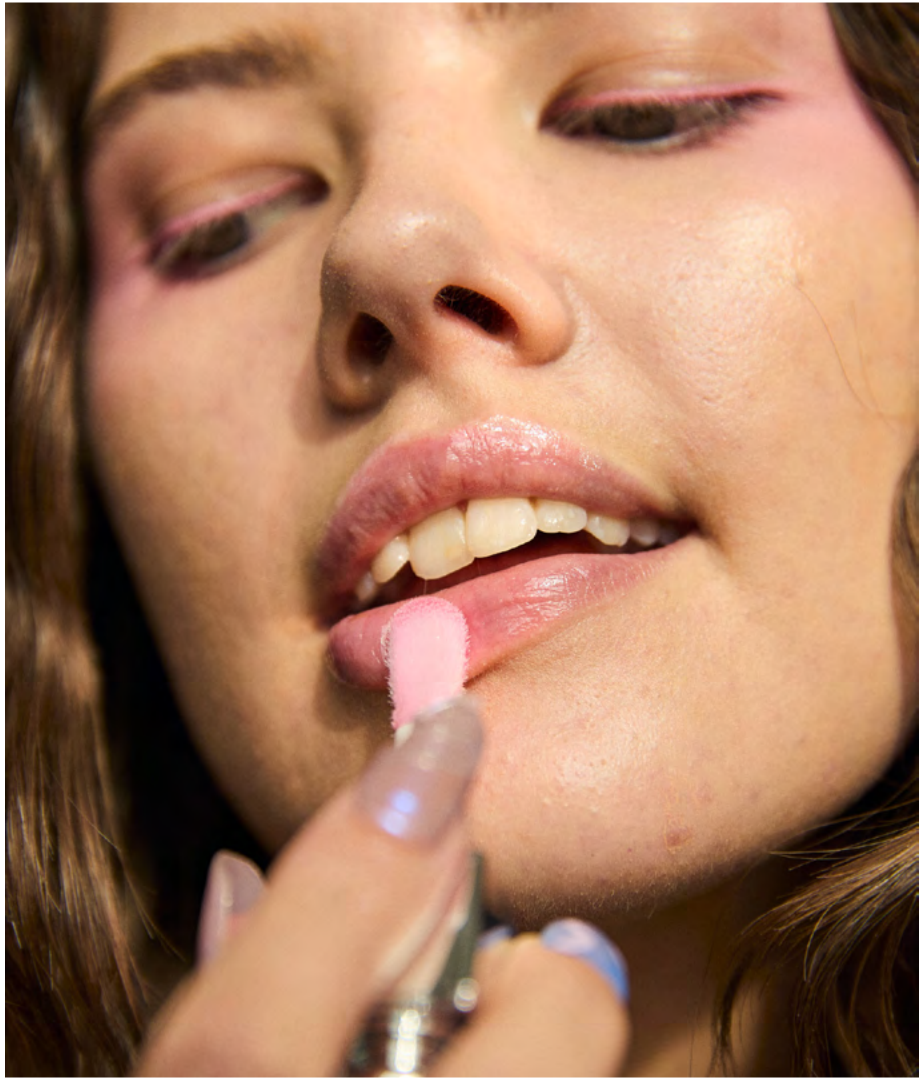
Statement of cash flows

Cash generated from operations was an outflow of DKK 99 million in Q4 2024/25 against an outflow of DKK 163 million in Q4 2023/24 corresponding to an increase of DKK 64 million related to higher profit before tax.

For Q4 2024/25, cash flows from investing activities were an outflow of DKK 181 million against an outflow of DKK 123 million in Q4 2023/24, mainly connected to contruction of Matas' Logistics Center.

The Q4 2024/25 free cash flow was an outflow of DKK 306 million compared to an outflow of DKK 356 million in Q4 2023/24 driven by low profits and high investments in both quarters.

Cash flows (DKKm)	**Q4 2024/25**	**Q4 2023/24**
Cash generated from operations	(99)	(163)
Cash flow from investing activities excl. acquisitions of subsidiaries	(181)	(123)
Free cash flow excl. acquisitions of subsidiaries	(306)	(358)
Acquisition of subsidiaries and operations	-	2
Free cash flow	(306)	(356)
Cash flows from financing activities	(72)	74



Revenue 2024/25

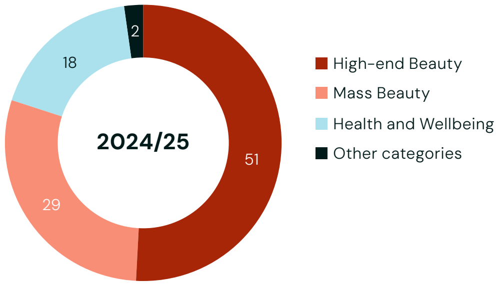
Revenue for full-year 2024/25 amounted to DKK 8,379 million corresponding to an increase of DKK 1,678 million or 25.0% from 2023/24 (proforma increase of 7.0%), while Matas (including Other[1]) sales grew by 8.0% and KICKS grew 5.3% proforma currency neutral.

For 2024/25 the number of transactions increased by 18.5% (2.4% proforma), while the average basket size grew 5.8%. The increase was mainly attributable to the KICKS transaction. The number of transactions came to 37.8 million for full-year 2024/25 compared to 36.9 million for proforma full-year 2023/24. The average basket size grew by 4.4% to DKK 218 per transaction compared to proforma currency neutral full-year last year.

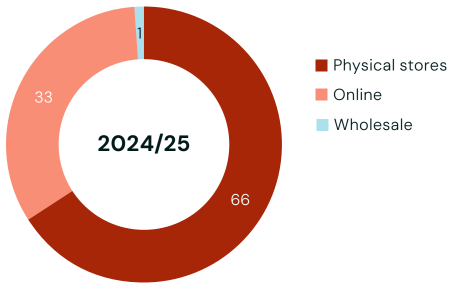
Performance by category

In 2024/25 the beauty categories had the highest absolute growth of DKK 1,491 million partly due to the acquisition of KICKS.

Retail revenue by category (%)



Revenue by sales channel (%)



(DKKm)	2024/25	Matas incl. KICKS 7 months 2023/24	Growth (%)	Proforma currency neutral 2023/24	Growth proforma currency neutral (%)
Categories					
High-end Beauty	4,204	3,064	37.2%	3,895	7.9%
Mass Beauty	2,407	2,056	17.1%	2,344	2.6%
Health and Wellbeing	1,464	1,346	8.8%	1,347	8.7%
Other categories	185	123	50.7%	133	39.5%
Retail revenue	**8,260**	**6,589**	**25.4%**	**7,719**	**7.0%**
Retail revenue by category (%)					
High-end Beauty	51%	47%		51%	
Mass Beauty	29%	31%		30%	
Health and Wellbeing	18%	20%		17%	
Other categories	2%	2%		2%	
Sales channels					
Physical stores	5,526	4,522	22.2%	5,326	3.8%
Online	2,734	2,067	32.3%	2,394	14.2%
Wholesale	119	112	6.1%	112	6.1%
Total revenue	**8,379**	**6,701**	**25.0%**	**7,832**	**7.0%**
Revenue by sales channel (%)					
Physical stores	66%	67%		68%	
Online	33%	31%		31%	
Wholesale	1%	2%		1%	

1 "Other" represents Firtal, Grænn and Web Sundhed.

High-end Beauty grew 7.9% proforma currency neutral supported by strong performance in both Matas and KICKS, whilst the 8.7% growth in Health and Wellbeing came from Matas.

For Matas (including Other), the in-house brands sales, including Striber, Nilens Jord, Flora Danica, Miild and now also BeautyAct by KICKS, accounted for DKK 794 million or 15.5% of the retail revenue in full-year 2024/25, growing DKK 37 million compared to 2023/24.

For KICKS the private label sales accounted for 5.0% of the KICKS retail revenue for full-year 2024/25. A decline of 24.8% profoma currency neutral compared to 2023/24 which was planned as product and brand range was streamlined.

Performance by sales channel

Physical stores grew revenue by DKK 1,004 million or 22.2% (3.8% proforma currency neutral), while online sales were up by DKK 667 million or 32.3% (14.2% proforma currency neutral) and 22.2% proforma currency neutral online growth in 2024/25 excluding Skincity.

Matas (including Other) online business grew 18.5% and KICKS online business grew 7.0% proforma currency neutral in 2024/25. KICKS online excluding Skincity grew 30.1% in 2024/25

Wholesale reported a revenue increase of DKK 7 million to DKK 119 million for full-year 2024/25.

Sales channels

At 31 March 2025, Matas consisted of 267 physical stores (31 March 2024: 264 stores) – 266 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. KICKS consisted of 230 physical stores at 31 March 2025 (31 March 2024: 227 stores). 66% of revenue for 2024/25 was generated by the physical stores (68% in proforma currency neutral 2023/24). In total, the Group had 497 stores at 31 March 2025 (31 March 2024: 491 stores).

The Group is presented online through matas.dk and kicks.se/.no/.fi as well as nilensjord.dk and several web shops operated by Firtal. 33% of revenue was generated through Matas Group's online channels (31% in proforma currency neutral 2023/24).

Wholesale mainly consists of wholesale from Web Sundhed, Grænn and interna-tional wholesale of Matas' house brands in Germany and UK. Wholesale accounted for 1% of revenue for the year (1% in proforma currency neutral 2023/24).

Costs and operating performance 2024/25

Gross margin

Gross profit for 2024/25 amounted to DKK 3,870 million, up by DKK 792 million from DKK 3,078 in 2023/24 (DKK 3,592 million proforma currency neutral).

The gross margin was 46.2%, up from 45.9% in 2023/24 (45.9% proforma currency neutral). Key drivers in the improved margin were matured assortment expansion, more support from suppliers on growth initiatives and synergies, offset by price initiatives, discontinuation of certain in-house brands and Skincity impact at KICKS.

Total operating expenses

Adjusted for special items, overall costs (other external costs and staff costs) accounted for 31.9% of revenue in 2024/25 against 31.2% the year before (32.0% proforma currency neutral).

Other external costs

Other external costs amounted to DKK 1,021 million in 2024/25 or 12.2% of revenue, up by DKK 229 million from DKK 792 million in 2023/24 equal to 11.8% of revenue (2023/24 proforma currency neutral DKK 952 million, equal to 12.2% of revenue).

The increase was driven by the KICKS acquisition, high digital growth in both Matas and KICKS as well as continued assortment expansion.

Staff costs

Staff costs amounted to DKK 1,654 million in 2024/25, up from DKK 1,299 million in 2023/24 (2023/24 proforma currency neutral DKK 1,549 million).

The staff cost accounted for 19.7% of the revenue in 2024/25 against 19.4% the year before (2023/24 proforma currency neutral 19.8%)

At 31 March 2025, Matas Group had 3,504 full-time employees, against 2,931 at 31 March 2024 (3,450 FTEs proforma).

Other operating income and expenses, net

Other operating income amounted to DKK 21 million in 2024/25, up from DKK 19 million in 2023/24.

EBITDA before special items

EBITDA before special items in 2024/25 came to DKK 1,216 million against DKK 1,006 million in 2023/24 and DKK 1,116 million proforma in 2023/24 currency neutral.

(DKKm)	2024/25	2023/24	Growth (%)	Proforma currency neutral 2023/24	Growth proforma currency neutral (%)
Other external costs	1,021	792	28.8%	952	7.2%
As a percentage of revenue	12.2%	11.8%		12.2	
Staff costs	1,654	1,299	27.3%	1,549	6.8%
As a percentage of revenue	19.7%	19.4%		19.8%	

EBITDA margin before special items was 14.5% in 2024/25, against 15.0% in the year-earlier period (14.3% proforma currency neutral).

Special items

Special items amounted to a net expense of DKK 27 million for in 2024/25 compared to DKK 102 million in 2023/24.

In 2024/25, DKK 27 million of the special items related to integration cost and DKK 10 million to celebrating Matas' 75-year anniversary, less income of DKK 10 million from reversal of accrual for deferred acquisition cost. In 2023/24, special items amounted to DKK 102 million and were related to the KICKS acquisition and integration.

EBITDA

EBITDA came to DKK 1,189 million against DKK 904 million in 2023/24 (DKK 1,015 million proforma currency neutral) and EBITDA margin was 14.2%, against 13.5% in the year-earlier period (13.0% proforma currency neutral).

Depreciation, amortisation, and impairment

The total amortisation, depreciation and impairment charges were up by DKK 99 million to DKK 624 million in 2024/25, mainly attributable to KICKS.

Net financials

In 2024/25, net financial expenses increased by DKK 50 million to a net expense of DKK 181 million compared to the year-earlier period. Mainly driven by higher interest-bearing debt reflecting the acquisition of KICKS and thereby additional lease liabilities.

Profit for the period after tax

Profit for 2024/2025 amounted to DKK 282 million after tax, against DKK 169 million in 2023/24.

Adjusted profit for the period after tax

In 2024/25, adjusted profit after tax amounted to DKK 336 million against DKK 302 million in 2023/24.

Statement of cash flows

In 2024/25, cash generated from operations was an inflow of DKK 816 million compared to an inflow of DKK 728 million in 2023/24 corresponding to an increase of DKK 88 million.

In 2024/25, cash flows from investing activities and acquisitions were an outflow of DKK 717 million against an outflow of DKK 1,021 million in 2023/24. In 2024/25, the outflow mainly related to construction of Matas' Logistics Center while the outflow in the year-earlier period mainly related to the KICKS acquisition.

In 2024/25, the free cash flow was an outflow of DKK 2 million, compared to an outflow of DKK 376 million in 2023/24.

Cash flows (DKKm)

Cash flows (DKKm)	2024/25	2023/24
Cash generated from operations	816	728
Cash flow from investing activities excl. acquisitions of subsidiaries	(702)	(406)
Free cash flow excl. acquisitions of subsidiaries	13	239
Acquisition of subsidiaries and operations, net	(15)	(615)
Free cash flow	(2)	(376)
Cash flows from financing activities	(56)	466

Statement of financial position 31 March 2025 vs. 31 March 2024

Total assets amounted to DKK 9,574 million on 31 March 2025, up from DKK 8,668 million at 31 March 2024.

Non-current assets increased by DKK 497 million to DKK 6,965 million. Current assets totalled DKK 2,609 million, a year-on-year rise of DKK 409 million.

Inventories amounted to DKK 2,269 million at 31 March 2025 which is an increase of DKK 405 million compared to 2023/24. KICKS accounted for DKK 1,064 million. Inventories accounted for 27.1% of LTM revenue at 31 March 2025 compared to 27.8% at 31 March 2024. Matas (including Other) inventories accounted for 22.9% of LTM revenue at 31 March 2025 compared to Matas (including Other) 21.8% at 31 March 2024. The inventory increase mainly reflects the supply chain transformation at KICKS, with central warehouse and improved product availability in KICKS stores, and transition to Matas new logistic center.

Trade receivables increased by DKK 17 million to DKK 93 million. KICKS accounted for DKK 49 million. Trade payables is up by DKK 20 million year-on-year. KICKS accounted for DKK 351 million of total trade payables of DKK 1,090 million.

Net working capital excluding deposits amounted to DKK 799 million at 31 March 2025 against DKK 378 million at 31 March 2024. The increase is due to higher inventory and supplier fluctuations around March, leading to higher working capital as of March 2025.

Cash and cash equivalents amounted to DKK 76 million, down from DKK 131 million the year before.

Equity amounted to DKK 3,716 million at 31 March 2025 compared to DKK 3,462 million at 31 March 2024.

Net interest-bearing debt amounted to DKK 3,825 million at 31 March 2025, a year-on-year increase of DKK 685 million. The gearing ratio was 3.1 times LTM EBITDA before special items. Gearing is temporarily above 3 times. The long-term target between 2 and 3 remains unchanged. Matas Group has in May 2025 successfully refinanced at competitive terms, securing the financing of future growth and improved liquidity all other things equal with DKK 1,000 million.

Gross interest-bearing debt stood at DKK 3,901 million at 31 March 2025, including lease liabilities of DKK 1,274 million. At 31 March 2024 gross interest-bearing debt stood at DKK 3,272 million, including lease liabilities of DKK 1,210 million.

At 31 March 2025, the Company's share capital consisted of 38,291,492 shares of DKK 2.50 each, corresponding to a share capital of DKK 95,728,730. 210,000 own shares were purchased for future incentive programmes and 190,241 treasury shares were vested in the period under review in connection with the exercise of the 2021/22 incentive programme, Matas held 317,474 treasury shares at 31 March 2025.

Return on invested capital

The return on LTM invested capital before tax was 8.8% at 31 March 2025 against 11.3% at 31 March 2024. ROIC before tax excluding goodwill was 20.4% at 31 March 2025 against 35.4% at 31 March 2024.

M A T A S

Governance

→ Risk management

→ Corporate governance

→ Board of Directors

→ Executive Management Team

→ Shareholder information

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 strategic objectives and financial targets 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
	Macroeconomic development	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.
	Brand and product liability	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.
	Fundamental competitive shift	Competitors (e.g. Normal, Lyko), accelerating physical store presence (taking best locations), winning younger consumers. E-commerce acceleration: Significant shift of beauty and wellness category to e-commerce leading to pricing and delivery pressure, where e-commerce pure-players are at an advantage due to lower-cost operating model.	Continue to strengthen our omnichannel model, by differentiating value proposition: Superior advice, unique brands and offerings, loyalty club, continued evaluation of price-value perception. Accelerating secondary revenue streams and improve cost structure. Short term: Monitor competitors and their e-commerce offerings closely and ensure adequate offering to match. Long term: Ensure cost structure which enables ability to compete.

Risk	Description	Mitigation
Cyber and IT security	Reliable IT systems and infrastructure are critical to Matas Group's daily operation. Protection of customer data is imperative for legal reasons and in order to maintain the trust of our consumers.	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.
Supply chain disruption	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.
Financial risks	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 4.3 to the consolidated financial statements for additional information on the financial risks.
Legal and Regulatory risks	Matas Group is commercially reliable on significant use of campaigns to drive sales, on direct interaction with members of our customer clubs and on a high level of trust in our products. Such tools are meticulously regulated, e.g. by Data Protection, Marketing and other consumer protection laws. A finding of compliance issues in these areas could affect the Group's ability to drive sales and to maintain the level of trust which is currently a strong part of the value proposition in the eyes of the consumers.	In order to protect the Group with minimum disruption of the business, the Legal and Regulatory departments are closely and seamlessly integrated in strategic and planning processes on all levels of the organisation. Initiatives are in place to constantly maintain and if possible improve the relevant knowledge and awareness of the organisation.

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, corporategovernance.dk

Matas Group complies with all these recommendations. The Company's corporate governance statements are available at the Company's website at 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 CSR Policy. These policies are available on 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/

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/

ESRS G1.GOV-1, 5a

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 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 2024/25 financial year, seven 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 is responsible for the overall management and strategic direction.

In relation hereto, the Board of Directors every year considers the Company's overall strategy and purpose to ensure continuous value creation.

The requirements for the Executive Committee's timely, accurate and adequate reporting to the Board of Directors and for the communication between these two corporate bodies are laid down in the Rules of Procedure of the Executive Committee, which are reviewed and approved by the Board of Directors.

Election of members to the Board of Directors

The Board of Directors consists of up to seven members elected by the annual general meeting for terms of one year. Board members are eligible for re-election. The Board of Directors elects a Chair and a Deputy Chair from among its own members.

Composition of the Board of Directors

The members of the Board of Directors are a group of experienced business professionals who also represent diversity, international experience and skills that are considered to be relevant to Matas Group. All board members are independent.

ESRS 2.GOV-1

Board of Directors

		Unit	2024/25
21a	Executive members	Headcount	0
21a	Non-executive members	Headcount	7
21b	Employee representation	Headcount	0
21d	Female board members	%	43
21d	Male board members	%	57
21e	Independent board members	%	100

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 its tasks, taking into account the Company's current needs. Read more about our diversity initiatives related to the Group's management levels in our Diversity Policy.

The Board of Directors evaluates its work on an annual basis. The Chair of the Board is responsible for the evaluation process. In the financial year 2024/25, the process included external support in reviewing and evaluating the competencies needed to support the Group strategy. In addition, the cooperation between the board members was evaluated and concluded that the Board of Directors is very well-functioning.

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.

Audit Committee

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 Barbara Plucnar Jensen and also consists of Kenneth Melchior and Malou Aamund. The duties of the Audit Committee include monitoring the financial and sustainability reporting process, Matas Group's internal control and risk management systems, the organisation and efficiency of the accounting function and the collaboration with the independent auditors. The Audit Committee held seven meetings during the financial year 2024/25.

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 two meetings during the financial year 2024/25.

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 three meetings during the financial year 2024/25. The current Remuneration Policy was approved 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 2024/25.

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 6.1 to the Consolidated financial statements and on the Company's website, matasgroup.com/

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

In order to ensure that the external financial and sustainability 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 and sustainability 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 finan-

ESRS 2.GOV-1, 20c; 2.GOV-1, 21c; ESRS G1.GOV-1, 5b

The board and committee meetings	Board meetings	Strategy seminar	Audit Committee	Nomination Committee	Remuneration Committee	2024/25 total
Lars Vinge Frederiksen (Chair)	100%	100%		100%	100%	100%
Mette Maix	100%	100%		100%	100%	100%
Espen Eldal[1]	83%	100%				86%
Barbara Plucnar Jensen[1]	83%	100%	100%			92%
Henrik Taudorf Lorensen	100%	100%		100%	100%	100%
Kenneth Melchior	100%	100%	100%			100%
Birgitte Nielsen[2]	100%		100%			100%
Malou Aamund	100%	100%	100%			100%
2024/25 meetings	**7 96%**	**1 100%**	**7 100%**	**2 100%**	**3 100%**	**98%**

1 Joined the Board of Directors 19 June 2024
2 Resigned 19 June 2024

Present Absent

cial and sustainability reporting. The Executive Committee oversees that policies and working procedures in connection with the financial and sustainability 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 and sustainability 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 internal control environment 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 and sustainability 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 1.2 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, Group Finance, Commercial Finance and controlling functions report to the 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 return receipts are monitored. 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.

Board competencies	Lars Vinge Frederiksen	Mette Maix	Espen Eldal	Barbara Plucnar Jensen	Henrik Taudorf Lorensen	Kenneth Melchior	Malou Aamund
C-level management and board experience	■	■	■	■	■	■	■
Strategy / business development and execution in international/ multi-market companies	■	■	■	■	■	■	■
FMCG, consumer and retail sector management experience		■	■		■	■	
Digital, e-commerce, omnichannel and loyalty experience		■			■	■	■
Capital markets experience: Financial and investor communication for listed international companies	■		■	■			■
Financial, accounting, audit, CFO area expertise			■	■			
ESG and corporate governance	■	■	■	■	■		■
Large scale M&A: Transaction and value-creation at board or C-level.	■	■	■	■			■
Technology, data and AI insight						■	■

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 and sustainability 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 and sustainability 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 most 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 page 128

Matas Group has also established a Compliance Steering Group, consisting of Group CFO (Chair), Group General Counsel, EVP KICKS, EVP Matas, EVP Commercial and SVP People & ESG. The Compliance Steering Group meets quarterly or whenever deemed necessary and reports to the Executive Management Team.

ESRS data points

This index holds the ESRS disclosures, that are part of Matas Group's Sustainability Statement, but has been referenced to the Management's Review, to respond to the disclosure requirements..

ESRS DR	Paragraph	Disclosures	Section in Annual Report	Page
GOV-1	ESRS 2, 20 c	The expertise and skills of its administrative, management and supervisory bodies on sustainability matters or access to such expertise and skills.	Corporate Governance scetion, Board competencies table.	40
GOV-1	ESRS 2, 21 a	Number of executive members	Corporate Governance, Board of Directors table	38
GOV-1	ESRS 2, 21 a	Number of non-executive members	Corporate Governance, Board of Directors table	38
GOV-1	ESRS 2, 21 b	Information about representation of employees and other workers	Corporate Governance, Board of Directors table	38
GOV-1	ESRS 2, 21 c	Information about member's experience relevant to sectors, products and geographic locations of undertaking	Corporate Governance scetion, Board competencies table.	40
GOV-1	ESRS 2, 21 d	Percentage of members of administrative, management and supervisory bodies by gender and other aspects of diversity	Corporate Governance, Board of Directors table	38
GOV-1	ESRS 2, 21 e	Percentage of independent board members	Corporate Governance, Board of Directors table	38
G1.GOV-1	ESRS G1, 5a	The of role of administrative, management and supervisory bodies related to business conduct	Corporate Governance, Duties and responsibilities of the Board of Directors	38
G1.GOV-1	ESRS G1, 5b	The expertise of administrative, management and supervisory bodies on business conduct matters	Corporate Governance scetion, Board competencies table.	40

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 2024
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).

Mette Maix
Deputy Chair

Born 1969, Danish nationality
Professional board member
Member of the Board of Directors since 2017
Re-elected in 2024
Member of the Remuneration and Nomination Committees
Independent board member

Other directorships: Member of the board of directors of UNICEF Danmark and Danske Spil.

Barbara Plucnar Jensen
Board member

Born 1971, Danish nationality
Group CFO in Beazley plc
Member of the Board of Directors since 2024
Elected in 2024
Chair of the Audit Committee
Independent board member

Other directorships: Barbara Plucnar Jensen only has directorships with Beazley plc.

Board of Directors

				
	Espen Eldal Board member	**Henrik Taudorf Lorensen** Board member	**Kenneth Melchior** Board member	**Malou Aamund** Board member
	Born 1972, Norwegian nationality CEO Europris ASA Member of the Board of Directors since 2024 Elected in 2024 Independent board member	Born 1971, Danish nationality Founder and chair of TAKT A/S Member of the Board of Directors since 2020 Re-elected in 2024 Member of the Remuneration and Nomination Committees Independent board member	Born 1983, Danish nationality Vice President, General Manager, Zalando Lounge Member of the Board of Directors since 2021 Re-elected in 2024 Member of the Audit Committee Independent board member	Born 1969, Danish nationality Professional board member Member of the Board of Directors since 2023 Re-elected in 2024 Member of the Audit Committee Independent board member
Other directorships	Espen Eldal only has directorships within Europris Group.	Chair of the board of directors of Dinesen Floors A/S and TAKT A/S, member of the board of directors of Louisiana Museum of Modern Art and Pongo Partners ApS.	Member of the board of directors of Lex Deux ApS and member of the board of directors of LCB ApS.	Member of the board of directors of KIRKBI A/S, LEGO Foundation and Skall Studio.

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[1]

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

Experience and directorship

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[1]

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

Experience and directorship

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
- Board experience since 2016

1 The Group CEO and Group CFO together consitute 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
- Commercial 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

Experience and directorship

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

Experience and directorship

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

Experience and directorship

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

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

Alice Wassard
EVP Group Commercial

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

Experience and directorship

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 posi-tions, Estee Lauder companies
- Management and Director posi-tions, LÓréal 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, 2024	DKK 117.00
Closing price at 31 March, 2025	DKK 132.00

Change in share price during the financial year

+13%

MATAS GROUP

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 317,474 treasury shares at 31 March 2025 (382,981 at 31 March 2024). Treasury shares are held for the purpose of cancelling shares bought back and meeting the obligations under the long-term incentive programmes. In addition, treasury shares may be used for deferred payment for acquisitions.

At 31 March 2025, Matas A/S' market capitalisation was DKK 5.1 billion (31 March 2024: DKK 4.5 billion). The average daily turnover in Matas A/S' shares (all markets) was DKK 16.9 million, up from DKK 12.8 million in 2023/24.

Authorisations relating to the share capital

At the Annual General Meeting held on 19 June 2024, the Board of Directors was authorised as described below in relation to the share capital.

- In the period until 1 July 2028, 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 July 2028, 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 own 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 16 June 2025. The Board of Directors proposes that the authorisation be renewed at the Annual General Meeting to be held on 16 June 2025.

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 40% of adjusted profit after tax (previously at least 20%), subject to gearing target and near-term risk and opportunities.

Ownership

During the financial year 2024/25, Matas' shareholder base was broadly unchanged, with 21,461 registered shareholders. The proportion of shares held by Danish shareholders was 68.5%, compared to 65% 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 (9.36%)
- Danske Bank A/S (including Asset Management funds), Denmark (5.10%)

Dividend

The Board of Directors propose to the Annual General Meeting (AGM) a dividend of DKK 2.00 per share, equivalent to 22.8% of Matas Group's adjusted profit after tax for 2024/25. Subject to renewed mandate to purchase own shares by the AGM, M&A activity and the financial gearing level, Matas Group will also launch an up to DKK 100 million share buyback program.

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/

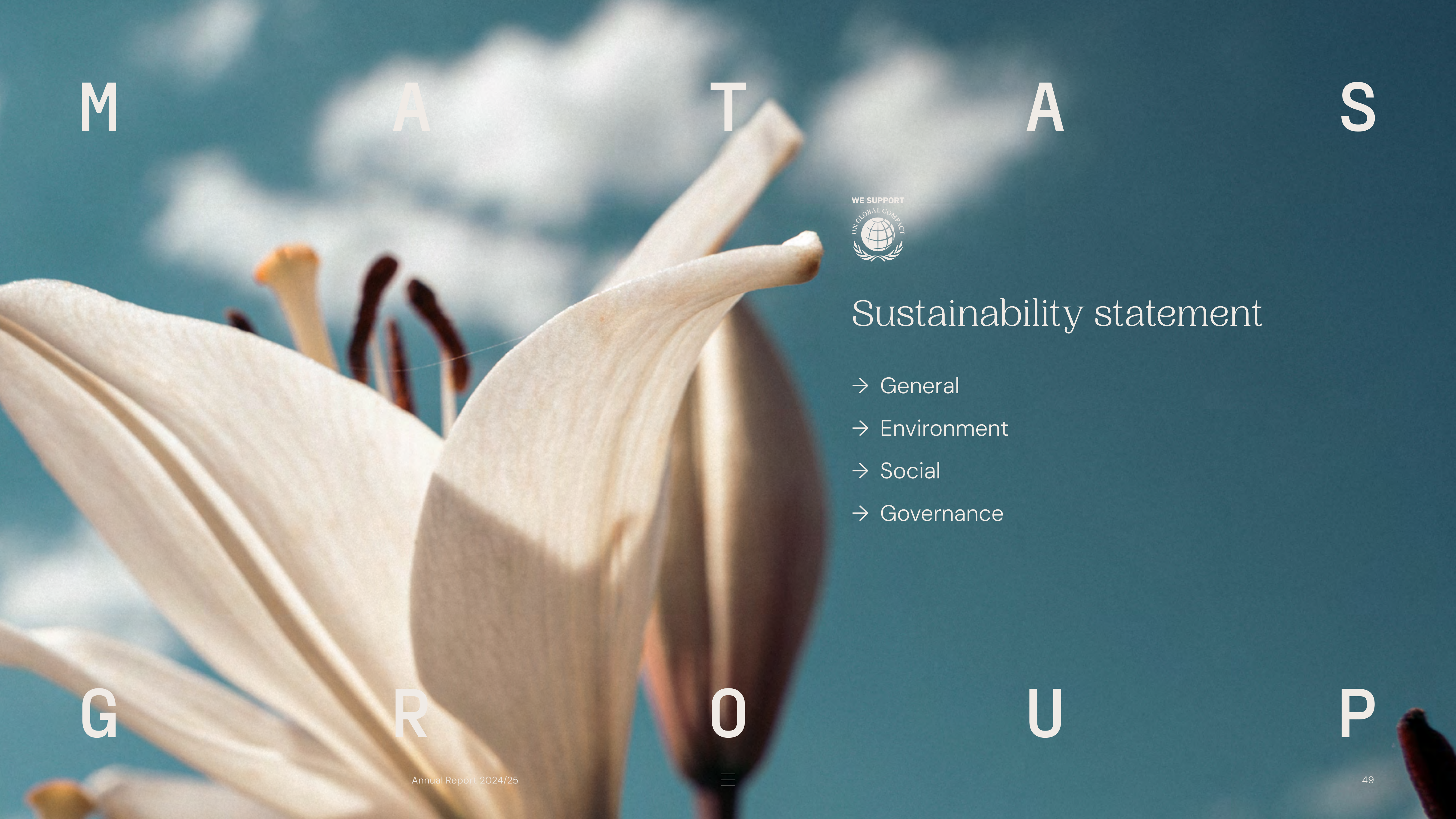
Investor relations

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/

At 31 March 2025, Matas A/S is covered by four equity analysts. For a full list of analysts, please see matasgroup.com/

Financial calendar 2025/26

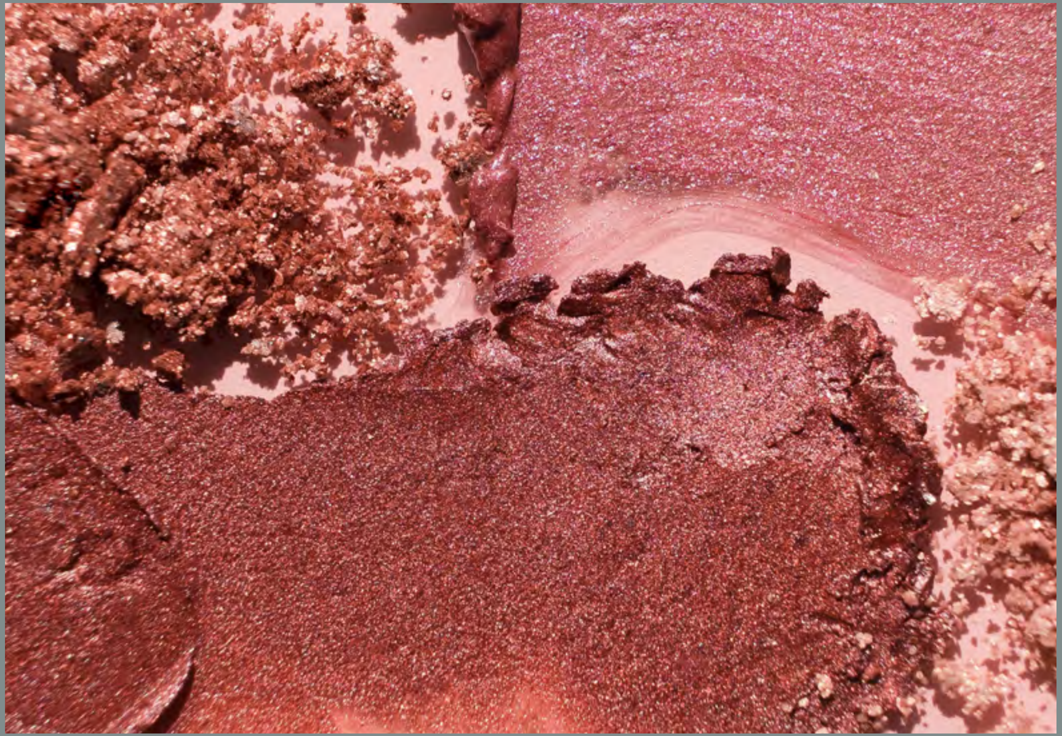
16 June 2025	Annual General Meeting 2024/25
13 August 2025	Interim Report – Q1 2025/26
12 November 2025	Interim Report – Q2 2025/26
9 January 2026	Trading update for Q3 2025/26
5 February 2026	Interim Report – Q3 2025/26
4 May 2026	Deadline for the Company's shareholders to submit in writing requests for specific proposals to be included on the agenda for the Annual General Meeting
19 May 2026	Annual Report 2025/26
16 June 2026	Annual General meeting 2025/26



WE SUPPORT

Sustainability statement

M A T A S



General

G R O U P

Basis for preparation

BP-1

General basis for preparation of sustainability statement

This sustainability statement is prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS).

The sustainability statement has been prepared on a consolidated basis for Matas A/S and its subsidiaries (Matas Group). The scope of consolidation is the same as for the financial statements and follows the financial year of 1 April 2024 – 31 March 2025.

Matas Group's sustainability statement covers the full upstream and downstream value chains, as described, and visualised in section SBM-1. No information in this sustainability statement has been omitted due to impending developments or matters in course of negotiation, classified or sensitive information, or information on intellectual property, know-how or results of innovation.

BP-2

Disclosures in relation to specific circumstances

Time horizons

Matas Group follows the time horizons as guided by the ESRS to best reflect our business model and context. The short term is defined as 1 year and follows the reporting period. The medium term is defined as 2 to 5 years. The long term is defined as more than 5 years.

Value chain estimation

To report on all required metrics, some upstream and downstream value chain data has been estimated using indirect sources. We carefully identify and estimate greenhouse gas (GHG) emissions across all scopes, using direct sources whenever possible. For Scopes 1 and 2, we mostly use direct measurements of consumption to estimate emissions, except for a small portion (less than 5%) where we rely on indirect data.

Over 90% of our emissions come from Scope 3, mainly through purchased goods and services. These emissions are estimated using indirect methods based on our total spending and average emissions factors. While our spending data is accurate, the use of average factors introduces some uncertainty in these estimates. However, we have not been able to locate any general emission factors suitable to represent the emissions tied to the products and goods we procure from the Group's suppliers. Following this implication, our approach to validate our suppliers emissions are detailed in the section 'Sources of estimation and outcome uncertainty'.

We are continuously working to improve the accuracy of our data by focusing on the most significant spending categories and obtaining better direct data from suppliers. This is an ongoing dialogue we have with our suppliers which we expect will continue in the coming financial year.

Sources of estimation and outcome uncertainty

Greenhouse Gas accounting

Around 93% of Matas Group's total GHG emissions are estimated based on spend, which are coupled with general emissions factors, suited for each respective reported scope and underlying categories. When we calculate the emissions stemming from Category 1: Purchased goods and services, we use both general emissions factors to reflect specific purchased goods and services categories, however, as there are no general publicly available emission factor for assessing emissions for beauty products, we have instead compiled an emission factor based on our largest suppliers' carbon accounts. As we collect this data from their public reports, the estimate comes with a degree of uncertainty, regarding a total of 44% of Matas Group's total GHG emissions for purchases of goods for sale.

Waste impact

For our waste impact, we use estimates to assess the full waste impact of Matas Group, as supplier specific data is solely available for the Group's warehouse locations and approx. 50% of the Matas stores. The estimate is based on the waste amounts and composition of Matas stores only, calculating a waste impacts per square metre of Matas stores, based on the assumption that locations' size is a good indication of how many products a store can hold and, consequently, how much waste is generated. As we do not have access to direct waste data on the rest of Matas stores and all of KICKS stores, we have used the waste impact estimate to complete the Group's consolidated waste impact. The validity of the estimation is perceived to be high as Matas and KICKS stores share most of the same suppliers and therefore somewhat similar in their product portfolio. However, this results in some degree of uncertainty of the full waste impact for the Group.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

In this sustainability statement, Matas Group reports on section 99d of the Danish Financial Statements Act. See S4-1, Data Ethics Policy.

Incorporation by reference

The index below summarises whenever information is incorporated by reference.

ESRS DR	Paragraph	Disclosures	Section in Annual Report	Page
GOV-1	ESRS 2, 20 c	The expertise and skills of its administrative, management and supervisory bodies on sustainability matters or access to such expertise and skills.	Corporate Governance section, Board competencies table.	40
GOV-1	ESRS 2, 21 a	Number of executive members	Corporate Governance, Board of Director's table	38
GOV-1	ESRS 2, 21 a	Number of non-executive members	Corporate Governance, Board of Director's table	38
GOV-1	ESRS 2, 21 b	Information about representation of employees and other workers	Corporate Governance, Board of Director's table	38
GOV-1	ESRS 2, 21 c	Information about member's experience relevant to sectors, products and geographic locations of undertaking	Corporate Governance section, Board competencies table.	40
GOV-1	ESRS 2, 21 d	Percentage of members of administrative, management and supervisory bodies by gender and other aspects of diversity	Corporate Governance, Board of Director's table	38
GOV-1	ESRS 2, 21 e	Percentage of independent board members	Corporate Governance, Board of Director's table	38
S1-16	ESRS S1, 97b	Annual total remuneration ratio	Remuneration Report	22
G1.GOV-1	ESRS G1, 5a	The of role of administrative, management and supervisory bodies related to business conduct	Corporate Governance, Duties and responsibilities of the Board of Directors	38
G1.GOV-1	ESRS G1, 5b	The expertise of administrative, management and supervisory bodies on business conduct matters	Corporate Governance section, Board competencies table.	40

Our sustainability statement is covered by limited assurance performed by our auditor (PwC).

Governance

In the financial year 2024/25 we developed a new ESG strategy, based on our Double Materiality Assessment process, and introduced a new ESG governance structure to embed both strategy implementation and Impact, Risk and Opportunities (IRO) management in our organisation. It is our ambition that this new structure will ensure cross-organisational accountability and responsible business practices. We believe that this change to how we operationalise ESG will create a solid foundation for long-term value creation and business resilience.

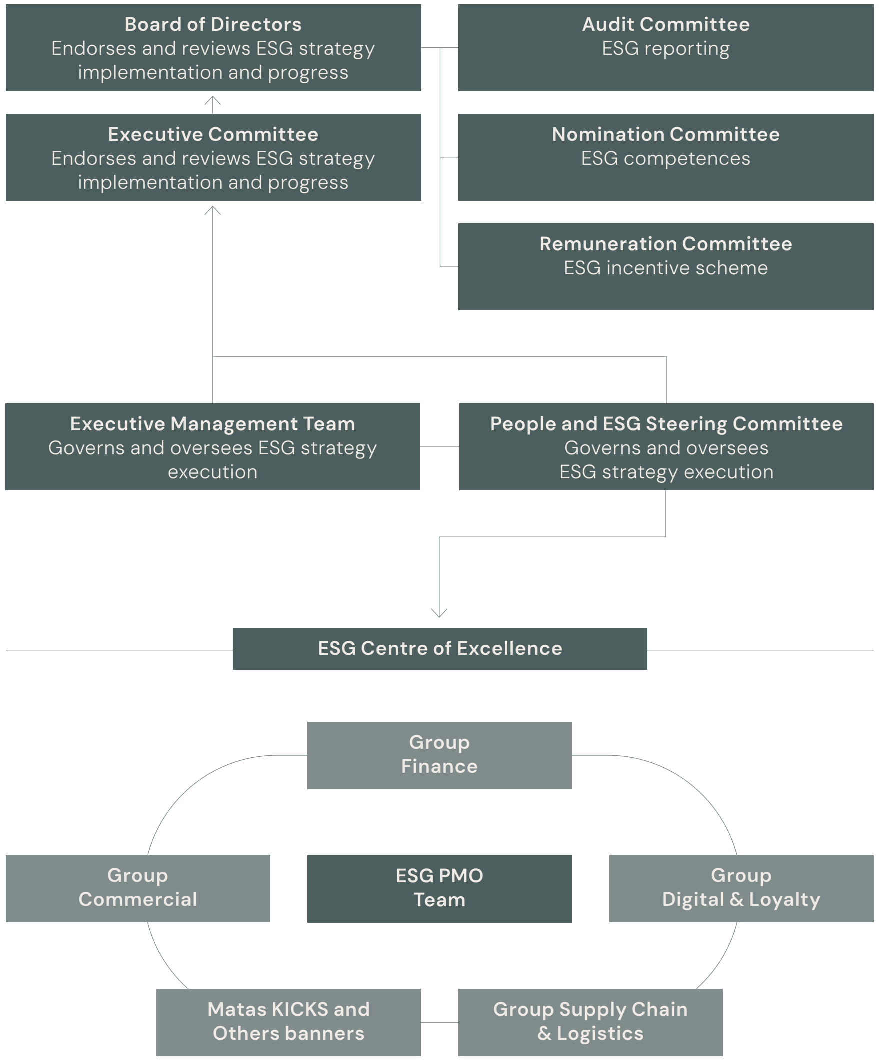
GOV-1

The role of the administrative, management and supervisory bodies

Matas Group's Board of Directors and Executive Committee, constituted by the Group CEO and Group CFO, endorse the ESG strategy and are the overall responsible bodies for our ESG progress. The Executive Management Team reviews ESG strategy progress and decides on strategic prioritisation and resource allocation, and our People and ESG Steering Committee monitors ESG strategy implementation and regulatory compliance as well as discuss roadblocks and solutions.

Matas Group's Board Committees function as the supervisory bodies. For ESG matters, Matas Group's Audit Committee oversees the Group's ESG reporting, the Nomination Committee supports the Board of Directors in assuring that appropriate skills and expertise are available to oversee the sustainability matters in the governing bodies, and the Remuneration Committee determines the Group's remuneration structure and linked ESG targets as well as evaluates the target achievement.

Following our new Group ESG strategy, we have updated our ESG governance structure to reflect our new strategic ESG ambition and to ensure



continuous progress on ESG strategy implementation. We have, in this financial year, adopted a new ESG operating model which now consists of a centralised ESG PMO Team (ESG Project Management Office Team) collaborating with a cross-functional ESG Centre of Excellence, with business unit capabilities to drive execution and spread ESG knowledge internally. This way, we ensure a balanced control of our ESG efforts while leveraging knowledge and capacity in the entire organisation and anchoring our efforts throughout all business units.

The implementation of the ESG strategy and the monitoring of the Group's impacts, risks and opportunities (IROs) are managed by the ESG PMO Team. The surrounding ESG Centre of Excellence is responsible for implementing the ESG strategy on business function level to execute on the Group's ESG strategy targets. Progress on ESG strategy implementation and targets is reported by the ESG PMO Team to the People and ESG Steering Committee, which is overseeing the progress. They will bring any challenges and roadblocks to the attention of the Executive Management Team, ensuring both top-down and bottom-up priority.

The oversight of Matas Group's material IROs happens at all administrative, management and supervisory levels of the organisation with different levels of engagement. The Board of Directors and the Executive Committee annually review any changes to our IROs and DMA.

The Executive Committee's timely, accurate and adequate reporting of material sustainability matters and our ESG progress to the Board of Directors follow the requirements laid down in the Rules of Procedure of the Executive Committee, which are reviewed and approved by the Board of Directors. The Executive Management Team has oversight of the Group's IROs as part of their annual review of ESG strategy priorities and targets. The Audit Committee will be informed of any changes to our IROs as part of their role in the Group's ESG reporting. Similarly, the People & ESG Steering Committee will be informed of any changes through the reporting provided by the ESG PMO Team, relating to ESG strategy and regulatory compliance.

For general information on the composition, diversity, sustainability-related skills, and expertise of the governing bodies, see Corporate Governance section, page 64-65.

GOV-2

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

During the financial year 2024/25, the focus of our Executive Management Team, Executive Committee and Board of Directors has primarily been centred around becoming ready for CSRD compliance and the development and implementation of the new ESG strategy to ensure material IROs and possible associated trade-offs will be sufficiently considered in the decision-making processes and overall strategy. As part of our DMA process, we identified all our material IROs disclosed in this year's reporting which has been reviewed and approved by our Board of Directors, Audit Committee and Executive Committee. For the full list of our IROs, see SBM-3, page 63-64.

Subject matter experts (SMEs) in the organisation qualify the identification of IROs and have responsibility of these should they change during the year. The ESG PMO Team has overall oversight of the IROs, uncovers fluctuations to these, and will inform the governing bodies of any changes and potential trade-offs associated with the IROs and sustainability matters on an ongoing basis.

In our DMA process, we have assessed our material IROs and we have kickstarted the work on addressing these with our updated Group ESG strategy. As the identification of our IROs has formed the basis of our new ESG strategy focus, the implementation of the strategy and targets will provide insights into the effectiveness of existing policies, actions and targets set to mitigate these. As such, all levels of the administrative, management and supervisory bodies who have oversight of our IROs, as described in the previous section, are continuously involved in the process of managing our material sustainability matters and IROs when they are informed of or oversee the progress of our new ESG strategy implementation. In addition to this, they are annually informed about any changes to the materiality of our DMA.

The Board of Directors annually reviews existing policies to identify their effectiveness and completeness.

GOV-3

Integration of sustainability-related performance in incentive schemes

To strengthen ESG responsibility and ensure accountability, the Executive Committee and all employees with bonus agreements have ESG performance targets integrated in their short-term incentive programmes. 10% of their bonus targets are linked to ESG performance targets such as Matas Group's ESG ratings, relating to carbon emission reductions, employee turnover and anti-corruption, etc. This is described in our Remuneration Policy.

Our Remuneration Committee prepares the Remuneration Policy, reviews it every forth year, and presents it to the Board of Directors. The Remuneration Policy describes our remuneration guidelines, and the remuneration paid to the Board of Directors and the Executive Committee is disclosed in Matas Group's annual Remuneration Report. The Policy is approved at Matas A/S's Annual General Meeting.

GOV-4

Statement on due diligence

Below table provides an overview of Matas Group's due diligence process as reflected in our sustainability statement.

Core elements of due diligence	Paragraphs in the sustainability statement		Page
a) Embedding due diligence in governance, strategy and business model	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	54
	GOV-3	Integration of sustainability-related performance in incentive schemes	54
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	62
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2	Interests and views of stakeholders	61
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	66
	S1-2	Engagement with own workforce	108
	S2-2	Processes for engaging with value chain workers	118
	S4-2	Processes for engaging with consumers and end-users	123
c) Identifying and assessing adverse impacts	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities (E1 IRO-1, E2 IRO-1, E3 IRO-1, E4 IRO-1, E5 IRO-1, S1 IRO-1, S2 IRO-1, S4 IRO-1, G1 IRO-1)	66
d) Taking actions to address those adverse impacts	E1-3	Actions and reources related to climate change	80
	S1-3	Actions and resources related to own workforce	109
	S2-3	Processes to remediate negative impacts for value chain workers	118
	S2.MDR-a	Actions in relation to workers in the value chain	119
	S4-4	Actions in relation to consumers and end-users	123
e) Tracking the effectiveness of these efforts and communicating	S2-3	Processes to remediate negative impacts for value chain workers	118
	S4-3	Process for remediation of negative impacts on consumers and end-users	122

GOV-5

Risk management and internal controls over sustainability reporting

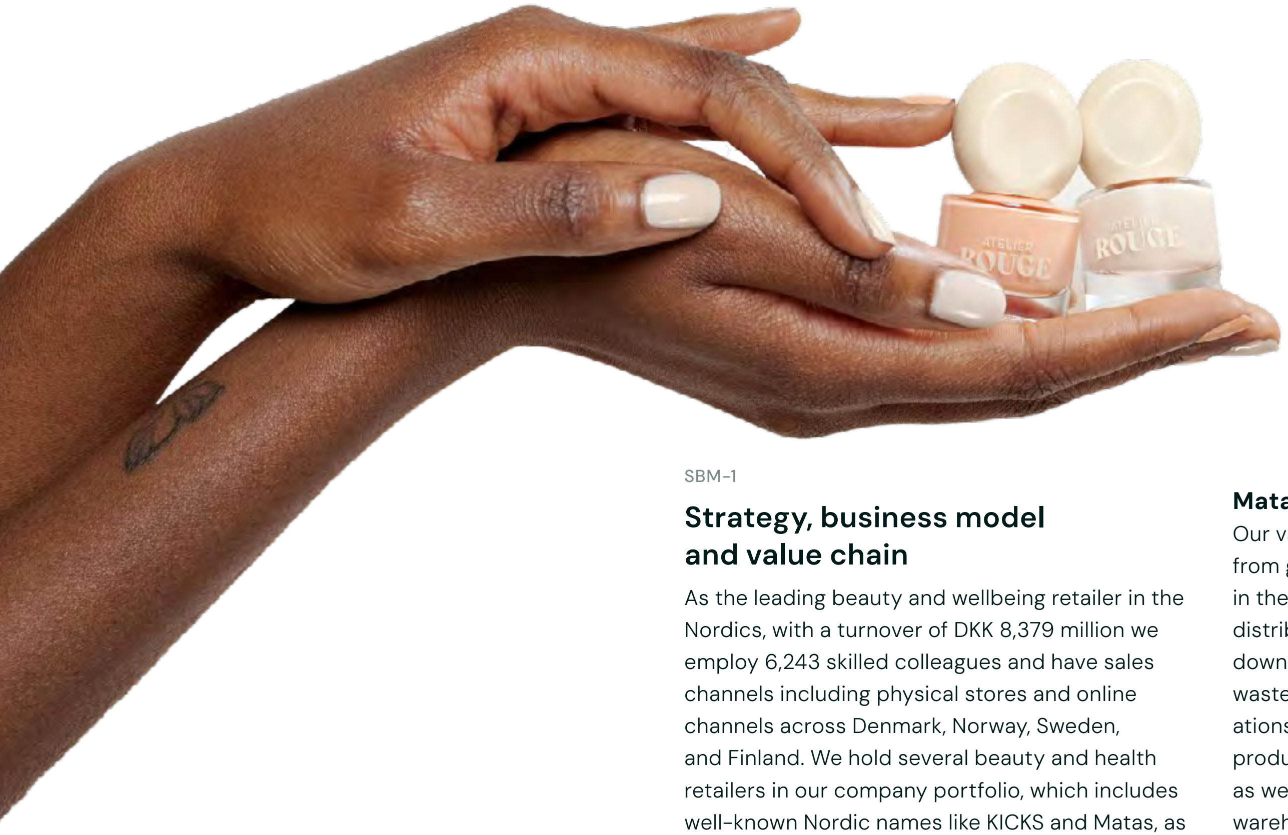
The Board of Directors sets the general framework for internal controls and risk management in Matas Group which also covers the sustainability statement. For further information on our general risk management and internal controls processes, not required by the disclosures of this Sustainability Statement, see the Risk management section page 34.

As part of the ongoing work to ensure that Matas Group's ESG strategy and targets are implemented and realised, all levels of the ESG Centre of Excellence are informed about sustainability matters in relation to the Group. This means that sustainability matters are addressed and considered in the business functions that either effect or are affected by identified sustainability matters. Sustainability matters with negative impacts and/or financial risks are furthermore reported bi-annually in our risk management system, where the risks and impacts are identified and described, as well as the proposed mitigation actions to manage said risks and impacts.

As per our accounting manuals, we identify, report, address and oversee risks associated with data collection as a basis for future improvements to our reporting. Main risks identified for the financial year 2024/25 are related to new data requirements, as well as new reporting structures and data management and methodologies, and lacking value chain data. The prioritisation of the risks is to first ensure the highest possible data quality from own operations, and subsequently the upstream and downstream value chain tiers. A plan for year-on-year improvements on data sets and quality has been initiated according to which we will engage in close dialogue with our suppliers to ensure a common understanding of data needs and quality.

The ESG PMO Team leads the development of the Group's sustainability reporting, through consistent request for information to all internal data owners and suppliers. The data owners within the business units collect the required sustainability data and secure the data flow to the ESG PMO Team, who controls and enters the data. as part of the control, we check the data quality to ensure year-on-year improvements of our sustainability reporting. Sustainability reporting falls under the oversight of the Group CFO who is briefed regularly on actions and advancements concerning our sustainability reporting processes, metrics and targets. Furthermore, CSRD reporting is on the agenda at several Audit Committee meetings throughout the year to ensure oversight of progress and changes.

Strategy



SBM-1

Strategy, business model and value chain

As the leading beauty and wellbeing retailer in the Nordics, with a turnover of DKK 8,379 million we employ 6,243 skilled colleagues and have sales channels including physical stores and online channels across Denmark, Norway, Sweden, and Finland. We hold several beauty and health retailers in our company portfolio, which includes well-known Nordic names like KICKS and Matas, as well as popular in-house products such as Matas Striber, Matas Natur, BeautyAct, Atelier Rouge, and Nilens Jord.

Matas Group value chain

Our value chain covers the processes all the way from growing raw materials used as ingredients in the products we sell, the manufacturing and distribution of the products to our operations, down to consumer usage and the disposal and waste management of sold goods. Our own operations cover the retail of beauty and wellbeing products in our stores and e-commerce channels as well as our daily operations in our offices and warehouses. At Matas Group, we do not produce or manufacture any products ourselves, but we engage in a close collaboration with our key suppliers and partners for our in-house brands as well as our portfolio brands in our assortment.

For more details on our value chain and our identified sustainability IRO, as well as where in the value chain they arise, please see section SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.

Our business model

Across the Group, we provide our customers with a wide assortment of beauty, personal care, and health and wellbeing products on the Nordic market. This broad product range creates a unique one-stop retail value proposition for our customers in the shape of four categories: High-end Beauty, Mass Beauty, Health and Wellbeing, and Other. Through our loyalty membership clubs, we are connecting more than 6 million customers to the brands and products we sell, while being the top-of-mind retail brand with high customer satisfaction.

Input and dependencies

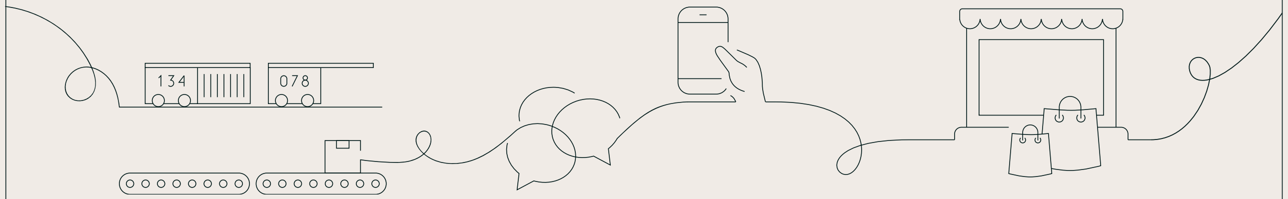
Strongest supplier relations
- Decade long supplier relationships
- Best terms and access to brands, news and exclusives

Loved in-house brands
- High-margin in-house brands in mutiple categories
- Selected distribution/authorised retailer

Beauty and wellbeing experts
- +6000 colleagues and beauty professionals

Loyal customers
- +6 million loyalty members

Activities in own operations



Best-in-class supply chain

New centralised and highly automated warehouses

Low fulfillment cost

Digital community and awareness

Own media suite with national presence

Lower marketing cost ratio

Powerfull omni-channel presence

Leading store network of +500 stores and e-commerce sites

Cost advantages in customer aquisition and fulfillment

Output and value creation

Our people
- Inclusive and engaging work environment with career opportunities for all

Our customers
- Proximity, personal guidance, and expertise, creating value beyond product

Our shareholders
- Increased shareholder value

Matas Group ESG strategy

In the financial year 2023/24, following the acquisition and integration of KICKS, we introduced a new strategy "Win the Nordics" which reflected the ambitions of a consolidated Matas Group. The strategy commitment is to become #1 in all markets, all channels, and all categories by delivering a proven "one-stop" offering and concept across a fuelled omni-channel customer experience, supported by upgraded stores and endless digital aisles. The commitment also spans into creating a shared corporate culture across the Group and realising the operational efficiencies a truly integrated Group can deliver. For more information about Matas Group and our general strategy, please see the Strategy execution section.

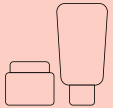
The financial year 2024/25 has been the year where we consolidated the Group's ESG ambition as well. Being responsible and contributing to a more sustainable future lies deep within Matas Group. This is embedded in our purpose, and with our new ESG strategy, we have created a foundation for how to execute on and achieve our ambitions. The ESG strategy has been based on the results of our DMA and sets out key milestones and action plans for how we manage to reduce our emissions, care for our colleagues, and cater to our customers.

All for you

Read more about Matas Group's strategic priorities page 19

More for you	Closer to you	Stronger for you

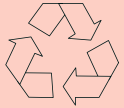
Company-wide ESG commitment



Never compromise on safety

At our trusted destinations, we want to offer expert guidance and complete ingredient transparency, empowering customers with high-quality information about every product we sell.

Read more about our identified IROs and targets related to consumers and end-users



Reducing retail impact

Guided by science, we want to reduce the impact from our own operations and collaborate across our value chain to reduce the impact of the beauty and wellbeing retail. Read more about our identified IROs and targets related to climate change

Pioneering mental health

We want to be the vocal champion of customer and colleague wellbeing, by creating a healthy vision of beauty and an attractive workplace for people to develop and grow. Read more about our identified IROs and targets related to our own workforce

The ESG strategy is foundational for our business strategy and responsibility is undertaken by the whole organisation. Our ESG strategy works to mitigate the material impacts, risks and opportunities (IROs) related to the sustainability matters of Climate change, Working conditions in own operations, and Product transparency and safety through three strategic lighthouses:

1. Never compromise on safety.
2. Reducing retail impact.
3. Pioneer mental health.

We have chosen to focus on these sustainability matters, as they are most closely linked to the core of our business and as such, we believe this is where we can create the biggest contribution.

Never compromise on safety

Ambition
We want consumers to recognise us as a preferred destination with safe products, trusted advice and ingredient transparency.

Product transparency

100%

In-house brands (in scope) have quality information on third party ingredients platforms by 2027/28.

Supplier code of conduct

100%

of suppliers committed to Supplier Code of Conduct by 2027/28.

Read more about S4 targets on page 125

Reducing retail impact

Ambition
Guided by our science-based targets we will act to limit our climate impact and support the achievement of emission reductions in our value chain.

Scope 1 and Scope 2 absolute target

42%

emission reduction in Scope 1 and Scope 2 emissions by 2030/31.

Scope 3 supplier target

67%

of Scope 3 emissions will be covered by suppliers having SBTi aligned reduction plans by 2029/30.

Read more about E1 targets on page 81

Pioneering mental health

Ambition
We want to be the vocal champion of customer and colleague wellbeing, with a healthy vision of beautiful lives.

Employee engagement

70

Employee engagement survey score in mental health assessment by 2027/28.

Mental health training satisfaction

50 NPS

on average a yearly Net Promoter Score on mental health training programmes by 2027/28.

Read more about S1 targets on page 112

Responsible outlook

Our size and leader position in the beauty and wellbeing space call for us to work tirelessly to address our main challenges with solutions and projects that align our business objectives with our purpose and ESG ambitions. As we employ many people across different Nordic countries, we are very aware of our responsibility to ensure a sense of belonging and the best working environment as possible for every single colleague. As we continue to expand our assortment, we expect to see increases in some of our impacts on people and planet. However, we are carefully monitoring how we can use our position as a Nordic leader to reduce the negative and increase the positive impacts through close engagement with our suppliers and employees. In the coming year, we will continue to spearhead our initiatives to act responsibly for beautiful lives by ensuring our consumers can trust that our products and advice do no harm, by supporting the physical and mental wellbeing of our employees and customers, and by making choices that lift our share in the green transition. We have clear milestone plans that define the journey step-by-step over the next year with clear accountability in the business.

Interests and views of stakeholders

SBM-2

Interests and views of stakeholders

Engagement with relevant stakeholders is fundamental for our ESG progress as this is a strong tool to gain direct insights and perspectives on how we best manage our efforts. We believe considering the needs and desires of our stakeholders as an integrated part of the way we conduct business will optimise the overall performance of the Group.

For all engagements with stakeholders, we listen to their interests and perspectives and strive to act upon the most significant and urgent outcomes. Each engagement is organised to cater for the specific stakeholder with the outcome being assessed internally and considered when improving our business model and strategy. This has, for example, led to our ESG strategy constituting of key ambitions for our top three stakeholders: The trust of our consumers, the confidence of our investors, and the care of our colleagues.

Engagement with key stakeholders

We continuously engage with our colleagues through job satisfaction and wellbeing surveys, worker representatives, performance and development dialogues, and social events. The outcome of the engagements informs us of the current mental health and wellbeing of our employees with the results leading to relevant actions and initiatives.

Subject matter experts (SMEs) are invited to share their knowledge and perspectives in our daily work, for example when updating our DMA, to identify whether business units in Matas Group should continue or refine their approaches. SMEs are also crucial in reflecting the views and interest of external stakeholders, where their experience with external stakeholder engagement has been aplied as proxies for our first year of CSRD reporting. An example of this is the Group Customer Success Teams that has daily engagement with the Group's customers, and as such, can reflect their interest and views.

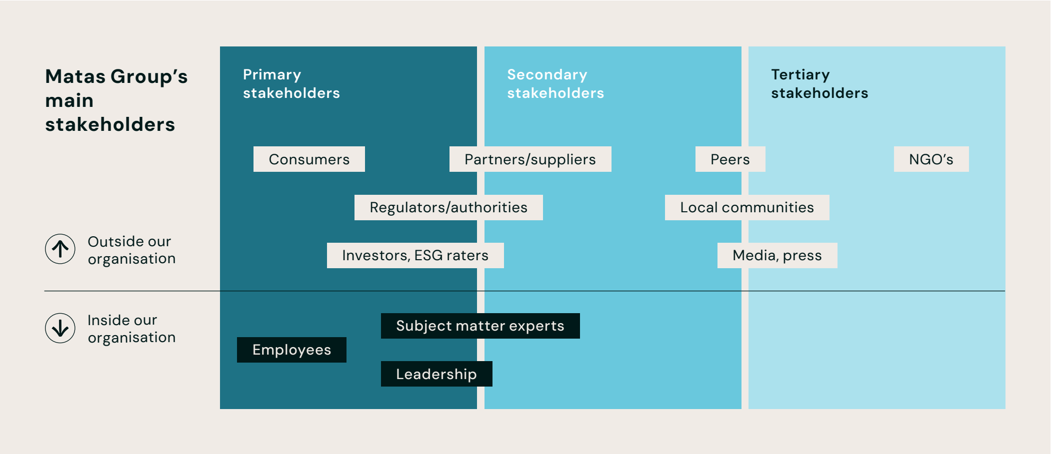
We are committed to a constructive dialogue with investors/ESG raters and provide a high level of transparency when communicating with shareholders to enable them to exercise the highest possible level of active ownership.

Consumers are engaged via our customer service channels where they can communicate inquires, feedback and complaints. Club Matas and KICKS Club further provide a platform for us to gain insights to the sentiment and perspectives of our consumers.

We have strong and longstanding supplier relationships and engage with partners/suppliers in our daily work. Engagement with our suppliers helps us form stronger and more efficient collaborations which makes us advance the realisation of our ESG ambitions. Our Supplier Code of Conduct establishes the foundation for how we do business with suppliers and partners.

For regulators/authorities, peers, local communities, media, press, and NGOs, we actively monitor their interests and views and initiate direct engagements when needed.

The outcome of our stakeholder engagement is presented to the Executive Management Team, the Executive Committee, the Audit Committee and the Board of Directors as part of the general ESG governance process.



Our impacts, risks and opportunities

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Matas Group's material impacts, risks and opportunities (IROs), as identified through our Double Materiality Assessment (DMA) process, are closely connected to our core business activities of being a Nordic leader in the beauty and wellness retail.

Not all of our IROs are covered by ESRS disclosure requirements, as we specifically for pollution and water disclosures have identified impacts in our value chain, and, as per guidance of the ESRS's only require reported metrics for our own operations, not value chain data, for these reporting requirements. However, for our disclosures on E1, we have used value chain data. In addition, we are following the phasing-in provisions, meaning that we are descoping data points that are subject to these requirements.

For additional entity-specific data points, we have included data points in E1, S1 and S4 to reflect the yearly reporting on the Group's ESG targets.

The IROs that fall within the sustainability matters of Climate change, Working conditions in own operations, and Product transparency and safety, are addressed by our new Group ESG strategy, as we assessed these to be the IROs where Matas Group has the biggest impact and financial materiality. Our additional IROs are nevertheless still material for the Group, and equally important for the resilience of the business, but these are more concentrated on specific parts of the value chain.

See page 63-64 for further identification of our IROs.

Environment

We have identified impacts that relate to GHG emissions from energy consumption in our own operations and our value chain, the production of consumer goods and the transportation of products in the upstream and downstream value chains. The other material environmental IROs relate to the upstream value chain in terms of growing and extracting raw ingredients which can affect biodiversity and material scarcity, chemicals and water used in product formulations, and the resources used in product packaging. In our own operations, we have IROs connected to resources used for packaging and distribution, and the waste this is generating. In the consumption and disposal phase of our downstream value chain, product chemicals are discharged, and it is inevitable that our products sold currently create waste when product packaging is disposed after usage.

The process to identify our material environmental IROs and further detailed descriptions of these can be found at E1 page 78, E2 page 95, E3 page 97, E4 page 99 and E5 page 101

Social

In our upstream value chain, we have IROs linked to the working conditions of the workers who take part in producing and manufacturing the products made by our suppliers. The impact identified in Tier 3 of our value chain is assessed with a degree of uncertainty, as we do not hold detailed information about our suppliers' sub-suppliers and sun-sub-suppliers. In our own operations, and as an employer, we have a great level of responsibility for impacts on our employees' health and wellbeing, and we have identified related risks and opportunities arising from how well we succeed in upholding our promise of providing the best possible working environment. We have also identified material IROs downstream in relation to product information as it is essential that consumers can trust the available information that describes the products we sell as well as the advice that we give. Furthermore we have identified impacts in relations to non-discrimination of our consumers and impacts and risks associated with the data privacy and security of consumer data in our customer loyalty clubs.

Governance

Our material governance IROs relate to our management of relationship with suppliers and the corporate culture in our own operations. These are both topics where we have an impact on people through the way we operate and act as a business.

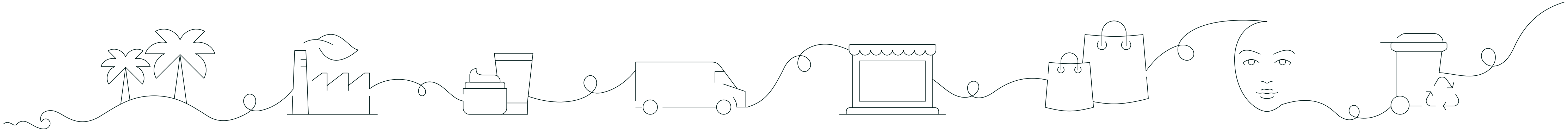
The identified IROs are further described under each topic in the Environment, Social and Governance sections.

Financial effects and resilience of business model and strategy

We proactively use the methodologies and structures provided by the CSRD to assess the resilience of our business and strategy. The CSRD prescribes a way for us to identify, approach and mitigate negative effects which we use as a value creator across all our activities. Our ESG strategy, as presented in SBM-1, is based on a qualitative analysis of the resilience of our business and is designed to address and act upon our identified material IROs. Our material risks and opportunities are not currently impacting our business financially, but we acknowledge that if left unmanaged, this could change. We recognise that it requires further analysis to understand the full scope of these potential financial effects, and in the coming years, we will work towards becoming more knowledgeable of these to ensure a continuous future-proofing of our business.

Material impacts, risks and opportunities and their interaction with our strategy and business model

Upstream → **Own operations** → **Downstream** →



E4

TIER 3
RAW MATERIALS
Raw materials, palm oil, conflicting minerals

E2 E3

TIER 2
MANUFACTURING
Manufacturing of products and goods, water usage, workers in the value chain

E1

TIER 1
SUPPLIERS
Direct suppliers, external and in-house brands, upstream distribution of products

E1

E1 E5

OWN OPERATION
Omnichannel retail, with e-commerce sites and physical stores and warehouse locations.

TRANSPORTATION
Downstream transportation, webshop logistics

CONSUMERS & END-USERS
Consumers and users of the Group's sold products and goods

E2 E5

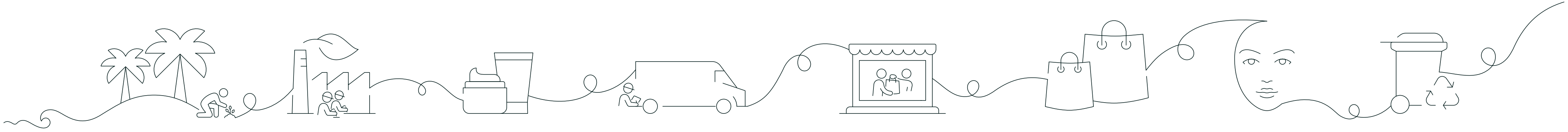
DISPOSAL
The disposal and management of the sold product and goods.

ESRS	Topic	Category	Description	Where in the VC	Potential/actual	Time horisons	Page
E1	Climate change	Negative impact	1 GHG emissions from transportation of goods in upstream and downstream value chains.	VC, OO	Actual		80
		Negative impact	2 Energy consumption of suppliers, stores, warehouses, and offices.	VC, OO	Actual		80
E2	Pollution	Negative impact	3 Product chemicals polluting water during manufacturing and in the use phase.	VC	Potential		96
		Negative impact	4 Potentially harmful chemicals and ingredients absorbed by human bodies during use phase.	VC	Potential		96
		Negative impact	5 Products may contain microplastics that can pollute water during production and in the use phase.	VC	Potential		96
E3	Water and marine ressources	Negative impact	6 Significant amounts of water used for product manufacturing in the value chain	VC	Actual		97
		Financial risk	7 Water scarcity in the value chain	VC	Potential		97
E4	Biodiversity and ecosystems	Negative impact	8 Biodiversity impacts from extraction of raw materials	VC	Actual		100
E5	Ressource use and circular economy	Negative impact	9 Resource use for products and product packaging	VC, OO	Actual		101
		Negative impact	10 Product packaging waste	VC	Actual		101
		Negative impact	11 Waste from own operations	OO	Actual		101

VC: Value chain OO: Own operation

Short term Medium term Long term

Upstream → **Own operations** → **Downstream**



S2 | S2 | S2 | G1 S1 | S4

**TIER 3
RAW MATERIALS**
Raw materials, palm oil, conflicting minerals

**TIER 2
MANUFACTURING**
Manufacturing of products and goods, water usage, workers in the value chain

**TIER 1
SUPPLIERS**
Direct suppliers, external and in-house brands, upstream distribution of products

OWN OPERATION
Omnichannel retail, with e-commerce sites and physical stores and warehouse locations.

TRANSPORTATION
Downstream transportation, webshop logistics

CONSUMERS & END-USERS
Consumers and users of the Group's sold products and goods

DISPOSAL
The disposal and management of the sold product and goods.

ESRS	Topic	Category		Description	Where in the VC	Potential/actual	Time horisons	Page
S1	Own workforce	Negative impact	12	Negative effect of poor working conditions	OO	Potential		107
		Financial risk	13	High employee turnover and reputational	OO	Potential		107
		Positive impact	14	Positive effect of good working conditions	OO	Potential		107
		Opportunity	15	Maintaining and attracting employees and strengthening corporate brand image	OO, VC	Potential		107
		Negative impact	16	Unsuccessful policies for diversity and equal treatment and opportunities for all employees	OO	Potential		107
S2	Workers in the value chain	Negative impact	17	Poor working conditions in the upstream value chain	VC	Actual		117
		Negative impact	18	Work-related rights in the raw materials extraction phase	VC	Actual		117
S4	Consumers and end-users	Positive impact	19	Providing quality product information and guidance for customers through Matas Group communications channels	OO, VC	Potential		120
		Negative impact	20	Misinformation of products impacting the health and safety of customers	OO, VC	Potential		120
		Financial risk	21	Misinformation of products affecting Matas Group's reputation as a trusted destination	OO	Potential		120
		Negative impact	22	Excluding selected customers due to limited assortment	OO, VC	Actual		120
		Positive impact	23	Including and empowering diverse customer groups in overall marketing efforts	OO, VC	Actual		120
		Negative impact	24	Exposure of sensitive customer data from Matas Group loyalty clubs	OO, VC	Potential		120
		Financial risk	25	Regulatory fines and reputational damage from mismanaging personal customer data	OO	Potential		120
G1	Business Conduct	Negative impact	26	Mismanaged corporate culture leading to negative impact on corporate behaviour and employee satisfaction	OO	Potential		127
		Financial risk	27	High employee turnover and reputational damage from mismanaged corporate culture	OO	Potential		127
		Financial risk	28	Loss of business relationship and reputational damage	OO	Potential		127

VC: Value chain OO: Own operation

Short term Medium term Long term

Impact, risk and opportunity management

IRO-1

Description of the process to identify and assess material impacts, risks and opportunities

Matas Group's DMA is updated annually and provides an overview of the sustainability matters that are material to the Group. Our DMA has identified where our business affects people and planet, and where we need to act to mitigate any negative impacts or address risks and opportunities. These findings have led to the direction of Matas Group's ESG strategy and guided our milestone plans. This year's DMA builds upon the results from the financial year 2023/24 with no changes to the material sustainability matters.

Methodology

The identification of Matas Group's IRO and the assessment of their materiality follow the prescriptions of double materiality as stipulated in ESRS 1. The assessment is performed both from the inside-out and outside-in perspective, representing impact and financial materiality, respectively.

Our DMA provides the foundation for strategic ESG planning, budget allocation, risk management and ESG reporting. A key to driving Matas Group's ESG strategy and performance is knowing which sustainability matters are more material than others, and therefore the identified IROs from the DMA form the basis of our sustainability reporting, our long-term ESG priorities, which targets and key performance indicators (KPIs) to track, as well as which important due diligence areas to prioritise to mitigate risks.

Process

Matas Group's DMA process covers three phases, with the fourth phase being a recurring annual review for each iteration of the assessment.

- Phase 1: Understanding the value chain and stakeholders relevant for the DMA.
- Phase 2: Identifying and assessing materiality of sustainability matters through stakeholder engagement.
- Phase 3: Validating and approving results and integrating to ESG strategy.
- Phase 4: Annual review.

The assessment is built on a solid foundation of research and consultations with a wide group of stakeholders from Matas Groups business units and relevant external stakeholders. The input for the DMA covers our scope of operations and value chain as described in section SBM-1 page 57

When identifying impacts, we have assessed our full value chain, and specific attention has been paid to the parts of the value chain where impacts are deemed likely to arise, based on the nature of the activities, business relationships, geographies and other risk factors concerned. For all identified impacts, we have carefully considered the possible connections to financial risks and opportunities that may arise from these impacts. We have applied some assumptions to our DMA approach, however, these and the identification of IROs are firmly anchored in qualitative interviews with subject matter experts and further validated by credible reports.

Assessment of impacts, financial risks and opportunities

Impacts have been assessed based on their relative severity and likelihood, and risks and opportunities based on their relative financial effect and likelihood. To determine the financial effect, our methodology is based on the Group's risk management framework to determine financial thresholds, however, setting longer time frames. Assessing our financial materiality, we consider potential and actual financial effects by focusing on two main triggers:

1. Risks to Matas Group's continued access to essential resources for our business processes.

2. Risks to maintaining key business relationships on acceptable terms.

In evaluating resource access, we considered factors such as quality, pricing, supply, resource lifespan, and maintenance costs. For business relationships, we examined the impacts on financial partners, suppliers, customers, brand reputation, external stakeholders, and community acceptance of our activities. The assessment is based on a quantitative score for all parameters with a clearly set materiality threshold for both impacts as well as financial risks and opportunities. We have applied five levels (1-5) of materiality to assess our IROs, where any scoring over 2 would deem the identified impact, risk or opportunity material.

Following the identification of impacts, risks and opportunities, we have allocated our IROs to correspond with the ESRS disclosure requirements and, as a result, descoped the immaterial disclosure requirements.

Decision-making, internal control procedures and risk management

In accordance with our sustainability governance, as described in the GOV-2 section, Matas Group's ESG PMO Team is responsible for the yearly assessment of the sustainability matters and related IROs in close collaboration with relevant internal subject matter experts. This includes a risk assessment, focusing on the thoroughness of past DMA analyses, with specific attention to understanding business practices in our value chain where visibility has previously been limited.

The DMA is reviewed annually by the Matas Group Executive Committee, the Audit Committee, and approved by the Board of Directors. The identified negative impacts and financial risks are reported into our risk management system and follow our processes to the same extent as all other corporate risks.

IRO-2

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Disclosure requirements in ESRS covered by the sustainability statement

Disclosure requirement		Section	Page
E3 Water and marine resources			
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		97
E3-1	Policies related to water and marine resources		98
E3-2	Actions and resources related to water and marine resources		98
E3-3	Targets related to water and marine resources		98
E3-4	Water consumption		N/A
E4 Biodiversity and ecosystems			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		100
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities		99
E4-2	Policies related to biodiversity and ecosystems		100
E4-3	Actions and resources related to biodiversity and ecosystems		100
E4-4	Targets related to biodiversity and ecosystems		100
E5 Resource use and circular economy			
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		101
E5-1	Policies related to resource use and circular economy		102
E5-2	Actions and resources related to resource use and circular economy		102
E5-3	Targets related to resource use and circular economy		102
E5-4	Resource inflows		102
E5-5	Resource outflows		103

Disclosure requirement		Section	Page
S1 Own workforce			
ESRS 2 SBM-2	Interests and views of stakeholders		61
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		103
S1-1	Policies related to own workforce		107
S1-2	Processes for engaging with own workers and workers' representatives about impacts		108
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		109
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		109
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		111
S1-6	Characteristics of the undertaking's employees		106, 113
S1-8	Collective bargaining coverage and social dialogue		114
S1-9	Diversity metrics		115
S1-10	Adequate wages		115
S1-14	Health and safety metrics		115
S1-16	Compensation metrics (pay gap and total compensation)		116
S1-17	Incidents, complaints and severe human rights impacts		116

IRO-2

Data points that derive from other EU legislation

Disclosure requirement and related datapoint	SFD reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/ page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	■		■		38
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			■		38
ESRS 2 GOV-4 Statement on due diligence paragraph 30	■				55
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	■	■	■		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	■		■		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	■		■		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			■		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				■	Not applicable
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		■	■		79
ESRS E1-4 GHG emission reduction targets paragraph 34	■	■	■		82
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	■				83
ESRS E1-5 Energy consumption and mix paragraph 37	■				83
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	■				83
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	■	■	■		84
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	■	■	■		84
ESRS E1-7 GHG removals and carbon credits paragraph 56				■	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			■		Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a). Location of significant assets at material physical risk paragraph 66 (c).		■			Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		■			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			■		Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	■				Not material
ESRS E3-1 Water and marine resources paragraph 9	■				97
ESRS E3-1 Dedicated policy paragraph 13	■				Not material

Disclosure requirement and related datapoint	SFD reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/ page
ESRS E3-1 Sustainable oceans and seas paragraph 14	■				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	■				Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	■				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	■				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (b)	■				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (c)	■				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	■				100
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	■				100
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	■				100
ESRS E5-5 Non-recycled waste paragraph 37 (d)	■				103
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	■				103
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	■				107
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	■				107
ESRS S1-1 Human rights policy commitments paragraph 20	■				107
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			■		107
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	■				Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	■				108
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	■				109
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	■		■		115
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	■				Phase-in
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	■		■		116
ESRS S1-16 CEO pay ratio paragraph 97 (b)	■				Remuneration Report, 22
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	■				116
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	■		■		107
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	■				118
ESRS S2-1 Human rights policy commitments paragraph 17	■				118
ESRS S2-1 Policies related to value chain workers paragraph 18	■				118
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	■		■		118
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			■		118
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	■				118
ESRS S3-1 Human rights policy commitments paragraph 16	■				Not material

Disclosure requirement and related datapoint	SFD reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section/ page
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	■		■		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	■				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	■				121
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	■		■		123
ESRS S4-4 Human rights issues and incidents paragraph 35	■				123
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	■				128
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	■				128
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	■		■		Not material
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	■				Not material

Through our DMA process, we have determined what information is material for our Sustainability Statements, and which are not. It is through this process that ESRS S3 Affected Communities is not deemed material. This is because the Group's identified IROs for consumers and end-users indirectly also targets the affected communities. As such, we consider our customers to be part of the communities surrounding Matas Group operations making S3 Affected Communities immaterial for our reporting obligations.

Summarised Minimum Disclosure Requirement table in relation to Matas Group impacts, risks and opportunities

This table provides an overview of Matas Group's IROs with references to where in this Sustainability Statement their associated minimum disclosure requirements can be found. For IROs where we do not have policies and actions, the reason is described and the explanation can also be found in the topical standards. For IROs where we do not have targets set, but have either policies or actions, we disclose how effectiveness is tracked. This is also described in the topical standards.

ESRS topical standard	IRO description	Policy	Action	Targets
E1	GHG emissions from transportation of goods in upstream and downstream value chains	E1-2 (page 80)	E1-3 (page 80)	E1-4 (page 81)
E1	Energy consumption of suppliers, stores, warehouses, and offices	E1-2 (page 80)	E1-3 (page 80)	E1-4 (page 81)
E2	Product chemicals polluting water during manufacturing and in the use phase	E2-1 (page 96)	No actions, as our policies are fundamental in the way we collaborate with our suppliers, and as such, by default, mitigate the potential negative impacts.	No targets set. Effectiveness of policy is tracked when monitoring IRO development.
E2	Potentially harmful chemicals and ingredients absorbed by human bodies during use phase	E2-1 (page 96)	No actions, as our policies are fundamental in the way we collaborate with our suppliers, and as such, by default, mitigate the potential negative impacts.	No targets set. Effectiveness of policy is tracked when monitoring IRO development.
E2	Products may contain microplastics that can pollute water during production and in the use phase	E2-1 (page 96)	No actions, as our policies are fundamental in the way we collaborate with our suppliers, and as such, by default, mitigate the potential negative impacts.	No targets set. Effectiveness of policy is tracked when monitoring IRO development.
E3	Significant amounts of water used for product manufacturing in the value chain	No policy, as Matas Group has no production facilities, the identified impact occurs upstream and should be addressed by our suppliers during manufacturing.	No actions, as Matas Group has no production facilities, the identified impact occurs upstream and should be addressed by our suppliers during manufacturing.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
E3	Water scarcity in the value chain	No policy, as Matas Group has no production facilities, the identified impact occurs upstream and should be addressed by our suppliers during manufacturing.	No actions, as Matas Group has no production facilities, the identified impact occurs upstream and should be addressed by our suppliers during manufacturing.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.

ESRS topical standard	IRO description	Policy	Action	Targets
E4	Biodiversity impacts from extraction of raw materials	No policy, as the identified negative impact arise in the upstream value chain and should be addressed by our suppliers and sub-suppliers during ingredient sourcing.	No actions, as the identified negative impact arise in the upstream value chain and should be addressed by our suppliers and sub-suppliers during ingredient sourcing.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
E5	Resource use for products and product packaging	No policy, as the identified impact primarily occurs in the upstream value chain, mitigation measures must be adressed by the Group's suppliers.	No actions, as the identified impact primarily occurs in the upstream value chain, mitigation measures must be adressed by the Group's suppliers.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
E5	Product packaging waste	No policy, as the identified impact primarily happens in the downstream value chain and decisions to mitigate are beyond the Group's operational control.	No actions, as the identified impact primarily happens in the downstream value chain and decisions to mitigate are beyond the Group's operational control.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
E5	Waste from own operations	No policy, as the majority of waste generated in our own operations is recycled, additional mitigation measures are not assessed to be necessary.	No actions, as the majority of waste generated in our own operations is recycled, additional mitigation measures are not assessed to be necessary.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
S1	Negative effect of poor working conditions	No policy, as Matas Group has internal guidelines and structures to manage working conditions, developing external policies has not been assessed as necessary.	ES1-3 (page 109)	S1-MDR-T (page 111)
S1	High employee turnover and reputational damage	No policy, as Matas Group has internal guidelines and structures to manage working conditions, developing external policies has not been assessed as necessary.	ES1-3 (page 109)	S1-MDR-T (page 111)
S1	Positive effect of good working conditions	No policy, as Matas Group has internal guidelines and structures to manage working conditions, developing external policies has not been assessed as necessary.	ES1-3 (page 109)	S1-MDR-T (page 111)
S1	Maintaining and attracting employees and strengthening corporate brand image	No policy, as Matas Group has internal guidelines and structures to manage working conditions, developing external policies has not been assessed as necessary.	ES1-3 (page 109)	S1-MDR-T (page 111)
S1	Unsuccessful policies for diversity and equal treatment and opportunities for all employees	S1-1 (page 107)	ES1-3 (page 109)	No targets set. Tracking effectiveness is described on page 110.
S2	Poor working conditions in the upstream value chain	S2-1 (page 118)	S2-4 (page 119)	No targets set. Tracking effectiveness is described on page 119.
S2	Work-related rights in the raw materials extraction phase	S2-1 (page 118)	S2-4 (page 119)	No targets set. Tracking effectiveness is described on page 119.

ESRS topical standard	IRO description	Policy	Action	Targets
S4	Providing quality product information and guidance for customers through Matas Group communications channels	S4-1 (page 121)	S4-4 (page 123)	S4.MDR-T (page 124)
S4	Misinformation of products impacting the health and safety of customers	S4-1 (page 121)	S4-4 (page 123)	S4.MDR-T (page 124)
S4	Misinformation of products affecting Matas Group's reputation as a trusted destination	S4-1 (page 121)	S4-4 (page 123)	S4.MDR-T (page 124)
S4	Excluding selected customers due to limited assortment	No policy, as the indentified impacts is potential, and Matas Group's assortment scoping continously assess customer needs and demands.	No actions, as the indentified impacts is potential, and Matas Group's assortment scoping continously assess customer needs and demands.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
S4	Including and empowering diverse customer groups in overall marketing efforts	No policy, as Matas Group has internal guidelines in place to ensure inclusive marketing practices.	No actions, as Matas Group has internal guidelines in place to ensure inclusive marketing practices.	No targets set. As no policies or actions are present, we do not track effectiveness of these, however, we monitor IRO development.
S4	Exposure of sensitive customer data from Matas Group loyalty clubs	S4-1 (page 122)	S4-4 (page 123)	No targets set. Tracking effectiveness is described on page 124.
S4	Regulatory fines and reputational damage from mismanaging personal customer data	S4-1 (page 122)	S4-4 (page 123)	No targets set. Tracking effectiveness is described on page 124.
G1	Mismanaged corporate culture leading to negative impact on corporate behaviour and employee satisfaction	G1-1 (page 128)	Not material	N/A
G1	High employee turnover and reputational damage from mismanaged corporate culture	G1-1 (page 128)	Not material	N/A
G1	Loss of business relationship and reputational damage	G1-2 (page 128)	Not material	N/A

M A T A S

Environment

- → E1 Climate change
- → EU Taxonomy reporting
- → E2 Pollution
- → E3 Water and marine resources
- → E4 Biodiversity and ecosystems
- → E5 Resource use and circular economy

G R O U P

E1

Climate change

→
Solar panels on our new warehouse Matas Logistics Center near Allerød, Denmark

At Matas Group, we recognise the urgency of mitigating climate change and the importance of aligning with global objectives, including the Paris Agreement's goal of limiting temperature rise. With a new climate transition plan, we are striving to lower emissions within our operations and along our value chain.

E1-1

Matas Group's climate transition plan

In March 2024, the Group committed to setting and submitting science-based targets (SBTs) before March 2026. Since then, we have updated our carbon accounting and aligned our Greenhouse Gas (GHG) inventory with the Science Based Targets initiative (SBTi) standards. As a result, we have developed clear mitigation targets covering Scope 1, Scope 2, and Scope 3 emissions.

Scope 1 and Scope 2 emissions reduction ambitions

Matas Group is targeting a 42% reduction in direct GHG emissions (Scope 1 and Scope 2) by 2030. This reduction will be secured by investing in renewable energy through power purchase agreements (PPAs) for all Danish offices, warehouses, and stores, aiming for up to 86% of our electricity needs to be met by renewable sources. In other Nordic markets, our electricity consumption is already largely covered by renewable energy investments, the grid has more renewable sources and, as such, represents a smaller share of our total emissions. We are also transitioning our Nordic company car fleet to electric vehicles, with the goal of achieving a fully electric fleet by 2030. This will further support our emissions reduction goals, particularly targeting our Scope 1 emissions.

Scope 3 emissions reduction ambitions
For Scope 3 emissions, our ambition is for suppliers to have science-based reduction pathways in place by 2029 (Financial year 2029/30). We will aim to target suppliers covering 67% of Matas Group's Scope 3 emissions.

For further detailing of our emission reduction targets, including key reduction levers and investments, please see section E1-3: Actions and resources related to climate change and E1-4: Targets related to climate change.

Locked-In emissions and transition risks
Our locked-in GHG emissions currently consist of 2% of our total Scope 1 and Scope 2 emissions and are primarily associated with our company car fleet, heating of our stores and warehouses. They are locked in due to long-term leasing agreements and are reflected in our Scope 1 and Scope 2 disclosures (see E1-6 for a full disclosure of Scope 1 and Scope 2 emissions).

Through the initiatives described above, Matas Group is committed to mitigating material climate-related risks and impacts with our climate transition plan. Our approach enhances operational efficiency and resilience across our business, while also strengthening collaboration with suppliers throughout our value chain.

Matas Group is not excluded from the EU Paris-aligned benchmarks.

Transition plan alignments with business strategy
Our climate transition plan has been approved by the Matas Group Executive Committee and the Board of Directors in the financial year 2024/25. It is embedded in our business strategy to "Win the Nordics". The transition plan is part of the new Group ESG strategy and realised by the cross-functional ESG Centre Of Excellence. As such, the ESG strategy outlines the steps we are taking to achieve our goals, reinforcing our commitment to mitigating material impacts and risks stemming from the emissions generated in our own operations and value chain. Our Remuneration Policy links incentives to the Group's overall ESG performance, as measured by external ESG ratings. This ensures that progress on our climate transition plan is integrated into business performance evaluations. However, because these ratings reflect overall ESG outcomes, we cannot specify the exact portion of bonuses tied solely to climate change.

As we recently adopted the transition plan, its implementation will begin as of the financial year 2025/26.

E1.IRO-1

Processes to identify impacts, risks and opportunities

At Matas Group, the identification of climate-related IROs begins with tracking GHG emissions from Scopes 1, 2, and 3, enabling us to pinpoint direct and indirect climate impacts across our value chain. We closely monitor emissions and energy consumption in stores, offices, and warehouses, screening activities to evaluate actual and potential climate impacts. Our assessment of climate-related IROs aligns with the methodology of our DMA, considering climate-related hazards and transition risks as outlined in the ESRS. Although our upstream value chain faces physical risks from climate change challenges, these are not deemed material to Matas Group due to our diverse supplier base, however further analysis is required to understand how climate change will affect the Group's business performance. Transition risks are furthermore qualitatively assessed within our DMA process, evaluating the exposure of our assets and business activities. While we have not yet conducted a climate scenario anaysis, we plan to do so in the next financial year to enhance our understanding of climate-related IROs.

Climate-related hazards and physical risks
With the nature of Matas Group's own operations, climate-related hazards are relevant for assessing our retail locations, such as our store and warehouse locations. We have not conducted a site-by-site screening of climate-related hazards, but performed a general understanding of which climate-related hazards are relevant for our locations and, as such, pose a financial risk for our businesses in the short, medium, and long-terms.

When assessing the potential financial risk of physical climate-related hazards, we identified physical climate-related risks from both acute and chronic risks, where such risks have the potential to disrupt Matas Group's operations, relevant for our further assessment and our future climate resilience analysis. Acute risks such as extreme weather events may result in cases of periodic flooding, where heavy rain in locations that are missing critical climate adaptation infrastructure can lead to flooding of city centres and potentially our stores. For our warehouse location, such a risk is potential and should be assessed for all Group locations, however, for our new warehouse, Matas Logistics Center (MLC), climate adaptation measures have been implemented as part of the alignment to the EU taxonomy do-no-significant-harm criteria. Given the history and low frequency of previous such events affecting Matas Group's operations, this risk is considered a medium-term risk. Chronic risks such as rising sea levels can pose a long-term risk where again city centres and Matas Group locations could potentially be flooded. For our value chain, we have preliminary identified drought as a chronic risk, alongside occasional flooding of regions as acute risks, potentially impacting the operations of our suppliers. Based on our diverse supplier base supplying us products from a wide range of geographical locations, we have not assessed this to have a short-term risk disrupting Matas Group's operations, however, these assumptions will be further evaluated in our climate resilience analysis.

Climate-related transition risks
For Matas Group's own operations and value chain, we have done a preliminary indication of climate-related transition risks relating to policy-making, market, reputation, and technologies. As a retailer we can potentially face several transition risks as we plan to, and our stakeholders expect us to, adapt to a low-carbon economy. Regulatory risks may arise from increased compliance costs and carbon pricing mechanisms increasing emission fees. Market risks involve shifts in consumer preferences requiring that we adapt our offering and product portfolio to meet low-impact products and services. Furthermore, we can be potentially exposed to reputational risks if we fail to address, manage, and take responsibility of our carbon footprint, consequently damaging brand value and customer loyalty. Technological risks involve the challenges and costs of adopting new emissions-reducing technologies. All the identified risks are assessed to be short, medium and long-terms and our climate resilience analysis will qualify these time horizons.

The planned development of a climate resilience analysis and further assessment of climate-related hazards relevant for Matas Group operations and value chain will be based on high emissions climate scenarios and will build upon our initial assessment of acute, chronic, and transitional risks and events affecting the Group. As we have not yet assessed our business resilience in relation to climate scenarios, no critical climate-related assumptions are made in the financial statements.

E1.SBM-3

Material impacts, risks and opportunities

Matas Group has identified two material negative impacts within its value chain:

1. GHG emissions from transportation of goods in upstream and downstream value chains.
2. Energy consumption of suppliers, stores, warehouses, and offices.

Transportation of products and its related emissions are a part of our upstream and downstream value chain, where our suppliers ship products to our warehouses and where the products reach the consumers, either through our e-commerce sites or via our stores. Transportation by suppliers takes place worldwide while the transportation from our operations to the consumers happens across Denmark, Norway, Sweden, and Finland. 97.9% of Matas Group's GHG emissions come from Scope 3, wherein emissions from transportation lie. Currently, we have a strong focus on lowering GHG emissions, but it is inevitable that our business activities have an impact on the environment. The ambition of growing our e-commerce business also leads to increased transportation demands and logistics costs adding to the size of the impact.

GHG emissions from the products we sell come partially from the energy used for manufacturing and other cradle-to-gate related emissions. These emissions make up 80% of our total Scope 3 emissions. In addition, the energy consumption from our own operations in our stores, offices, and warehouses also has a current negative impact on the environment.

We have not currently conducted a climate scenario analysis or a formal resilience assessment in relation to climate change. However, we believe this assessment is fundamental in understanding the long-term plan to grow as a business whilst managing our negative impacts. Therefore, we have plans to conduct a climate resilience analysis of our business model and strategy within the next financial year.

E1-2

Policies related to climate change

In our CSR Policy, we have set out our ambition to address and reduce our GHG emissions, both those from our own operations and our value chain. It covers the consolidated emissions from Matas Group's Scope 1, Scope 2 and Scope 3. As we have submitted our science-based targets, we are pending approval from SBTi before we can update our Policy to reflect our updated targets for the Group. Our Board of Directors approves our Policy, while the Executive Management Team is responsible for ensuring adequate resources for the implementation of the updated Policy objectives.

E1-3

Actions and resources related to climate change

Our actions to mitigate climate change address both our own operations and our upstream and downstream value chains. In the financial year 2024/25, we have taken several actions to mitigate our impact on climate change.

Developing science-based targets
Following Matas Group's commitment to setting science-based targets in the previous financial year and included these in the development of a new Group ESG strategy, we have developed and submitted science-based targets for the Group. As a result, we have taken actions this year to address our emissions.

Decision to procure renewable energy for warehouses, stores, and offices in Denmark
In the financial year 2024/25, we sourced renewable energy certificates covering 60% of our electricity needs in Denmark and 67% for Sweden. However, we are looking to strengthen our commitment to procure renewable energy further, by Power Purchase Agreements (PPA) and replacing the use of renewable energy certificates. As such, it was agreed that Matas Group will procure 86% of our electricity consumption in Denmark through a PPA. This is one of the reductions levers that will be fundamnetal in achieving our science-based targets. We expect

to secure our PPA investment during the coming financial year 2025/26. We do not expect that this investment will exceed current investment into electricity consumption, and as such require additional significant CAPEX investments.

Updated Company Car Policy

During the financial year, we have updated our internal Company Car Policy, with the requirement to transition away from having fossil-fuelled cars in our company fleet. This initiative applies to company car fleets operating across the Nordic countries. It is anticipated to further contribute to the overall Scope 1 and Scope 2 emissions reduction target by 2%.

Sourcing products and services from suppliers with science-based reduction pathways

For the coming financial year, we will engage with suppliers to understand their intentions for setting emission reductions plans that align with the Paris Agreement. This engagement, which will be ongoing until 2029/30, will enable us to indirectly reduce our Scope 3 emissions, through the responsibility we ask of suppliers, and to reach our Scope 3 supplier engagement target. As we intend to source products and services from suppliers that adhere to the standards of target setting from SBTi, we can extend the responsibility of decarbonisation to our value chain. This effort will focus on suppliers across all Matas Group locations in the Nordics.

E1-4

Targets related to climate change

We have developed near-term emission reduction targets for our Scope 1 and Scope 2 emissions through the Science Based Targets initiative (SBTi) by using a cross-sector emission pathway compatible with limiting global warming to 1.5°C. We will also address our Scope 3 emissions with a separate Engagement Target following SBTi requirements which aim at influencing our suppliers to set reduction targets aligned with the science-based method.

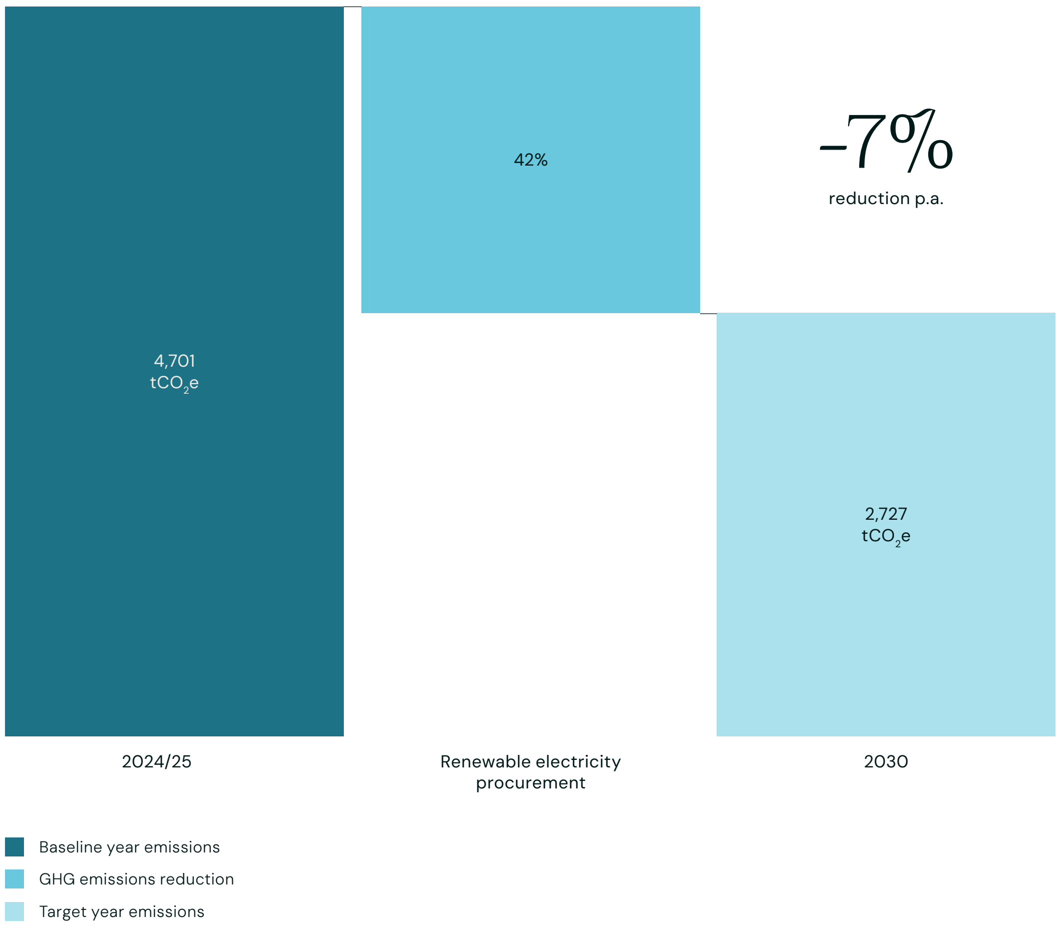
Scope 1 and Scope 2 emissions reduction target

By 2030, Matas Group aims to reduce its Scope 1 and Scope 2 emissions by 42% from our baseline year 2024/25. This target covers the total Scope 1 and Scope 2 emissions (based on the market-based method) as required by the SBTi guidance. Our target covers 2% of our Scope 1 emissions, and at least 40% of our Scope 2 emissions.

We aim to reduce our Scope 1 and Scope 2 emissions to 2,727 tCO_2e compared to our baseline of 4,701 tCO_2e covering emissions generated across offices, stores, and warehouses under Matas Group's operational control. The decarbonisation levers to achieve this will be to procure renewable energy covering 86% of Matas' electricity consumption through PPAs which is expected to achieve at least ~40% emission reductions in

Scope 1 and Scope 2: Near-term absolute reduction targets

Matas Group expected GHG emissions reduction on Scope 1 and Scope 2 (tCO_2e)



Scope 2, and to transition our Group company car fleet to electric vehicles, which is expected to realise 2% emission reductions in Scope 1.

Scope 3 supplier engagement target

Matas Group has set a supplier engagement target in order to influence our Scope 3 GHG emissions. As most of our emissions lie within our upstream value chain, it is a priority for us to engage with our suppliers and drive the emission reduction efforts. Consequently, Matas Group seeks to have its suppliers, covering 67% of the Group's total Scope 3 GHG emissions, set science-based targets by 2029/30, aligning with the overall ambition of SBTi, to limit global warming to 1.5°C.

The supplier engagement target is a relative target, as it is measured on share of suppliers, who have set targets, and hereby indirectly seeks to encourage emission reductions in our suppliers' value chain. In our baseline year 2024/25, 15.1% of Matas Group's Scope 3 emissions were covered by suppliers that have already adopted science-based targets.

Both targets are based on the annual assessment of Matas Group's GHG emissions. The emissions calculated across all relevant Scopes are based on the accounting of the greenhouse gases presented under E1-6 accounting policies. As such, we have ensured the consistency of these targets with our GHG inventory boundaries.

Monitoring progress

Monitoring and accountability are integral to the success of our actions. Progress to meet the targets will be tracked by the ESG PMO Team with regular updates provided to the Executive Management Team and the Board of Directors. The Scope 1 and Scope 2 percentage of emission reduction compared to base year and the percentage of emissions from suppliers covered by SBTi are the metrics tracked to monitor progress of both targets. However, we will also conduct annual reviews to assess performance, ensuring the targets remain on track and aligned with both internal ambitions and external developments.

As this financial year 2024/25 is our baseline year, we are not reporting on our progress to meet our targets, however, this will be reported annually.

Upon release of our annual report, we have submitted our scienced-based targets, pending the validation process.

E1

Ent. Spec. Scope 3 supplier engagement	Unit	2024/25
Scope 3 emissions covered by suppliers with reduction plans	%	15.1

E1-4

GHG emissions reduction targets

Target	Unit	Type of target	Baseline year	Baseline	Target year	Target year emissions	Current progress FY 2024/25
Scopes 1 & 2 - Reduce emissions by 42%	tCO_2e	Near term - absolute reductions	2024/25	4,701	2030/31	2,727	0
Scope 3 - 67% of the Group's total Scope 3 GHG emissions are covered by suppliers who have adopted science-based targets	%	Near term - Engagement target	2024/25	15.1	2029/30	67	0

Accounting policies
Entity specific Scope 3 supplier engagement
This data point shows how many of Matas Group suppliers have emission reduction pathways and targets in place, through either The Scienced Based Targets initiative or that aligns with the Science Based Targets framework. It is measured by identifying Scope 3 emissions from suppliers that have reduction pathways and targets, and then compared to the overall Scope 3 emissions.

E1-5
Energy intensity per net revenue

	Unit	2024/25
Energy intensity per net revenue	MWh per DKK million	4.3
Total energy consumption	MWh	35,827

Accounting policies
Matas Group's operations, as a specialised retailer with sales of cosmetics and toilet articles, as defined by EU NACE codes, is percieved as a high climate impact sector.

Energy intensity is calculated by dividing the total energy consumption by the total revenue. The revenue, which serves as the denominator in this calculation, can be found in the Management's Review (see note 2).

E1-5
Energy consumption and mix

	Unit	2024/25
Fuel consumption from coal and coal products	MWh	-
Fuel consumption from crude oil and petroleum products	MWh	1,254
Fuel consumption from natural gas	MWh	1,318
Fuel consumption from other fossil sources	MWh	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil source	MWh	6,262
Total fossil energy consumption	MWh	8,833
Share of fossil sources in total energy consumption	%	24.6
Consumption from nuclear sources	MWh	2,062
Share of consumption from nuclear sources in total energy consumption	%	5.8
Fuel consumption for renewable sources, including biomass		-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources		24,625
Consumption of self-generated non-fuel renewable energy		306
Total renewable energy consumption	MWh	24,931
Share of renewable sources in total energy consumption	%	69.6
Total energy consumption	MWh	35,827

Accounting policies
Energy consumption and mix
Matas Group’s energy consumption consists of fuel for cars and natural gas for boilers, electricity and district heating.

The total energy consumption across Matas Group is compiled based on own and direct supplier information of the total consumption of energy. The energy consumption is based on metered data resulting in a high degree of certainty. In some cases where data has been unavailable, specific consumption elements have been estimated based on samples notably for district heating consumption in shops where the utility consumption is included in the lease and the lease payments.

The assessment of mix of the energy consumption is based partly on direct supplier information and partly on generic information on the energy mix for electricity and district heating in Denmark and Sweden
The assessment of the energy consumption and the energy mix accounting are controlled internally by Matas Group and approved by Management.

E1-6
Gross Scopes 1, 2, 3 and total GHG emissions

	Unit	2024/25
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions	tCO_2e	628
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions	tCO_2e	1,338
Gross market-based Scope 2 GHG emissions	tCO_2e	4,073
Significant Scope 3 GHG emissions		
Total gross indirect (Scope 3) GHG emissions	tCO_2e	221,515
Category 1: Purchased goods and services	tCO_2e	175,178
Category 2: Capital goods	tCO_2e	36,664
Category 3: Fuel and energy-related activities	tCO_2e	489
Category 4: Upstream transportation and distribution	tCO_2e	2,476
Category 5: Waste generated in operations	tCO_2e	43
Category 6: Business travel	tCO_2e	3,385
Category 7: Employee commuting	tCO_2e	3,022
Category 11: Use of sold products	tCO_2e	15
Category 12: End-of-life treatment of sold products	tCO_2e	243
Percentage of GHG Scope 3 calculated using primary data	%	0
Total GHG emissions	tCO_2e	226,216
Total GHG emissions (location-based)	tCO_2e	223,481
Total GHG emissions (market-based)	tCO_2e	226,216
GHG intensity per net revenue		
Total GHG emissions (location-based) per net revenue	tCO_2e per DKK million	26.7
Total GHG emissions (market-based) per net revenue	tCO_2e per DKK million	27
Net revenue (See note 2)	Millions (DKK)	8,379
Contractual instruments		
Percentage of contractual instruments, Scope 2 GHG emissions	%	54.7
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	%	16.8
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	%	37.9

Accounting policies
Gross Scopes 1, 2, 3 and total GHG emissions

The carbon emissions accounting is compiled in conformance with the GHG Protocol Corporate Standard as well as the – GHG protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The emissions calculated across all Scopes are based on the accounting of the following greenhouse gases generated across Matas Group's value chain, as required by the GHG Protocol:
- Carbon Dioxide (CO_2)
- Methane (CH_4)
- Nitrous Oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulfur Hexafluoride (SF_6)
- Nitrogen Trifluoride (NF_3).

All Scope 1, Scope 2 and Scope 3 emissions are compiled based on an organisational and operational boundary for the reporting year deploying the operational control standard of the GHG Protocol, covering all business units and geographies. The accounting and reporting follow the Matas Group financial year from 1 April through 31 March.

The information prepared for Scope 1, Scope 2 and Scope 3 reporting has been controlled internally and validated against financial records. The Scope 1, Scope 2 and Scope 3 reporting is controlled and approved by Management.

Scope 1 GHG emissions
Scope 1 covers direct GHG emissions from Matas Group's operational activities (eg. fuels and gas consumption and fugitive emissions from use of refrigerants).

Matas Group has applied the GHG Protocol Corporate Standard (version 2004) including supporting GHG supporting guidance and documents to prepare the information for reporting on the Group's Scope 1 GHG emissions, which includes fuel consumption for vehicles, gas consumption for heating and fugitive emissions from refrigerants.

Matas Group acquires information on fuel, gas and refrigerant consumption from the suppliers with data generally on an activity level.

The emission factor for gas is sourced from the generic market emission factors (Energistyrrelsen). The emission factors for fuels for vehicles and refrigerants are sourced from the suppliers. The emission factor for refrigerant is verified applying the GHG Protocol (IPCC GWP AR6).

Scope 2 GHG emissions
Scope 2 covers Matas Group's indirect GHG emissions from operational activities requiring electricity and heating consumption.

Matas Group has applied the GHG Protocol Corporate Standard (version 2004) including supporting GHG supporting guidance and documents to prepare the information for reporting on the Group's Scope 2 GHG emissions, which includes indirect energy consumption (heat and electricity).

Matas Group acquires information on electricity and heating consumption from the suppliers and in some cases from building lessors. The heating consumption in shops has been estimated based on detailed accounts for a sample of shops and the full population consumption estimated. The data is mainly sourced on an activity level except for business unit level for the Matas Group' subsidiary data points.
The emission factors for energy and heat are sourced from the supplier. In cases where the supplier is unable to provide emission factors, relevant national or regional statutory emission factors have been applied e.g. Environmental declaration for East Denmark respectively West Denmark, Sweden, Norway and Finland.

The carbon emissions from Matas Group's electricity consumption are estimated using both the location-based method and the market-based method. The location-based method is a measure of the carbon footprint of the actual electricity consumption measured using the actual energy mix at the time of consumption. The market-based method is a measure of Matas Group's carbon emissions net of traded renewable energy certificates including both Matas Group certificates purchases as well as other market participants purchases of certificates showcasing Matas Group's commitment to an energy system transition to renewables. Matas Group has acquired both bundled renewables certificates (packaged with the energy purchase) and unbundled renewables certificates (purchases of stand-alone certificates).

The location-based emissions factor in West Denmark is 92.8 g CO_2e/KWh and in East Denmark it is 42.3 g CO_2e/KWh. In Sweden the emissions factor is 6.5 g CO_2e/Kwh, while being 45.17 g CO_2e/Kwh in Finland and 0 g CO_2e/Kwh in Norway.

The market-based emissions factor is 487 g CO_2e/KWh in Denmark, 68.2 g CO_2e/KWh in Sweden, 598.6 g CO_2e/Kwh in Norway and 565.3 g CO_2e/Kwh in Finland.

Matas Group´s purchase of unbundled contractual instruments to decarbonise the electricity consumption is accounted for separately and the nature of the instruments disclosed (REC).

Scope 2 emissions include the own production of renewable electricity from solar panels (totalling 308 Mwh).

Scope 3 GHG emissions
A screening of all relevant Scope 3 categories for Matas Group has been undertaken for the 2024/25 baseline year by applying the GHG protocol guidance on boundaries requirement in order to identify the emission categories that are significant for the Group. This screening excluded from further accounting the following categories: 8, 9, 10, 13, 14 and 15 as either no emissions occur due to the nature of Matas Group operations, or the source of emissions was not included in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011) guidance related to the minimum boundaries requirements.

Matas Group has applied the GHG Protocol Corporate Standard (version 2004) including supporting GHG supporting guidance specifically the GHG Corporate Value Chain and related GHG documents to prepare the information for reporting on all the Group's Scope 3 GHG emissions.

Scope 3 Category 1 Purchased goods and services
This category includes greenhouse gas (GHG) emissions from Matas Group's purchases of goods and services related to its operational activities, including goods for resale. The spend-based method is applied using corporate-level data sourced from the Group's consolidated financial accounts.

Purchases of goods and services except goods for resale are allocated to relevant spend categories, each associated with a specific emission factor (g CO_2e/DKK). Emission factors are primarily sourced from EXIOBASE v3 and DEFRA 2023, based on best category alignment. Categories related to electricity, district heating, natural gas, and vehicle fuels are excluded to avoid double counting, as these are already included under Scopes 1 and 2. Other exclusions apply to categories already accounted for in other Scope 3 areas (e.g., Capital Goods, Transport, Waste, Business Travel, Commuting, End-of-Life Treatment of Products).

Industry gap and custom approach
For the goods for resale, there is currently no widely recognised emission factor for the manufacturing of cosmetics and beauty products. Available alternatives, such as factors for pharmaceuticals, soaps/detergents, or beauty retail, either over or underestimate emissions and do not reflect the real impact of Matas Group's upstream supply chain.

Therefore, to ensure a more accurate and representative estimate, especially given that Category 1 accounts for 79% of total emissions, Matas Group has chosen to develop a custom method using supplier-specific data where possible. This approach also aligns with our SBTi commitment and our long-term strategy to engage suppliers and reduce emissions by 2030.

Methodology and categorisation of purchased goods
Matas Group's purchases of goods for resale are divided into three subcategories, based on supplier climate maturity and data availability:

1. Matas-branded goods (~5% of total goods spend)
 Emission factor: 26.53 g CO_2e/DKK
a.Based on the supplier-specific 2023 data (energy use + fugitive emissions).
b. Reflects direct data from the main manufacturer of Matas-branded products.

2. Climate-aligned suppliers (~39%)
Emission factor for direct estimates: 19.62 g CO_2e/DKK (weighted average)
a. Includes 14 out of a total of 46 suppliers all aligned with the SBTi and reporting in line with the GHG Protocol – the 14 suppliers account for approximately 98% of all SBTi supplier's sales.

b. Emission intensity is calculated using each supplier's reported Scope 1–3 emissions divided by their annual turnover.
c. Latest public data used (mostly 2024).
d. The 32 remaining suppliers' footprint is estimated based on the average of the 14 SBTi aligned supplier's footprint: 24.09 g CO_2e/DKK (unweighted average)

3. Other Suppliers (~55%)
Emission factor: 29.4 g CO_2e/DKK (unweighted average)
a. Based on 17 beauty product manufacturers with public carbon accounts and material Scope 3 data reporting.
b. This group includes suppliers without climate targets or limited transparency on carbon accounting.

This categorisation ensures that the emissions factors used better reflect the reality of our product mix and supply chain. Product composition across categories is comparable, with cosmetics and beauty products dominating (over 85% of goods); other categories such as electronics, clothing, and food supplements each represent less than 7%.

For all categories, inbound transportation emissions are excluded to avoid double counting, as these are captured in Scope 3 – Category 4. Emissions are also adjusted for net inventory changes, based on capitalised goods purchases.

Scope 3 Category 2 Capital goods
The Scope 3 Category 2 covers Matas Group's GHG emissions from the purchased capital goods. The spend-based method is applied for the category with data on corporate level.

Matas Group acquires information on purchases of capital goods services from the Matas Group' consolidated financial account and aligns with the definition of capital goods, however, excluding activation of spend on Matas Group staff and consultants and similar intangible assets.

Capital goods purchases are consolidated in the financial statement to avoid double counting of Scope 1, Scope 2 and other Scope 3 category emissions reporting. The emission factors for purchases of capital goods are sourced from EXIOBASE ver. 3 based on best available category for the spend types.

Scope 3 Category 3 Fuel and energy related activities
The scope 3 Category 3 covers Matas Group GHG emissions from Matas Group purchases of energy and follows from the reporting of the Scope 1 and Scope 2 emissions. Details on the description and methodology can be found in sections for Scope 1 and Scope 2 emissions on energy.

Scope 3 Category 4 Upstream transportation and distribution
The Scope 3 Category 4 covers GHG emissions from transport of purchased goods for sale from suppliers to Matas and to end-points where customers receive purchased goods.

The distance-based (average) method is applied for the category with data on a business unit level for inbound transport (from suppliers to Matas Group).

Matas Group leverages information on the total weight of purchased goods for sale on a supplier basis. The transported distance is based on the direct road distance from each of the top 20 suppliers to Matas Group. The ton per km transport work for the top suppliers forms the basis of the estimation of the total Matas Group transport work covering all the goods for sale suppliers.

The emission factor for the inbound transport work is based on a standard Lorry HGV emissions sourced from DEFRA (2023). The carbon emissions for the outbound transport work are compiled based on logistics suppliers' information on the total transport work and the associated carbon emissions applying the supplier-based method for the category for outbound transport with data on an activity level.

Matas Group's logistics suppliers submit information on transport work for the period on a business unit level. Some suppliers are not able to submit details on transport work. The emission factors are applied by the suppliers by submitting the Well-To-Wheel (WTW) and Tank-To-Wheel (TTW) total emissions for the period covering all Kyoto Protocol GHG emissions. Not all suppliers are able to submit both WTW and TTW total emissions. In those case the missing information is estimated based on the submitted supplier information.

Scope 3 Category 5 Waste generated in operations
The Scope 3 Category 5 covers Matas Group's GHG emissions from handling of waste generated during the operations. An average and waste treatment specific method is applied for the category with data on a business unit level based on waste treatment and waste type.

Matas Group leverages information from suppliers on the total weight of waste by category and waste treatment method.

The emission factor for the transport work related to waste handling is based on DEFRA (2023) waste handling emission factors.

Scope 3 Category 6 Business travel
The Scope 3 Category 6 covers Matas Group GHG emissions from business travel. A supplier and a spend-based method are applied for the category with data on a corporate and business unit level.

Matas Group's consolidated financial account regarding travel related expenses is applied in conjunction with supplier information on travel by air, car, rail and hotel, which is consolidated to avoid double counting. The category is compiled with a mix of the supplier based and the spend based methods on a business unit level.

The emission factors are sourced from suppliers respectively from EXIOBASE ver.3.

Scope 3 Category 7 Employee commuting
This KPI accounts for emissions from employee commuting to and from work. The average data method is applied with data on a corporate level.

This KPI has been calculated based on the commuting habits identified by EUROSTAT for Danish commutes. The statistics split the total number of employees of the Group between different mode of transports based on the commuting habits of Danish workers generally. An average distance of 28.1 km between workplace and the home of employees has been used to calculate the emissions generated by all employees across different transport modes as identified by EUROSTAT . The average number of FTE in Matas Group is used as a measure for number of people commuting per workday and number of workdays per year is set at 222.

The emission factors have been sourced from DEFRA for each of the following transport mode: car, taxi, van, motorcycle, bus, urban rail, train, cycle, walk.

Scope 3 Category 11 – Use of Sold products
This KPI accounts for the direct emissions from the use-phase of products sold by Matas Group. The average data method is applied with data on a corporate level.

The metric is estimated based on the Matas Group records of total sales of goods by type. Each type of goods has been assessed and a category of goods with direct emissions – electronics – is identified. For the main category of units, a set of scenarios of usage and lifespan is estimated to assess the total expected electricity consumption during the use phase. The emissions factor is the generic market-based emissions factors (Energistyrelsen).

Scope 3 Category 12 End-of-life treatment of sold products
The Scope 3 Category 12 covers Matas Group GHG emissions from end-of-life handling of sold products. An average method is applied for the category with data on a business unit level. This KPI accounts for emissions from the handling of products sold once they become waste. It is based on the weight of products sold and the total number of products sold to which assumptions have been made on:

80% of the mass is from packaging.
20% of the mass is assumed to be consumed, hence not generating any waste The type of material for the product's packaging is based on "type" of products but not on an individual base. The waste treatment method has been assumed as no analysis on real-life practices has been conducted. The emission factors are sourced from DEFRA (2023) covering waste transport emissions to the treatment facility.

The emission factors are sourced from DEFRA (2023) covering waste transport emissions to the treatment facility.

EU Taxonomy reporting

We recognise that the EU Taxonomy is pivotal in advancing the green transition for European businesses. At Matas Group, we are reporting our fourth year by the taxonomy regulation, and during our financial year, we have made advancements to meet the criteria across our eligible activities.

Eligibility results in 2024/25

In 2024/25, we have continued to use a systematic approach of allocating eligible revenue (turnover), capital expenditure (CAPEX), and operational expenditure (OPEX) to each of the identified economic activities. We have considered both the first two climate objectives, as well as the additional four environment objectives. Our findings indicate that two of these objectives remain the most relevant for Matas Group: Climate change mitigation and Circular economy. We have identified the following taxonomy eligible activities:

Turnover

For Matas Group, our primary business activity is within retail, which includes the sale of our products and goods. This business activity is not included as an eligible economic activity in the EU Taxonomy, which means our turnover KPI, covering sales of health and beauty products, will remain non-eligible for this reporting year.

CAPEX

Our eligible CAPEX is mostly tied to the locations that are important to the Group being a retail company, such as our leases and renovation of our facilities. We have, however, also CAPEX related to transportation and data related activities.

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. This economic activity covers leasing and purchasing of company cars and leasing of light transport vehicles.

CCM 7.2 / CE 3.2 Renovation of existing buildings. This economic activity covers major renovation and refurbishment work of our stores, warehouse, and offices.

CCM 7.3: Installation, maintenance and repair of energy efficiency equipment. This economic activity covers the Group's work with energy refurbishment in all our locations.

CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). This economic activity covers installation of chargers for electric vehicles.

CCM 7.7: Acquisition and ownership of buildings. This economic activity covers the Group's long-term rental of buildings, offices and warehousing, as well as Matas Logistics Center (MLC) in Denmark.

CCM 8.1: Data processing, hosting and related activities. This economic activity covers purchases of new data centers, IT servers and networking equipment.

OPEX

Our eligible OPEX stems from the service and maintenance of our CAPEX investment and as such, follows the economic activities of transportation, facility management and data processing and hosting activities.

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. This economic activity covers repair, maintenance, and cleaning of company cars.

CCM 7.3: Installation, maintenance, and repair of energy efficiency equipment. This economic activity covers maintenance and repair of ventilation, lighting, heating, etc.

CCM 7.7: Acquisition and ownership of buildings. This economic activity covers general repair, maintenance, cleaning, and other running costs related to stores, offices, and warehouses.

CCM 8.1: Data processing, hosting, and related activities. This economic activity covers the repair and maintenance of data centres, IT servers and networking equipment.

Assessing alignment in 2024/25

To assess alignment of our eligible activities we have chosen to focus on the Climate change mitigation objective as it is highly synergised with our ambitions to drive more sustainable retail.

In 2024/25, we have considered three main economic activities as important to support our ambition, which includes CCM 7.2 Renovation of existing buildings, and CCM 7.3 Installation, maintenance, and repair of energy efficiency equipment and CCM 7.7 Acquisition and ownership of buildings.

When assessing alignment to the technical screening criteria, we consider these economic activities as a priority, given their individual contributions to our CAPEX and OPEX KPIs. As a retail company, we lease many properties across the Nordics, which means that these economic activities are directly relevant for our business model.

For economic activities CCM 7.2, 7.3, and 7.7, the DNSH criteria related to climate change adaptation are relevant, for which we have performed an alignment assessment. For all other eligible activities we have not been able to obtain the required data to assess alignment, and therefore concluded that no further assessment would result in meaningfull alignment scores. .

CCM 7.7 Acquisition and ownership of buildings

In the previously reported financial year 2023/24, we assessed alignment for substantially contributing to climate change mitigation for our long-term rent of stores across all markets. Our findings indicated that 7 Matas stores in Denmark have the highest possible energy class of A. As we still rent these locations, this is still the case. Going forward, we will ensure that in our dialogue with future lessors we will ask about potential rental locations' energy performance and planned energy renovations.

For the 7 stores with the highest energy efficiency class, we have successfully fulfilled all of the technical screening criteria. To fulfil the requirements under the Climate Change Adaptation, we have not been able to evaluate the degree to which our stores and other properties are screened through a physical climate risk assessment to identify any relevant climate-related hazards, including whether climate and vulnerability assessments are done for affected assets. We are currently planning for a full Climate Resilience analysis, in which we plan to include the screening of climate-related hazards potentially affecting our locations. Hence, as we do not adhere to the criteria for DNSH Climate change adaptation for these locations, we do not fully align with the requirements for this economic activity.

In 2024/25, we finalised the constructing of the new Matas Logistics Centre (MLC) in Lynge, outside of Copenhagen. As a change from last year, we have due to observed practice, since we are constructing MLC for our own use, moved the alignment criteria from CCM 7.1 to now CCM 7.7. As a result, we have assessed it to be necessary to restate the economic activities related to MLC for previous year's reported CAPEX. This means that 7.1 has been removed from our CAPEX KPI for 2023/24, and the reported economic activity that what included in 7.1 (10.8%) is now included in 7.7. As a result 7.7 has, in the reported year 2023/24 increased from 52.9% to 63.8%.

As previously disclosed, we have worked on successfully closing the alignment gaps, consequently ensuring the documentation to prove that MLC adheres to the criteria under substantial contribution and do no significant harm. As such, we now report the CAPEX in relation to MLC as aligned as per taxonomy guidance.

For KICKS' warehouse, Roserberg, we have not been able to close the alignment gaps in 2024/25, which means we are not able to claim alignment on the Rosersberg warehouse.

CCM 7.2 Renovation of existing buildings

Throughout 2024/25, we have undertaken renovation and refurbishment initiatives in our stores and offices. At this stage, we do not have sufficient data to confirm whether these projects have enhanced energy performance or reduced the primary energy demand of the buildings. As a result, we are currently unable to evaluate compliance with the technical screening criteria for this economic activity.

CCM 7.3 Installation, maintenance and repair of energy efficiency equipment

As part of our business strategy, we are refurbishing our stores to provide our customers with updated store experiences, and as part of this, we ensure that out-dated light fixtures are renewed with efficient LED sources. We are still applying LED sources rated under class D which is in alignment with the requirement of being within the highest two populated classes of energy efficiency. To continue our alignment efforts, we will continue to understand the energy efficiency information for the type of equipment that we install in our properties. However, as we were not able to fulfil the requirement of a climate change adaptation plan for our stores, the do no significant harm criterion was not met and the activity is not aligned with the technical screening criteria.

Minimum safeguards

We have assessed compliance to the minimum safeguards on a Group level, determining the extent to which adequate processes and documentation are in place to safeguard against violations in terms of human rights, tax governance and compliance, fair competition laws, and corruption, ethics and bribery.

In 2023/24, it was determined that Matas Group did not fully comply with these criteria. For 2024/25, we have worked to close the compliance gap to be able to fully comply with the criterion. As such, we have signed with Amfori BSCI, accessing their Human Rights Due Dilligence platform, to assess any breaches from our in-house brands suppliers operating in high-risk areas. Our Group membership to Amfori builds on several years of membership by KICKS, who has used the platform to comply with the requirements under The Norwegian Transparency Act in our Norwegian market.

For areas related to taxation and fair competition, adequate policies and processes are in place to ensure tax governance and compliance, as well as promoting employee awareness of competition laws and regulations. Furthermore, we have updated our Matas Group Competition Law Policy, internally communicated awareness of this, and trained relevant employees and senior management with a standardised training on fair competition regulations. This means that our policies and operational practices for taxation and competition comply with the minimum safeguards in 2024/25. In terms of our anti-corruption and bribery processes, clear policies and guidelines are outlined in our Supplier Code of Conduct, Human Rights Policy, internal Gift Policy, and our Code of Business Conduct for Employees, which are all part of our onboarding programme, meaning that compliance to the guidelines is a legal requirement for continued employment. Furthermore, we have a "Speak Up", culture where employees are continuously encouraged to address issues or suspected issues by raising them with 1) Their Line Manager, 2) Group Legal and/or HR or 3) utilising the anonymous Whistleblowing Scheme. Finally, for each of the four topic areas there have been no final convictions of Matas, nor any of our subsidiaries.

EU Taxonomy effort in the coming year

For the coming financial year, we will work to improve elements of our reporting where we determine the most positive effects of achieving alignment, however, we do not have any CAPEX plans developed. We will aim at implementing standardised data collection processes and internal controls with key stakeholders across the Group. Our ambition is to employ a systematic process of collecting both financial and non-financial data for our EU Taxonomy reporting.

Nuclear and fossil gas related activities

Row	Nuclear and energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Turnover

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)[1]	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned propor-tion of total turnover, year N (18)[2]	Category (enabling activity) (20)	Category (transi-tional activity) (21)
		Millions, DKK	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			**0.0%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
			0.0%	0%	0%	0%	0%	0%	0%								0.0		
			0.0%	0%	0%	0%	0%	0%	0%								0.0		
			0.0%	0%	0%	0%	0%	0%	0%								0.0		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0.0%**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0**	**0%**	**0%**
Of which Enabling		0.00	0.0%	0.0	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	Y	0.0	0%	0%
Of which Transitional		0.00	0.0%	0.0	0.0	0.0	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y	Y	0.0	0%	0%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0.0%**																
Total (A.1+A.2)		**0.0**	**0.0%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**8,379**	**100%**																
Total (A+B)		**8,379**	**100%**																

1 For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.
2 Taxonomy-aligned turnover of the activity/ Total turnover of undertaking.

CAPEX

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Climate Change Mitigation (5)[1]	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safe-guards (17)	Taxonomy aligned proportion of total CapEx, year N (18)[2]	Category (enabling activity) (20)	Category (transi-tional activity) (21)
Text		*Millions, DKK*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES			**63.9%**																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
Acquisition and ownership of buildings	CCM 7.7	**311**	37.7%	37.7%	0.0%	0.0%	0.0%	0.0%	0.0%	**N**	**Y**	**N**	**N**	**N**	**N**	**Y**	0%	E	T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**311**	**37.7%**	**37.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**N**	**Y**	**N**	**N**	**N**	**N**	**Y**	**0%**		
Of which Enabling		**0**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**N**	**Y**	**N**	**N**	**N**	**N**	**Y**	**0%**	**E**	
Of which Transitional		**0**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**N**	**Y**	**N**	**N**	**N**	**N**	**Y**	**0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Renovation of existing buildings	CCM 7.2	32	3.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	30	3.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.6%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7	146	17.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								63.8%		
Data processing, hosting and related activities	CCM 8.1	6	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**216**	**26.2%**	**26.2%**	0%	0%	0%	0%	0%								67.8%		
Total (A.1+A.2)		**528**	**63.9%**	**63.9%**	0%	0%	0%	0%	0%								**67.8%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities		**298**	**36.1%**																
Total (A+B)		**826**	**100%**																

1 For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.
2 Taxonomy-aligned CAPEX of the activity/ Total CAPEX of undertaking.

OPEX

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute OPEX (3)	Proportion of OPEX (4)	Climate Change Mitigation (5)[1]	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safe-guards (17)	Taxonomy aligned proportion of total CapEx, year N (18)[2]	Category (enabling activity) (20)	Category (transi-tional activity) (21)
Text		*Millions, DKK*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	0%	E	
Of which Enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	**E**	
Of which Transitional		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	6	7.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.0%		
Acquisition and ownership of buildings	CCM 7.7	66	85.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								68.7%		
Data processing, hosting and related activities	CCM 8.1	0	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.3%		
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**72**	**93.6%**	93.6%	0%	0%	0%	0%	0%								81.3%		
A. Total (A.1+A.2)		**72**	**93.6%**	93.6%	0%	0%	0%	0%	0%								81.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		**5**	**6.4%**																
Total (A+B)		**77**	**100%**																

1 For the purposes of this illustrative template, this figure shows the: Taxonomy-aligned turnover of the activity / Total Taxonomy eligible turnover of the activity.
2 Taxonomy-aligned OPEX of the activity/ Total OPEX of undertaking.

Accounting policy
The share of taxonomy-eligible economic activities is expressed as the proportion of turnover, total additions (CAPEX) and direct non-capitalised expenditures (OPEX) related to a product, service, assets or processes of an economic activity described in the EU Taxonomy. As we only assess one environmental objective, double counting is avoided when allocating turnover, CAPEX and OPEX. The taxonomy reporting is carried out at a Group level.

Turnover
The reported total turnover follows the revenue line reported in the Matas' Annual Report 2024/25 (see note 2).

The reported taxonomy turnover KPIs are:
1. Eligible turnover. This KPI is defined as taxonomy-eligible turnover / total turnover.
2. Aligned turnover. This KPI is defined as taxonomy-aligned turnover / total turnover.

CAPEX
The EU Taxonomy defines CAPEX as additions to property, plant and equipment, including right of-use assets, and intangible assets during the financial year (See note 3.1, note 3.2 and note 3.3). The total CAPEX measure is aligned with reported additions in Matas' Annual Report 2024/25 on the following points in the Taxonomy CAPEX definition:

1. IAS 16 Property, plant and equipment
2. IAS 38 Intangible assets
3. IFRS 16 Leases

As for note 3.3, the IFRS 16 Leases additions from right-of-use assets that make up the CAPEX denominator, do not include re-evaluations, which is consistent with the EU Taxonomy reporting methodology applied in financial year 2023/2024.

The EU Taxonomy defines three categories of allocating eligible and aligned CAPEX:

a) CAPEX related to assets or processes that are associated with a taxonomy-aligned economic activity;
b) CAPEX that is part of a plan to expand an aligned or upgrade an eligible activity to become aligned;
c) CAPEX related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling target activities to become low-carbon or lead to greenhouse gas reductions.

For 2024/2025, the CAPEX measure does not consider the historic KICKS acquisition which was the case in the 2023/2024 financial year reporting. Therefore, the total eligible CAPEX has decreased by approx. 25%. On the other hand, and like previous financial year, the majority of eligible CAPEX is allocated under CCM 7.7. Another major change is that CCM 7.1 is not considered and those CAPEX have been allocated under CCM 7.7 due to observed practices in the industry. Please see previous note on this under "alignment" chapter. Non-eligible CAPEX includes additions to property, plant and equipment and intangible assets related to retail and sales operations, IT software, and administrative activities.

The reported taxonomy CAPEX KPIs are:
1. Eligible CAPEX. This KPI is defined as taxonomy-eligible CAPEX / total CAPEX.
2. Aligned CAPEX. This KPI is defined as taxonomy-aligned CAPEX / total CAPEX.

The primary sources of CAPEX contributing to the numerator of the CAPEX KPI in this financial year are additions related to machinery used for the construction of the MLC (DKK 128 million) and the additions related to the general construction itself of the MLC (DKK 184 million).

OPEX
The EU taxonomy defines OPEX as direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

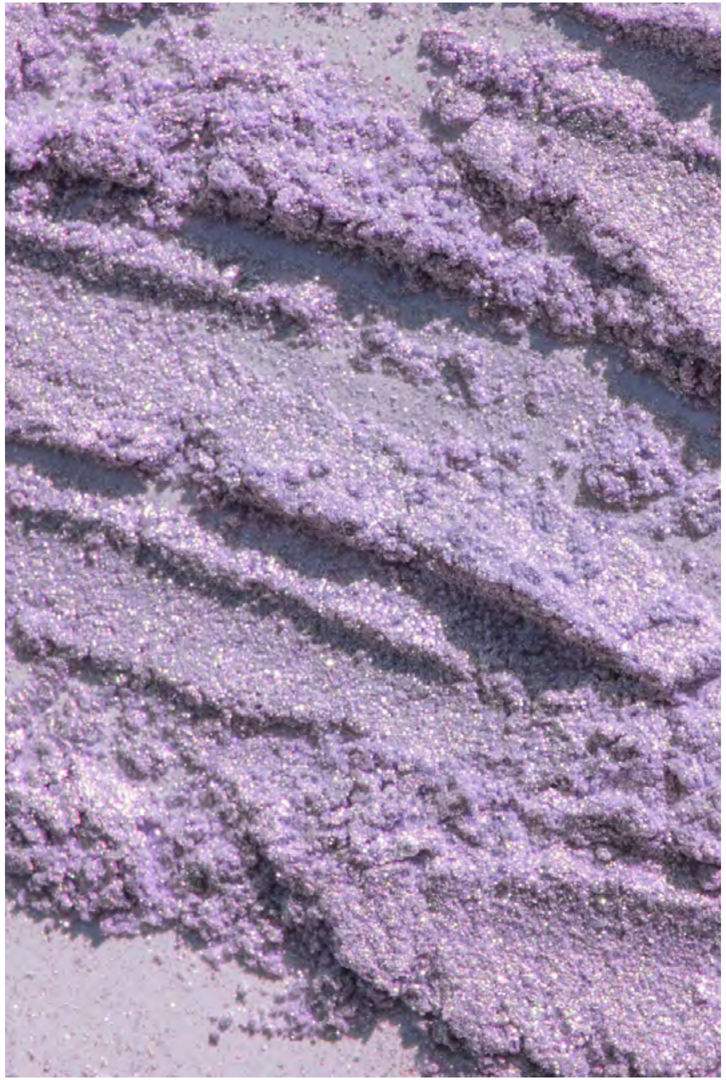
In our reporting, OPEX covers direct non-capitalised expenditures related to taxonomy-eligible and non-eligible economic activities that align with the definition above. For our eligible proportion, we have allocated repair and maintenance, building renovation, and other direct running costs associated with eligible assets identified under our CAPEX KPI. For our non-eligible OPEX, we have assigned repair and maintenance costs related to our retail, sales and administrative activities, as well as employee training.

The reported taxonomy OPEX KPIs are:
1. Eligible OPEX: This KPI is defined as taxonomy-eligible OPEX / total OPEX.
2. Aligned OPEX: This KPI is defined as taxonomy-aligned OPEX / total OPEX.

Taxonomy alignment process
The process for determining Matas Group's degree of sustainable economic activities has been conducted in three steps:

1. Screening and identifying eligible economic activities across Matas Group carried out in the reporting period.
2. Assessing the identified economic activities' alignment degree by compliance checking up against the technical screening criteria for Substantial contribution and Do No Significant Harm
3. Comparing defined requirements to comply with Minimum safeguards against Matas Group's existing procedure and policies.

E2
Pollution



Pollution is a material topic in the cosmetics industry due to the proximity of products to consumers. At Matas Group, we recognise the importance of product transparency to meet high safety standards. Consumers increasingly demand transparency and product qualities that exceed legal requirements, making it important for us to assess both consumer sentiments and regulatory demands to continue to be a trusted shopping destination.

E2.IRO-1

Processes to identify impacts, risks and opportunities

To identify pollution-related impacts, risks and opportunities, we have screened our site locations and business activities for actual or potential impacts as well as associated risks and opportunities across our value chain. This screening assesses whether our stores, offices, or warehouses emit material levels of water, soil, or air pollutants. Since Matas Group is not a production company, and we do not produce or manufacture products at our sites, no material emissions have been identified.

We further examine our business activities to pinpoint potential pollution impacts within the upstream and downstream value chains and assess our dependencies on these activities. We have engaged with relevant stakeholders, following the process outlined in section SBM-2. In the beauty and cosmetics industry, pollution is significantly concerning the substances used in products and their emissions during consumer use, as reflected in our screening results.

Our identified IROs are not covered by pollution-related metrics required by ESRS E2 disclosures, as the IIROs are occurring in our upstream and downstream value chain, and , as per ESRS guidance, the metrics disclosed should reflect own operations and not include value chain data.

E2.SBM-3

Material impacts, risks and opportunities

Matas Group has identified three negative impacts within its value chain:

3 Product chemicals potentially polluting water during manufacturing and in the use phase.

4 Potentially harmful chemicals and ingredients absorbed by human bodies during use phase.

5 Products may contain microplastics that can pollute water during production and in the use phase.

The identified impacts focus on the potentially harmful effect of specific ingredients in cosmetics and beauty products. The EU Cosmetics Regulation governs how cosmetics and personal care products are made and placed on the market. The detailed regulatory framework requires cosmetics to be safe for human health by establishing rules for all cosmetic products made available on the market.

The EU Chemical Agency (ECHA) and the EU Cosmetics Regulation frequently update the list of allowed chemicals and ingredients in beauty products, specifying permissible substances and dosages. However, some chemicals and ingredients are further monitored by for its potential impact on human health. Any changes to this list can result in prohibiting the use of specific ingredients or chemicals. The EU has furthermore banned the use of intentionally added microplastics, aiming to phase out microplastics altogether. Combining several ingredients or repeating exposure beyond normal or reasonably foreseeable conditions of use also has the potential to impact human health. As cosmetics and beauty products are manufactured using water and often washed off during the use phase, water going into the sewage systems will contain chemicals, ingredients and potentially microplastics.

E2-1

Policies related to pollution

At Matas Group, we have two policies which address the negative impacts in relation to pollution. As the root cause of the impact happens in the upstream value chain when our suppliers manufacture the products, the impact must be tackled here with considerations to product safety. Our policies clearly state our requirements to our suppliers to protect the environment and human health when placing products on the markets, thus mitigating the potential negative impacts identified.

Supplier Code of Conduct

To promote these responsibility considerations of product safety, we expect that our suppliers comply to all product safety laws and regulations as well as minimise their impact on the environment, as stated in our Supplier Code of Conduct. Furthermore, EU regulation governs our suppliers by the EU Cosmetics Regulation, requiring any producer of cosmetics products to perform a safety assessment and the required documentation of that assessment. Our Supplier Code of Conduct applies to all Matas Group's suppliers with products for sale.

Ingredients Policy

For Matas Group's in-house brands, we go beyond regulatory compliance when placing products on the market. In collaboration with our in-house brand suppliers, we have an Ingredients Policy that sets ambitious requirements for product formulation. In this, we have banned the use of PFAS, microplastics, triclosan, and parabens, among others. We prioritise relevant certifications whenever possible to assist customers when they navigate between products that align with environmental and chemical safety criteria.

Matas Group monitors any changes concerning the safety of ingredients through our Regulatory Team. Any updates to our Ingredients Policy and our Supplier Code of Conduct take into account these changes, and we experience that our suppliers perform similar monitoring and product safety quality assurance. Our Executive Management Team is responsible for the implementation of both policies.

As both our Supplier Code of Conduct and our Ingredients Policy are fundamental in the way to engage and collaborate with our suppliers and as such, by default mitigate the potentially negative impact, we have not defined a need to address these impacts by defined actions or targets. However, we will closely monitor the impact in dialogue with our suppliers.

E3 Water and marine resources

Water is a material topic for the cosmetic industry due to its essential role in product manufacturing as well as product formulations. At Matas Group, we do not manufacture products ourselves, but have suppliers with production facilities. As such, water is likewise a material topic for our biggest suppliers with whom we observe actions that actively mitigate water depletion.

E3.IRO-1

Processes to identify impacts, risks and opportunities

The identification of water-related impacts in our own operations is based on as assessment of our actual water consumption across our own locations. Our screening of water risks in the upstream value chain focuses on water stress in the manufacturing areas of our largest suppliers, using third-party geospatial data to assess risk levels. Water scarcity poses a long-term risk, as manufacturing many products sold in our stores depends on the access to water. We have not yet conducted direct consultations with affected communities.

E3.SBM-3

Material impacts, risks and opportunities

Matas Group has identified one risk and one negative impact within its value chain:

6 Significant amounts of water used for product manufacturing in the value chain (negative impact).

7 Water scarcity in the value chain (financial risk).

Water is an essential component in the beauty industry. It is featured as an ingredient in nearly all product formulations, and it requires significant water resources in the manufacturing process. The identified impact highlights the negative impact from water use occurring in the upstream value chain, where our suppliers withdraw significant water resources when manufacturing their products. Our identified risk aligns with this impact, as water scarcity would risk the availability of products for sale, which would impact the Group financially.

Matas Group does not currently have policies, actions, or targets addressing impacts in relation to water and marine resources, as we are not a production company and we do not manufacture any products. Consequently, the identified impact occurs in the upstream value chain and should be addressed during our suppliers manufacturing process. However, we see that our suppliers invest in water loop production facilities and innovate with new product formulations to reduce water consumption in the use phase; initiatives that altogether address and have a potential to mitigate the identified impact and associated financial risk for Matas Group. We will continue to observe the identified impact and risk in close dialogue with our suppliers.

E4

Biodiversity and ecosystems

Biodiversity is a material topic in the cosmetics industry due to its direct impact on the natural ecosystems from which many ingredients are sourced. Efforts to promote ecological balance and sustainable sourcing of ingredients will mitigate biodiversity impacts and ensure stability in ingredients sourcing. While we, at Matas Group, do not source ingredients directly, we recognise the need to oversee this impact and raise our knowledge on preservation in dialogue with our key supplies.

E4.IRO-1

Processes to identify impacts, risks and opportunities

To identify our impact related to our operational sites, we have screened our stores, offices, and warehouses to assess whether they are placed in biodiversity-sensitive areas. On that basis we have not found any of our own or leased locations to be in or near biodiversity-sensitive areas.

In assessing our dependencies on ecosystem services within the upstream value chain, we have focused on deforestation and associated systemic, transition and physical risks related to commonly used ingredients in products sold, such as palm oil. Although the cultivation and extraction of raw materials for beauty and cosmetics products have negative impacts and dependencies on biodiversity and ecosystems, they do not currently present material financial risks or opportunities for Matas Group. Since our negative impacts originate from the upstream value chain rather than our own sites, we have not consulted affected communities.

E4.SBM-3

Material impacts, risks and opportunities

Matas Group has identified one negative impact within its value chain:

8 Biodiversity impacts from extraction of raw materials.

The impact originates from the extraction of raw materials for beauty product formulations. Cultivating bio-based ingredients can result in monocultures, adversely affecting biodiversity. However, within Matas Group's value chain, the main impact on biodiversity is deforestation due to sourcing specific ingredients, especially palm oil. Nearly all beauty products contain palm oil or its derivatives, which is also recognised from our suppliers as an issue with an actual negative impact on biodiversity if not sourced responsibly.

E4-1

Matas Group's resilience in relation to biodiversity and ecosystems

Matas Group has not yet evaluated our business model and strategy concerning biodiversity and ecosystem-related physical, transition, and systemic risks. This decision is a result of our DMA assessment, which did not predict an immediate ecosystem collapse related to palm oil production nor the possibility that it will affect all our suppliers in the short-term. Additionally, we have assessed our warehouse and headquarters locations and confirmed that none are situated in biodiversity-sensitive areas. However, we continue to monitor biodiversity as a significant sustainability topic and track developments in deforestation regulations impacting the Group.

As a result, Matas Group does not have policies, actions, or targets addressing biodiversity and ecosystem impacts, as these arise in the upstream value chain and should be addressed during ingredient sourcing. However, in collaboration with suppliers of Matas Group's in-house brands, we have focused on RSPO certifications and mass balance for certain in-house brands.

E5

Resource use and circular economy

Addressing resource consumption and waste management is material when operating in the retail industry. At Matas Group, we recognise the environmental impact of our operations, when we procure materials for the distribution of products to customers and our stores. We aim to reduce resource use and waste streams within our operations and expect on our suppliers to innovate and reduce the ecological footprint of the products we sell.

E5.IRO-1

Processes to identify impacts, risks and opportunities

The identification of IROs related to resource use and circular economy begins with a screening of the resource inputs and waste generated at Matas Group sites. In considering IROs related to resource use and the circular economy, we concentrate on resource flows for products, product packaging, and the resources needed for our retail operations, albeit the resources used for shipping our products and goods to our stores, warehouses and our customers. Relevant stake-holders were engaged following our stakeholder engagement process, with internal subject matter experts serving as proxies for affected commu-nities.

E5.SBM-3

Material impacts, risks and opportunities

Matas Group has identified three significant negative impacts within its value chain:

9 Resource use for products and products packaging.

10 Product packaging waste.

11 Waste from own operations.

We acknowledge that the products we sell, sourced from our suppliers and value chain, contribute to resource consumption and waste streams. Many of these products impact both biological and technical resources, with most packaging being made of plastic. The use of virgin plastic and other virgin materials for packaging production has a substantial negative impact. However, some suppliers are exploring refillable options to reduce their products' impact.

As a retailer operating in four Nordic markets, our business activities require resources to ship products to customers and generate waste when receiving products from suppliers and distributing them to our stores.

Currently, Matas Group does not have specific policies, actions, or targets to manage the identified impacts on resource use and product packaging waste, as these impacts are primarily in the upstream value chain, beyond our control.

Similarly, for the identified impacts tied to our own operations, we do not have policies, actions or targets in place. This is due to previous succesful initiatives, where we, at our warehouse locations, have increased the use of recycled and FSC-certified materials, and invested in smarter packaging systems that identify the smallest possible packaging solution, reducing both the shipping resources required and the waste generated once the packaging is being disposed of.

We will continue to monitor our resource procurement and waste impact to identify any emerging negative impacts.

E5-4

Resource inflows related to own operations

At Matas Group, the resources used for our own operations are defined by the business in which we operate, and as the leading Nordic chain of beauty and wellbeing retailers, we likewise procure resources needed to deliver products to our customers, either through our e-commerce platforms or to our stores. Consequently, the main resources procured are the cardboard, paper and plastic we use, when shipping products and goods. The certification applied to our resource inflows are FSC and relevant for our procurement of paper and cardboard for our warehouse operations.

E5-4

Procured resources

Ressource inflows	Unit	2024/25
Overall weight of resources procured	Tons	1,990
Share of biological material	%	95
- of which is certified	%	83
- of which is recycled	%	66
Share of technological material	%	5
- of which is certified	%	0
- of which is recycled	%	48
Overall weight of recycled resources procured	Tons	1,300
Overall share of recycled resources procured	%	65

Accounting policies

The data scope aligns with Matas Group's organisational structure and includes resource inflows—both descriptions and amounts. The data representing amounts comes from internal bookkeeping and procurement registers and the data for recycled and certified amounts comes directly from suppliers of the procured materials.

Matas Groups' resource inflows describe resources needed to distribute products to our stores, or directly to our customers, through our e-commerce sites. The resources that flow into Matas Group's own operations primarily comprise the following material types:

- Cardboard (biological material)
- Paper (biological material)
- Plastics (technical material)

Other procured products: In the IROs identified in Matas Group's DMA are also the resource inflows used to produce the products the Group sell to its customers. However, as Matas Group is not a production company, with no production facilities, and only purchases products for re-selling to customers, underlining its retail role in the value chain, the current E5 standards only ask for data in relation to Matas Group's own operations. Thereby descoping the materials that Matas Group's suppliers are procuring and using in the making of their products.

E5-5

Waste related to own operations

As with our resource inflows, our waste impact is also influenced by our business model. The waste streams relevant for our operations are that of the retail sector, where most of the waste we generated is tied to our warehouse logistics and the waste generated from our employees.

Warehouse logistic waste contains paper, cardboard, plastic and is generated when we receive goods and products from suppliers to our warehouses. The waste streams at our stores and administrative offices are generated by our employees and constitute more as household waste.

E5-5

Waste

	Unit	2024/25
Total waste	Tons	2,029
Non-recycled waste	Tons	913
Share of non-recycled waste	%	45
Hazardous waste		
Total waste redirected from disposal	Tons	0.38
Preparation for recycling (reuse)	Tons	0
Recycling	Tons	0.38
Other recovery operations	Tons	0
Total waste disposed off		
Combustion (incineration)	Tons	1.80
Deposition (Landfill)	Tons	0
Other disposal operations	Tons	0
Total hazardous waste	Tons	2.18
Non-hazardous waste		
Total waste redirected from disposal		
Preparation for recycling (reuse)	Tons	0
Recycling	Tons	1,115
Other recovery operations	Tons	0
Total waste eliminated		
Combustion (incineration)	Tons	911
Deposition (Landfill)	Tons	0.15
Other disposal operations	Tons	0.20
Radioactive waste	Tons	0

Accounting policies
The data scope aligns with Matas Group's organisational structure. Data has both been modelled and sourced from direct measurements. Where data has been insufficient in coverage for all location, estimates have been modelled, however, based on available data from contracted waste collectors.

For Matas and Firtal, waste data has been extracted from the waste collector's customer platform. Data on waste fraction, treatment method, and quantity originate from the waste collector's order and invoicing system, which continuously collects activity data. All incinerated waste is used for heat or electricity, typically comprising composite packaging types that cannot be recycled. Not all Matas stores are registered with the waste collector, as some use city center or municipal waste systems. For these stores, waste impact is estimated by calculating the waste per square meter from stores registered with the waste collector (total waste divided by total square meters) and applying this intensity to the square meters of unregistered stores. This estimate is then consolidated with the overall figures from the waste collector to ensure comprehensive coverage.

KICKS, waste data for HQ locations is sourced directly from the building's facility management and allocated to KICKS HQ using an attribution key. No direct waste data is available for KICKS stores. Due to the similarity of goods sold in Matas and KICKS stores, waste impact for KICKS stores is estimated by applying Matas' waste per square metre to the total square metres of KICKS stores. Waste data for the KICKS warehouse is provided by its contracted waste collector.

Grænn's waste data is estimated based on the manual waste handling process managed by the office facility manager, who transports waste to the recycling station. Calculations are based on the frequency of recycling center visits, with each visit involving approximately five pallets of 30 kg each.

Assumptions
It is assumed that this method to calculate the remaining stores is sufficient, as the square metre of the store describes the amount of products available for sale but also how many are working at the stores. Given that the primary waste impact from the stores is driving by the amounts of products shipped to the stores (cardboard and plastics) and the people in the stores generating everyday waste, this justifies the estimation methods applied.

Due to the similarity in products for sale for Matas and KICKS stores, same waste intensity measure per square meter is applied to estimate the waste impact from the KICKS stores.

M A T A S

Social

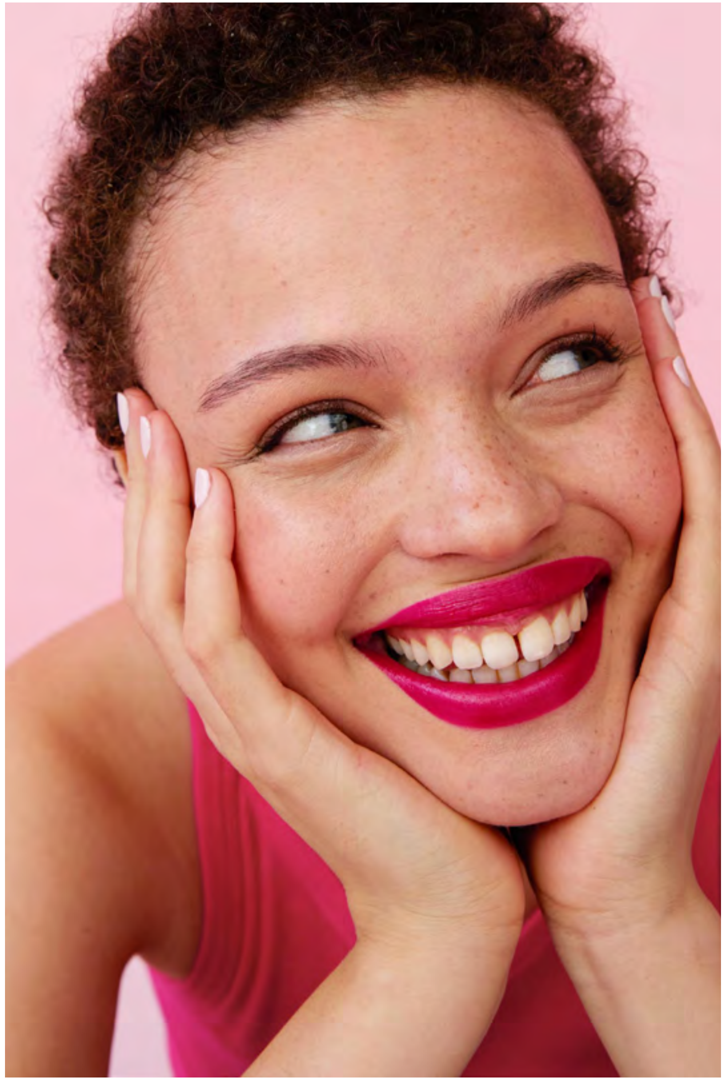
→ S1 Own workforce

→ S2 Workers in the value chain

→ S4 Consumers and end-users

G R O U P

S1
Own workforce



At Matas Group, people are at the heart of everything we do. Our employees are critical for the success of the Group, and they support our businesses with a wide range of different functionalities and expertise. As an omni-channel retail company, most of our employees in the Group are employed in retail functions, either as store or warehouse personnel. They are critical for servicing direct customer needs. However, our Group functions also play a key role in realising our business strategy.

S1.SBM-3

Characteristics of own workforce

Our full-time employees represent the majority of our workforce, however, we also employ for temporary positions across all markets, functions, and locations. Temporary employees cover employment due to parental leave, other leave, the need for specialised skills and rapid staffing. Temporary employees allow us to adjust our workforce according to fluctuations, such as during retail peak seasons. We see an increasing interest in temporary positions among the younger individuals, who value the adaptability these roles offer to align with their educational schedules or gap year plans. Our non-guaranteed hours employees are mainly employed in our warehouse and stores. This type of employment helps us to address urgent staffing needs for functionalities critical for preventing disruptions in business operations.

Regardless of functionality and expertise, we acknowledge that our employees are essential to our success, and we strive to offer everyone a safe and healthy workplace by addressing both actual and potential impacts within our operations. We do not have any operations or geographical areas where there is identified significant risk of incidents of forced labour, compulsory labour or child labor.

S1.SBM-3

Material impacts, risks and opportunities

Matas Group has identified 5 IROs divided by 2 negative impacts, 1 positive impact, 1 risk and 1 opportunity in our own operations:

Working conditions

12 Negative effect of poor working conditions (negative impact).

13 High employee turnover and reputational damage (risk).

14 Positive effect of good working conditions (positive impact).

15 Maintaining and attracting employees and strengthening corporate brand image (opportunity).

Equal treatment and opportunity for all

16 Unsuccessful policies for diversity and equal treatment and opportunities for all employees (negative impact).

At Matas Group, we aspire to be a healthy and safe workplace where everyone can realise their personal and professional potential. As we create synergies and efficacy across our Nordic teams and cultures, we remain committed to create a working environment that remains the best place to be and grow.

Our ambition plays out in a retail industry, where working conditions for our store employees are affected by increasing consumer conflicts, which creates an unpleasant work environment. Our warehouse staff endures greater physical demands due to the nature of their roles. As such, our store and warehouse employees are most affected by these systemic negative impacts. However, it also presents a financial risk for Matas Group if unmanaged poor working conditions lead to increased employee turnover and damages our reputation. The success of the Group relies on a strong employer advocacy, which helps us to attract the right talent.

We also acknowledge the important role diversity plays in creating an inclusive and attractive workplace, enhancing our competitiveness and performance. However, failing to implement diversity policies can pose a potential negative impact on the very workforce for whom these policies aim to protect and ensure equal rights.

Since 2023, we have led a training and development programme focused on nurturing personal and professional growth. By prioritising mental resilience and mental health, the programme positively impacts our employees beyond their careers. It equips them with skills and expertise that address professional challenges, while at the same time, nurture their personal development, supporting their overall well-being. All employees are subject to this training; however, we have initiated the effort targeted our employees that are customer-facing and hereby exposed to the identified negative impacts.

As a result of our industry leading development programme, improving working conditions also present an opportunity for Matas Group. Excellent working conditions have the potential to reduce employee turnover, consequently resulting in cost savings associated with losing, recruiting, and training new talent.

S1-1

Policies related to own workforce

We have policies in place and internal guidelines that define how we ensure proper working conditions and equal treatment and opportunities for all our employees. As we have structures in place that actively mitigate the potential negative impact and enhance the positive impact of working conditions, it has not been deemed necessary to develop external policies to address these. These are managed internally by the way we require our employee to behave, guided by internal employee handbooks and the health and safety organisation and system we have in place. We do, however, have external policies that address the impacts identified in relation to ensuring equal treatment and opportunity for all.

Diversity Policy

Our Diversity Policy applies to all entities with the Group and outlines the Company's approach to enhancing diversity, particularly focusing on increasing the representation of the underrepresented gender. The objective is to enhance the Group's diversity in age, gender, nationality, ethnicity, experience, and education. It promotes an inclusive workplace that values diverse perspectives, boosts customer understanding, and builds a high-performing workforce. It guides our leadership teams in ensuring equal career opportunities and diverse application and recruitment processes.

Human Rights Policy

Human Rights Policy outlines our commitment to upholding human rights across our business, ensuring that our employees in their employment are treated with respect for human rights. The Policy applies to all entities within the Group and outlines our commitment to human rights, including actively opposing corruption, supporting employee rights, eliminating forced and child labour, prohibiting discrimination, and prioritising a safe and healthy work environment. We adhere to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The Policy details our stakeholder engagement and the process for remediation.

Our Board of Directors approves our policies and annually reviews any potential updates. Our Executive Management Team is responsible for ensuring effective implementation of the policies.

Health and safety management systems

Matas Group's health and safety system is based on its work environment organisation and represents a structured framework of procedures, and practices designed to manage and minimise risks to the health, safety, and wellbeing of Matas Group's employees. At the centre of the work environment organisation is a team of elected employees that focus on ensuring and improving the working environment. Through timely feedback from alle employees, they identify, evaluate, and decide on improvements to procedures and structures to manage risks associated with the physical, psychological, and social conditions of the workplace. Their primary goal is to prevent accidents, injuries, and illnesses in the workplace.

To prevent workplace accidents, we ensure proper onboarding and train our employees in tasks associated with potential risks. We assess areas that needs improved instructions through our workplace assessment and use aids and machinery wherever possible to minimise physical strain. We also record near-miss incidents and hold regular meetings with our health and safety groups to discuss and address any emerging issues, ensuring continuous improvement of our working environment.

S1-2

Engagement with own workforce

At Matas Group, we have several effective processes for engaging with our employees about actual and potential impacts in our workforce. We maintain a range of systems to promote employee engagement, which is key to managing our workplace and environment. By leveraging this engagement and feedback, we can prevent poor working conditions and establish a workplace that promotes well-being among our employees. The Group's People and Culture Team leads our efforts and has operational responsibility for ensuring that engagement happens.

At Matas Group, we do not have any agreements with our employees for representation with formal European work councils, as this is regulated by national law and agreed at national level.

Workers' representatives

Matas Group has structured its health and safety measures around the work environment organisations. These organisations play a crucial role in maintaining a healthy and positive working environment across various roles and departments. While Sweden, Norway, and Finland do not require the same organisational structure, they have robust legal frameworks and regulatory bodies, like the Danish regulations, to ensure employers maintain safe and healthy workplaces. Work environment representatives are elected for terms of two to four years, during which they complete the mandatory work environment course and participate in annual meetings and training sessions. At Matas Group, we engage bi-annually with elected representatives as part of a formal process to identify and manage workplace risks. In addition, the names of our elected representatives are communicated to the entire organisation, ensuring our employees have visibility and knowledge of this means to engage on work environment matters.

Trade unions

At Matas Group, some employees in Denmark are represented by trade unions, and all employees in Sweden, Norway, and Finland are covered by them. These unions advocate for employees' interests, working conditions, employment terms and fair treatment. In all our markets, we have trade union representatives with whom we engage monthly, depending on their role and function.

Engagement with worker representatives, including trade union and safety representatives, extends beyond formal processes and annual schedules. At Matas Group, it is part of our daily operations to address potential and actual impacts proactively or reactively, should the need for engagement arise. We recognise the engagement from our workers' representatives and ensures that their input will influence Matas Group's work to create a responsible workplace.

All workers' representatives are protected by special statutory regulations that safeguard their employment. This includes protection against dismissal, ensuring they cannot be terminated due to their role as an employee representative.

Workplace assessment

As part of the national legal requirements, Matas Group has workplace assessments (APV) in place to ensure a systematic review of the work environment to identify and evaluate risks to employees' health and safety. The purpose is to ensure safe working conditions by identifying risks, assessing their severity, developing an action plan, implementing improvements, and continuously evaluating effectiveness. Through our APV, our employees are required to evaluate their workplace and their feedback if captured for further improvements. The APV functions as a formal and recognised way to engage with our employees about maintaining a safe and healthy work environment.

Populum – employee satisfaction surveys

At Matas Group, we have quarterly employee satisfaction surveys to capture the employee satisfaction and any other relevant feedback affecting the overall satisfaction with the Group. The survey ensures engagement with our employees and seeks to identify our employees' satisfaction with our working conditions.

The engagement processes we have in place encompass all our employees, ensuring that we capture perspectives from those more vulnerable to negative impacts, such as our warehouse and store personnel. We continuously assess and evaluate the effectiveness of these engagement processes by analysing the development of feedback received from our employees.

S1-3

Process for providing remediation for own workforce

To effectively provide or cooperate in remediation for our workforce, we have established a comprehensive process which follows the process set out in our Human Rights Policy. The process begins with assessing employee grievances through regular monitoring and feedback mechanisms, such as our Whistleblower Scheme, digital workplace assessments, employee satisfaction surveys, open-door culture, feedback sessions and confidential engagement with our HR departments. Any issues raised and addressed through these channels are tracked and monitored by our People and Culture departments and our Group Legal department. They also ensure that the effectiveness of the channels is continuously evaluated based on the nature of the registered issues. Through the structures and processes which invites employees into dialogue our People and Culture departments and Group Legal department assess if employees are aware of, and trust, the possibilities to raise their concerns.

In case we identify severe incidents where the Group needs to provide or cooperate in remediation for our employees, we follow a formal process lead by our Group Legal department:

1. Assess the extent of the impact and identify affected stakeholders,
2. Map the course of the negative impact to understand the incident, and
3. Initiate actions to correct the impact to minimise the risk that Matas Group is, either directly or indirectly, implicated in similar cases.

Whistleblower Scheme

Under our Whistleblower Scheme, our employees may submit anonymous or non-anonymous reports – made in good faith – of concerns they may have about serious matters affecting our workplaces. The Scheme covers all employees employed by the Group and is internally communicated on an ongoing basis and as part of the onboarding process.

All concerns raised in good faith are safeguarded against harassment and victimisation because of the report. If a person chooses to disclose their identity when reporting a concern, we will treat the report with confidentiality to the highest extent possible.

Our Whistleblower Scheme and Whistleblower Policy are described in detail under our Business Conduct section, in relation to our disclosures on corporate culture.

S1-4

Actions and resources related to own workforce

At Matas Group, we have had several actions through the financial year to manage our impacts and continue to deliver attractive workplaces.

Digital workplace assessments providing timely feedback

During the financial year, we have updated our workplace assessment (APV) at Matas stores in Denmark, enabling timely evaluation of our working conditions. The APV has previously been an analogue assessment, which meant that the time from reporting to the correction of the reported matter could risks prolonging any improvements needed. Through a fully digitalised and systematic process, we can now receive assessments of the workplace, evaluate, and improve the work environment at our stores even faster. This helps us to identify and assess actual negative impacts and implement solutions that can enhance our employees' safety and well-being. For the coming financial year, we will assess if similar is needed to improve the working conditions of our KICKS stores.

Inclusive business practices

Since 2015, we have in Denmark, supported Project KLAP, an external initiative dedicated to integrating individuals with cognitive disabilities into the workforce. KLAPjob is an employment initiative run by the association Lev, offering subsidised and flexible job opportunities for people with developmental disabilities and other cognitive challenges. The programme supports individuals with conditions such as autism, ADHD, cerebral palsy, epilepsy, muscular dystrophy, or acquired brain injuries, helping them access and participate in the mainstream labour market with the necessary support.

Through our partnership with KLAPjob, we employ KLAP participants who may require additional support due to their disabilities, enabling them to make meaningful contributions without the constraints of a standard 9-to-5 schedule. This collaboration not only enhances the well-being of our valued employees with special needs but also reinforces our commitment to equal rights and opportunities for all. In the current financial year, we have employed 26 individuals through the KLAP project. This partnership is ongoing, meaning that this action is without end date.

Pioneering professional development

Since 2023, we have collaborated with True North to target our training and development programmes to mitigate the societal challenges our employees face in terms of mental health perseverance. The purpose of the partnership is to fundamentally change how we perceive professional development and personal growth at Matas Group. What started as a tailored mental health resilience programme for all new Matas trainees has now become the overall approach for how we provide our employees with the best tools and capabilities to grow and excel as part of their employment. During the financial year, we increased the numbers of employees who have had specific mental health training to 586, and we have had 10 training sessions in total. Furthermore, the programme's proven success was further rolled out to our other Nordic markets, with KICKS headquarter being the first location with similar training. For the coming financial year, we will focus on mental health training for the employees in our stores, where we can see this training has the potential to mitigate the systemic negative impacts affecting our employees. This is an ongoing partnership, and as such this action is without an end date.

Tracking the effectiveness of our actions

We assess the effectiveness of our actions quarterly through a third-party employee satisfaction survey that anonymously measures the overall job satisfaction. We track the effectiveness of our policies and actions as we define the contents of the questionnaires and ensure that it is set up to gain insights of the actions we have initiated to improve on our identified IROs. Upon receiving input from our employees, we meticulously analyse all negative outliers to identify potential challenges and determine appropriate mitigating actions.

For the financial year, we have not taken any action needed to provide or enable remedy in relation to actual material impact, as no such cases have been reported.

Resources allocated to management of material impacts

At Matas Group, we address our key material impacts through our operational practices. This means that the actions we define to manage and mitigate our material impacts are integral to our management framework. As we have worked with True North since 2023, this way to approach professional development is now considered into the training and development of our employees. Although, we have not allocated additional significant resources this financial year to manage these impacts, our deep understanding and awareness allow us to continually enhance our practices to effectively manage and mitigate them.

S1.MDR-T

Targets in relation to own workforce

With our new ESG strategy, we have during the financial year set two targets focusing on our employees' development. As we aspire to pioneer mental health, we want to set an example for how companies can support employee wellbeing. Our approach integrates training and development that goes beyond job-related skills to also foster personal growth and mental resilience, making these just as important as professional expertise.

Mental health training target

Our target is to maintain on average a yearly Net Promoter Score of 50 on our mental health training programs by 2027/28. The Net Promoter Score (NPS) is a commonly used indicator used to record satisfaction. For all our mental health training sessions we ask our employees to score the training against the NPS score methodology, as we believe this gives a qualified assessment of our employees' satisfaction with the training courses, but also its relevance in relation to supporting their mental health resilience and the applicability of the outcome of the sessions. This absolute target addresses the identified positive impact in relation to working conditions. The scope of the target is all employees that have taken any mental health training, and as we continue to target even more employees with this training, we expect the population to increase year-on-year. The NPS baseline on our mental health training is 70.

Employee engagement target

In the coming financial year, we will introduce mental health questions into our employee engagement and satisfaction survey to measure the effect of our strategic initiatives that is focused on employee wellbeing and mental health training. Our target is to achieve an annual mental health survey score of 70 by 2027/28. We believe that this target reflects our strong focus on our employees' wellbeing and guides our work to ensure good working conditions consequently mitigating the identified negative impact and risk in relation hereto. The scope of the target is Matas and KICKS employees. Currently, as we have not introduced the mental health questions into our existing engagement survey, the baseline scoring is 0.

We believe that the NPS and employee satisfaction score are helpful indicators and useful management tools to gauge how our actions planned and taken can improve the Group's overall working conditions and development possibilities.

Monitoring progress

The targets are reviewed and any progress against these assessed whenever NPS score training results and the employee satisfaction score are received, by our People and Culture departments.

As this financial year 2024/25 is our baseline year, we are not reporting on our progress to meet our targets, however, this will be reported annually.

Accounting policy

Entity Specific Mental Health NPS score
The NPS score is measured as the average NPS score, based on all mental health training programmes for the reported year.

Entity Specific Engagement Survey score
The score is measured based on Matas Group's annual engagement survey, that includes mental health questions. As this survey is conducted annually, the score is only based on this survey.

S1
Ent. Spec. 1 Mental Health NPS score

	Unit	2024/25
Net Promoter Score on mental health training	Score	65

S1
Ent. Spec. 2 Engagement Survey score

Annual score on mental health engagement survey	Score	0

S1.MDR-T
Mental health targets

Target	Unit	Type of target	Baseline year	Baseline	Target year	Target score	Progress against target
Employee engagement – Achieve an annual Mental Health Score of 70	Score	Absolute	2024/25	0	2027/28	70	0
Mental health training – Maintain an annual Net Promoter Score of 50	Score	Absolute	2024/25	65	2027/28	50	0

S1-6
Employee headcount by gender

Gender	Unit	2024/25
Male	Headcount	526
Female	Headcount	5,717
Other	Headcount	0
Not reported	Headcount	0
Total employees		6,243

S1-6
Employee headcount by country

Country	Unit	2024/25
Denmark incl. Faroe Island	Headcount	3,533
Sweden	Headcount	1,701
Norway	Headcount	762
Finland	Headcount	247

Accounting policies
Headcount
The total number of employees, including all contract types, excluding interns and consultants. The data reflect Matas Group headcounts as per 31 March 2025. The most representative number found in the financial statement is FTE disclosed. This can be found in the section '5-year key financials', page 14.

S1-6
Headcount by contract type and gender

		2024/25				
Contract type	Unit	Female	Male	Other	Not disclosed	Total
Number of permanent employees	Headcount	4,097	475	0	0	4,572
Number of temporary employees	Headcount	953	30	0	0	983
Number of non-guaranteed hours employees	Headcount	667	21	0	0	688
Total number of employees	Headcount	5,717	526	0	0	6,243

Accounting policies
Employee contract types
Employees on permanent contracts include all employees without an end-date. Employees on temporary contracts include all employees on time-bound contracts. All our Matas' materialist students and employees under the age of 18 are by default registered as time-bound contracts, as per national law in Denmark. Non-guaranteed hours are employees employed on an hourly basis. The data reflects Matas Group headcount, per contract type as per 31 March 2025.

Number of people who have left
Employees who have voluntarily left, been dismissed, retired, or died, excluding interns and consultants. The data is aggregated for the full financial year 2024/25.

S1-6
Employee turnover

	Unit	2024/25
Employee turnover ratio	%	35
Employee turnover	Headcount	2,203

Accounting policies
Turnover
Turnover is calculated by the number of people who have left, aggregated for the full financial year, divided by the total reported headcount.

S1-8
Collective bargaining and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0-19%			
20-39%			
40-59%			
60-79%	Denmark		
80-100%	Sweden, Norway, Finland		Denmark, Sweden, Norway, Finland

Accounting policies
Collective bargaining agreements
Percentage of all types of employees covered by bargaining agreements. Number of headcounts covered by collective bargaining agreements, divided by total number of headcounts.

Workers representatives
Percentage of employees covered by workers representatives. Number of headcounts represented by workers representatives, divided by total number of headcounts.

Workers representatives include trade union representatives and other work representatives that are elected by the workers of the Group, as part of their engagement in the work environment organisation..

S1-9
Gender distribution at top management level

	Unit	2024/25
Executive Management Team		
Total number	#	7
Female	#	3
Male	#	4
Share of female	%	43

Accounting policies
Percentage of women in Matas Group top management level. Share of women based on number of women at each level, divided with the total number of members at each level.

Matas Group Executive Management Team is the Group's top management level and consist of the Group CEO, Group CFO and EVPs across Group business functions and Matas and KICKS banners. For more information on the Executive Management Team, see page 44-46 in the section 'Corporate governance'.

S1-9
Employee by age group

	Unit	Denmark	Sweden	Norway	Finland	Total
Employees under 30 years old	Headcount	2,272	913	482	181	3,848
Employees between 30 and 50 years old	Headcount	858	601	211	62	1,732
Employees over 50 years old	Headcount	403	187	69	4	663

Accounting policies
Employees by age group by 31 March 2025.

S1-10
Adequate wages
All Matas Group employees are paid an adequate wage, in line with applicable benchmarks. For applicable benchmarks the national benchmarks are applied to our assessment.

S1-14
Health and safety management systems, fatalities, accidents

Health and safety	Unit	2024/25
Percentage of own workforce covered by the health and safety management system	%	100
Number of fatalities in own workforce	#	0
Number of fatalities other workers	#	0
Number of work-related accidents	#	52
Rate of recordable work-related accidents	Incidents per million hours	8.03

Accounting policies
Health and safety management systems
Percentage of employees covered by Matas Group's health and safety management systems, as described under S1-1 (health and safety management system). Number of headcounts covered by health and safety management systems, divided by total number of headcounts.

Fatalities
The number of Matas Group employees, and contracted employees not considered a Matas Group employee, who have lost their lives because of a work-related incident at Matas Group.

Accidents
Number and rate of registered work-related accidents. Rate is calculated by dividing the number of accidents, by the total number of hours worked, based on the number of FTEs in Matas Group's workforce, and then multiplied by 1 million.

S1-16
Gender pay gap, CEO remuneration ratio

Pay gap	Unit	2024/25
Gender pay gap	%	43%
Note: Annual total remuneration ratio is disclosed on our Remuneration Report.		

Accounting policies
Gender pay gap
Gender pay gap is calculated by difference in average pay between employed men and women. It is calculated by compiling the gross hourly pay level for men and women, respectively, in local currency, across all Matas Group markets. All pay levels are then calculated to local currency (DKK) to consolidate to an average men and women pay levels, before dividing the difference with the men hourly pay level.

For the coming financial year, we will identify relevant entitiy specific gender pay gap data points to provide the most representative data set for the Group.

S1-17
Incidents of discrimination, human rights issues and incidents

Incidents and complaints	Unit	2024/25
Number of incidents of discrimination	#	0
Number of complaints through own channels to raise concerns	#	0
Number of compliants through National Contact Points for OECD Multinational Enterprises	#	0
Total number complaints	#	0
Total amounts of compensation, fines and penalties from registered compliants/cases	DKK	0
Number of human rights issues and incidents connected to own work force	#	0
Number of human rights incidents subject to breach of UNGP and OECD guidelines	#	0
Total amounts of compensation, fines and penalties from registered human rights incidents.	#	0

Accounting policies
The total number of incidents of discrimination, including harassment, the number of complaints filed through channels for Matas Group employees to raise concerns (Whistleblower Scheme, Open-door culture, confidentital engagement with People departments, workplace assessments) aggregated in the financial year 2024/25 and the total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed, and a reconciliation of such monetary amounts.

S2

Workers in the value chain

In Matas Group, we are connected to workers in our value chain by the agreement with our many suppliers. Ensuring their basic human and labour rights, fair treatment, and safe working conditions remains a condition for doing business with the Group. We leverage our influence through these requirements to support positive social impacts across global communities.

S2.SBM-3

Material impacts, risks and opportunities

Matas Group has identified two material potential negative impacts related to workers in the value chain:

17 Poor working conditions in the upstream value chain.

18 Work-related rights in the raw materials extraction phase.

In general, Matas Group's Tier 1 manufacturers of cosmetics, beauty and health products offer good working conditions. Their ways of working are technology and innovation driven with most work being conducted in labs and production sites. However, for Tier 3 suppliers, and especially suppliers of mining or agricultural raw materials such as palm oil, there has historically been reports about poor working conditions with different risks identified. We consider working conditions a human rights issue as defined in the UN's Universal Declaration of Human Rights. The fact that we rely on multiple Tier 1 suppliers, which subsequently have many Tier 2 and Tier 3 suppliers, makes the severity assessment of potential impacts in the value chain increasingly complex.

Matas Group has a relatively small demand of products in several supply chains, i.e. we can potentially have many smaller impacts through our purchase orders. When assessing the impact severity, we try to account for the fact that we can choose to discontinue purchasing products of a supplier known to have violated human rights by replacing the product with a substitute from another supplier.

In the assessment of Matas Group's IROs related to value chain workers, we have included all workers throughout the value chain, especially focusing on the upstream and our suppliers and sub-suppliers. The value chain workers who are potentially negatively impacted in the Group's value chain are not operating at our sites but work for entities in our upstream value chain involved in the extraction of raw materials or manufacturing of the products sold in our stores and on our e-commerce sites. For workers in our Tier 3, we currently do not hold detailed information about the exact working conditions as this is an extremely wide net of our many suppliers' sub-suppliers and sub-sub-suppliers across many geographic areas.

We acknowledge that there is a risk of child labour and forced labour amongst the workers in the raw materials extraction phase of the product ingredients in the Global South, but no cases directly linked to our products sold have been reported to us at this time. The potential negative impacts represent a systemic issue for the industry. Through dialogue with our suppliers and through our Amfori BSCI membership, we will make efforts to improve our knowledge of the workers in our upstream value chain to make sure our actions align with the actual circumstances.

S2-1

Policies related to value chain workers

Matas Group has an established Human Rights Policy and Supplier Code of Conduct to manage our impacts related to workers in the value chain.

Supplier Code of Conduct

Our Supplier Code of Conduct directly targets our Tier 1 suppliers, in our upstream value chain, and clearly sets the standards, we expect our suppliers to adhere to. This covers the obligation to ensure the health and safety of our suppliers' employees, to ensure diversity, inclusion, and the protection from harassment for all employees. In addition, they must prohibit child and forced labour, adhere to laws on working conditions, and respect employees' rights to unionise. Suppliers should also ban all forms of modern slavery and human trafficking.

Human Rights Policy

Our Human Rights Policy extends throughout the supply chain and is an obligation in our Supplier Code of Conduct. As such, the identified negative impacts present with Tier 2 and Tier 3 suppliers are targeted by our Human Rights Policy, indirectly forwarding the responsibility for our suppliers to address this impact in their extended value chain.

Matas Group's Human Rights Policy is applicable to all entities within the Group, and outlines our human rights commitment, actively opposing corruption, supporting employees' rights, eliminating forced and child labour, prohibiting discrimination, and prioritises a safe and healthy work environment. We follow the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises. Our Human Rights Policy addresses the elimination of all forms of forced or compulsory labour and exploitation of child labour, and it describes our stakeholder engagement and the remediation processes in place.

As reported in S1-17, no human rights breaches have been reported during the financial year 2024/25.

The responsibility for the implementation of both policies is placed on our Executive Management Team.

S2-2

Processes for engaging with value chain workers

Currently, we do not engage directly with value chain workers but are closely communicating and engaging through supplier dialogues and through our membership with Amfori BSCI. Perspectives of value chain workers are reflected by our suppliers and Amfori BSCI as credible proxies. Additionally, in Matas Group, we have established a Whistleblower Scheme that provides a safe mechanism for any stakeholder to address concerns, including suppliers and workers in the value chain. Any reports may be filed anonymously, and we closely monitor any inquiries and use these for continuous improvements.

S2-3

Processes to remediate negative impacts for value chain workers

An important component in our strategy to prevent and manage negative impacts in the supply chain is to establish long-term relationships with our suppliers. Matas Group sets clearly defined requirements for all suppliers as specified in our Supplier Code of Conduct, and the Whistleblower Scheme supports the process for providing remedy. Furthermore, we have remediation mechanisms and improvement measures in place as described in our Human Rights Policy.

We adhere to the following process as far as possible to ensure appropriate remediation:

1. Assess the extent of the impact and identify affected stakeholders,

2. Map the course of the negative impact to understand the incident, and

3. Initiate actions to correct the impact to minimise the risk that Matas Group is, either directly or indirectly, implicated in similar cases.

Matas Group assesses the effectiveness of the remediation mechanisms by monitoring the use of our channels and the type of inquiries we receive. Our Whistleblower Scheme is open for anyone to use with protection against retaliation. In addition to this, both our Whistleblower Policy and Human Rights Policy state the respect and protection against retaliation for anyone that uses Matas Group channels to raise concerns. For more detail on our Whistleblower Policy, see the Business Conduct section of this Sustainability Statement. For the coming financial year, we plan to initiate an assessment of the awareness and trust of the channel among value chain workers.

S2.MDR-A

Actions in relation to workers in the value chain

In 2024/25, we have signed to become members of Amfori BSCI, a human rights due diligence platform that provides a recognised methodology for identifying and remediating risks in value chains. For the coming year, we will apply this membership to increase our knowledge of the negative impacts potentially occurring and affecting workers in our value chain.

This action will have no end date, as we believe this to be the way we can strengthen the requirements for responsible business conduct in our supply chain, and our membership will help us to engage with our suppliers and partners regarding impacts on workers in the value chain. We acknowledge our responsibility and cooperate with business partners who also acknowledge theirs, and in the long-term perspective, we aim to have detailed information about our supply chain, from raw material to finished product.

S2.MDR-T

Targets in relation to workers in the value chain

Matas Group does not currently have specific targets in place that address negative impacts on workers in the value chain. Our current knowledge does not provide sufficient information about negative impacts on working conditions or work-related rights in the value chain and therefore, we will need to establish a stronger foundation of knowledge before potentially setting targets.

As part of our membership with Amfori BSCI we will closely monitor our IROs and through BSCI reports track the effectiveness of our policies and future planned actions.

S4 Consumers and end-users

As the leading Nordic retailer of beauty and wellbeing products, Matas Group caters to most consumers in Denmark, Sweden, Norway, and Finland. Our product portfolio attracts all consumers, as it offers a wide range of products, relevant for all life stages. As such, we recognise that our biggest responsibility is to ensure that our business conduct and practices do not do harm on our most important stakeholders; the customers we serve with our products and advice.

S4.SBM-3

Material impacts, risks and opportunities

Matas Group has identified 7 IROs, divided by 2 positive impacts, 3 negative impacts and 2 risks in its own operations and downstream value chain:

Product transparency and safety:

19 Providing quality product information and guidance for customers through Matas Group communications channels (positive impact).

20 Misinformation of products impacting the health and safety of customers (negative impact).

21 Misinformation of products affecting Matas Group's reputation as a trusted retailer (risk).

Non-discrimination of customers:

22 Excluding selected customers due to limited assortment (negative impact).

23 Including and empowering diverse customer groups in overall marketing efforts (positive impact).

Data privacy and security:

24 Exposure of sensitive customer data from Matas Group's loyalty clubs (negative impact).

25 Regulatory fines and reputational damage (risk).

Matas Group serves a broad range of consumers, due to our national coverage in the markets, we operate in and our product portfolio. The products sold and distributed throughout the Group are relevant for all consumer groups, as they correspond to needs and wants throughout the consumers' lifetime: From beauty products, vitamins, and supplements to exercise equipment, bandages, and hygiene products. This makes the product and transparency impacts in scope for all our consumers and the impact widespread.

Product transparency and safety

As a retailer of products with complex ingredients, we ensure consumers have access to quality information both in our stores and on our e-commerce sites. Certifications and product labelling guide consumer choices based on allergies, skin conditions and other preferences. Our in-house brands prioritise certifications, as these third-party recognitions provide consumers with clear and accessible product information, enabling them to make informed decisions. Recent focus on the possibility of PFAS in cosmetic products has raised consumer awareness. While many suppliers already have eliminated PFAS from their products, certifications like the Nordic Ecolabel provide a clear assurance that a product is free from PFAS.

There is a continuous need to monitor the changes in product regulations and requirements on product information. Products need to include the right labelling for the consumer to be able to make an informed choice. However, not providing correct and quality information for consumers can impact their health and safety. The risks of lacking quality information and misinforming about the products we sell can pose as a reputational risk where Matas Group no longer provides trusted shopping destinations.

Data privacy and security

Maintaining GDPR compliance and safeguarding our customers' privacy is essential for us as we hold personal data on our many loyalty members in Club Matas and KICKS Club. As such, we are exposed to cyber security threats, making cybercrime an ongoing high risk for the Group. Additionally, non-compliance with GDPR can result in fines of up to 4% of revenue, posing a significant financial risk. Likewise, a breach in data security would damage our reputation, but it would also compromise data privacy and security and severely impact customers through potential exposure to profiling and discrimination. The consumer groups that are most affected by the data privacy and security impacts, are our primary consumer groups aged 16 and up, as this is the age requirement to become loyalty club members.

Non-discrimination of consumers

Promoting a beauty and wellbeing ideal that represents individuals of various ages, ethnic backgrounds, body types, skin-colour, and skin conditions positively impacts people. With a strong presence in the Nordics, Matas Group has a possibility to significantly influence consumers with its responsible marketing practices. However, failing to offer a product range that meets the needs of Matas Group's diverse consumer base could negatively affect consumer inclusion, as they may find limited availability of products suited to their needs. The impacts in relation to non-discrimination of customers are mostly affecting customer minority groups, where their product needs are less represented in the assortment we carry, making the impact less widespread.

S4-1

Policies-related product transparency and safety

At Matas Group, we believe that our consumers should be able to have trust in the products we sell at every consumer touch point we have. Our Supplier Code of Conduct and our in-house brand Ingredients Policy are both targeted to ensure a high level of product transparency and safety, and as such, aiming to mitigate the identified negative impact and financial risk and to leverage the positive impact on the consumers and end-users.

Supplier Code of Conduct

Matas Group's Supplier Code of Conduct requires our suppliers to ensure that every beauty and health claims and sustainability claims used in the marketing of their brands and products comply with EU law. The objective is to ensure the quality and credibility of the product information on Matas Group's shopping destinations. The Code apply to all Matas Group suppliers.

Ingredients Policy for in-house brands

Matas Group's Ingredients Policy sets out guidance for which ingredients are accepted and forbidden in the development of the Group's brands. It applies to our in-house brand suppliers, who are responsible for manufacturing our brands. The objective with this requirement is to go above and beyond what is regulated by law, giving consumers the necessary information to base their purchase decisions on more information that can be relevant for their decision making. The Policy applies to all Matas Group in-house brand suppliers.

Our Supplier Code of Conduct and our Ingredients Policy address the impact in the upstream value chain enabling us to make a positive impact in our own operations targeted at the consumers in our downstream value chain. Our Executive Management Team is overall accountable for the implementation of both Policies.

S4-1, S4-4

Policies and actions related to non-discrimination of consumers

Matas Group does not have any policies related to non-discrimination of consumers, nor have we had any actions in this financial year related to this impact. We regularly update our product portfolio and strive to have products and brands in our assortment that are relevant and cater to the needs of our customers. We prohibit the use of retouching on Matas and KICKS marketing material to practice social inclusion of consumers in our marketing practices and hereby support the creation of a beauty and wellbeing universe where our consumers feel represented.

S4-1

Policies related to data privacy and security

At Matas Group, we ensure data protection and integrity by our Data Privacy Policy and Data Ethics Policy. These Policies comply with regulations but also ensure ethical consideration when using personal data. The Policies seek to mitigate both the potential negative impact on consumers in the downstream value chain and the financial risk in Matas Group's own operations. The scope of both policies applies to all Matas Group employees. Our Group Legal and IT departments monitor the effectiveness of the Policies, with oversight by our Executive Committee which is overall accountable for the implementation of the Policies.

Data Privacy Policy

Matas Group's Data Privacy Policy specifies how customer data is collected, stored, accessed, and used, including legal grounds and third-party sharing. It also covers customer rights, complaint processes, and data deletion guidelines. The objective of the guidelines is to safeguard personal data.

Data Ethics Policy

Matas Group's Data Ethics Policy holds our commitment to ensure the ethical use of data and new technologies. The Policy objective is to ensure that personal data is processed with ethical integrity. Access our policy here: matasgroup.com/governance/policies/

We believe that the right to privacy is a fundamental human right. Our Data Privacy Policy and Data Ethics Policy directly exercise consumers rights by ensuring the right to privacy and align with the United Nations (UN) Guiding Principles on Business and Human Rights.

S4-2

Processes for engaging with consumers and end-users

Our customer service teams are designed to cater to every request and question that comes from customers. This engagement plays a crucial role in understanding and detecting consumers' views, sentiments, and interests. It is through this engagement that we understand how our actions serve our customers, but also when our practices have adverse effects we need to reverse. Our customer service teams are daily in dialogue with customers, providing information about the products we sell, our membership services and our sales offering, among others. They are also in dialogue with potentially marginalised consumers, who experience that the product offering does not cater to their needs and wants. We are attentive to this feedback, as this also shapes our future product offering and marketing practices. In addition, Matas Group also considers the views and interest of country specific independent organisations that are dedicated to protecting consumer rights.

As such, our customer service teams represent the voice of the consumers and relay this information to the relevant parts of the organisation, so that we, as a Group can improve our business practices and still be relevant for our most important stakeholders. Matas Group's Executive Management Team has the overall responsibility that our customer service teams have the means to engage with consumers in a respectful and dedicated manner.

S4-3

Process for remediation of negative impacts

Matas Group has a third-party Whistleblower Scheme for anyone wishing to report suspected misconduct, violations of the Group's policies or applicable laws, and fraud. Our Whistleblower Scheme presents the opportunity for consumers to raise their concerns anonymously, protecting them from retaliation. In addition, we have a Whistleblower Policy in place to protect individuals from retaliation when they make use of our processes to raise concerns. We believe such scheme is part of a strong corporate governance and even though we do not require the availability of such channels by our business relationships, we strongly encourage this. Our Whistleblower Scheme is made available on Matas Group's website. Our Whistleblower Policy is described in the Business Conduct section of this Sustainability Statement.

In the event of a reported incident which has caused and contributed to a material negative impact on our customers, consumers or end-users, the process for remediation begins and follows the same stringent approach as observed with breaches of human rights. We evaluate the impact, identify affected stakeholders, trace the incident, engage in remediation if necessary and take corrective actions to prevent future events.

Our Group Legal department ensures that processes for providing or facilitating remedies are available and effectively implemented. They evaluate past events to assess both the outcomes and management processes, identifying any necessary changes to our current procedures. Their evaluation also assesses whether our customers, consumers and end-users are aware of and trust structures or processes as way to raise their concerns. They do this by evaluating if our Whistleblower Scheme is used in general, and for such purposes.

S4-1

Matas Group's human rights commitments in relation to consumers and end-users

At Matas Group, we are committed to operating with respect to human rights in our own operations and across our value chain. Our Human Rights Policy holds our commitment to uphold and respect human rights and ensures compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises.

Consumer rights are human rights and must be treated as such. Through our formal Whistleblower Scheme and dedicated customer service teams, we provide the necessary processes and mechanism for engagement with consumers and monitoring compliance with consumer and human rights.

As previsouly reported in S1-17, no cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end users have been reported in the downstream value chain for the financial year 2024/25.

S4-4

Actions and resources related to product transparency and safety

At Matas Group, we want to ensure that the customers we serve have access to high quality information and expertise about the products we sell. This is achieved by training our employees in product knowledge, our prioritisation to certify our in-house brands and setting requirements for our suppliers to ensure correct and accurate product information.

Training in ingredients

Consumer facing employees undergo specific training targeted at providing high quality guidance and product information. The training covers understanding the role and benefits or different ingredients, including how they contribute to product efficacy and consumer safety. It also helps our employees identify common allergens and understand their potential impact on consumers, enabling them to provide better guidance for sensitive skin types. The training empowers our employees to promote transparency and effectively communicate product benefits to our customers. During the financial year, 104 brand and product training sessions have been carried out on our Academy platforms. As this action defines the way we work to ensure that our store employees have the necessary skills and capabilities to advice our customers about the products we sell, it is ongoing in nature, with no end date.

Prioritising certifications

For our Matas in-house brands, our Ingredients Policy defines that when certifications can be achieved by a product, it must. In the financial year, we have relaunched our in-house brand range Matas Natur, where all products under this line have received the Nordic Ecolabel certification. This action is without end date and we will continue to prioritise certifications wherever possible, as it is our understanding that certifications provide assurance to consumers that products meet specific standards for quality and safety. The most applied certifications for in-house brands are The Nordic Ecolabel, catering to environmental protection, and the Asthma-Allergy Nordic certification that minimises the risk of developing allergies. Matas and KICKS also support the use of sustainable palm oil in our in-house brands, where selected products are certified with the RSPO certification.

Supplier requirements in our Code of Conduct

Requiring suppliers to sign and adhere to our Code of Conduct happens when we sign new suppliers. This action is ongoing and part of the requirement to be a supplier of products to Matas Group and ensures that our suppliers always know the requirements to offer accurate and documented product information and claims. During the financial year, we have increased the share of suppliers that have signed our updated supplier Code of Conduct, from 36% in previous financial year, to 51% in this financial year. We expect to reach 100% by 2027/28, as stipulated in our targets.

Tracking the effectiveness of our actions

We track the effectiveness of our actions by evaluating the ongoing engagement our Customer Success Team has with our customers. This dialogue offers direct input from the consumers and end-users of our products and services, as to the relevance of our actions and the effectiveness of these.

During the financial year 2024/25, we have not provided or enabled remedy in relation to an actual material impact, as no such case has been identified.

S4-4

Actions and resources related to data privacy and protection

We govern data privacy and security through yearly actions we believe will mitigate the potential negative outcome of cyber security breaches and the financial risk tied to such events.

Training in data privacy and security

We require our employees to complete quarterly training on the proper protection and processing of personal data, as well as on preventing cyber security breaches. The training is carried out four times a year and covers personal data protection, IT security and mitigation of risks in relation to cyber attacks. This action has no end date as this is embedded in our way of working and therefore a prerequisite for being employed by Matas Group.

Tracking the effectiveness of our actions

Our Group Legal and IT departments track the effectiveness of the training, by internal testing of our employees' preparedness for withstanding attacks and fishing attempts. We secure personal data privacy and safety through these actions and processes, and we will continue our commitment for as long as we manage consumer data.

During the financial year 2024/25, we have not provided or enabled remedy in relation to an actual material impact, as no such case has been identified.

Resources allocated to management of material impacts

At Matas Group, we manage, and prioritise resource allocation to, our identified material impacts in our ways of working. As such, training in ingredients and data privacy and security, prioritising certifications, regulatory quality assurance and supplier requirements in our Code of Conduct are all significant actions embedded in the management structures and operations of Matas Group. During 2024/25, we have not invested additional significant resources to manage our material impacts, but our knowledge and understanding of our material impacts enables us to continuously improve our ways of working to seek to manage and mitigate these.

S4.MDR-T

Targets in relation to consumers and end-users

With our updated ESG strategy, we have set two clear targets to enhance product transparency and ensure consumers have the information they need to make informed choices. By prioritising transparency, we also strengthen product safety and aim to be recognised as a shopping destination known for trusted advice and high quality product information.

As we depend on both in-house and external suppliers for accurate product data, our targets address both categories:

In-house brand target

Our target is for 100% of Matas Group's in-house brand products to provide high-quality, comprehensive ingredient information to consumers—either through third-party ingredient platforms or in-house solutions—by 2027/28. Currently, most of our in-house brands are registered with the third-party app KemiLuppen, which offers consumers detailed analyses of product ingredients and their health impacts, such as potential allergens. As KICKS products enter the Danish market, we will prioritise their registration in KemiLuppen to ensure full and up-to-date coverage. While similar platforms are not yet available in our other markets, we continue to seek new third-party partnerships as our transparency efforts evolve. Our target will support us in leveraging the identified positive impact identified in relation to product transparency and safety. The scope of this target covers all Matas in-house beauty and personal care products, excluding equipment, styling tools and others in-house brand products, that do not require an ingredients list. Currently, 60% of the Group's inhouse brands are registered in KemiLuppen.

Supplier Code of Conduct target

We aim to have 100% of our suppliers, in scope, committed to the Group's Supplier Code of Conduct by 2027/28. As previously described, Matas Group's Supplier Code of Conduct requires all suppliers to ensure that any beauty, health, or sustainability claims made in the marketing of their brands and products fully comply with EU regulations. This is to guarantee the accuracy and credibility of product information across all Matas Group e-commerce platforms. Consequently, the Code of Conduct helps us to address the potential negative impact and risk identified in relation to product transparency and safety. The scope of this target covers all Matas Group suppliers of products for sale. However, in the case that our suppliers have their own Code of Conduct with similar requirements, we review this to make sure it aligns with ours and if so, accept their Code of Conduct to adhere with the requirements set out in Matas Group Code of Conduct. Currently, 51% of our suppliers have signed the Code of Conduct.

Our targets reflect our commitment to providing high-quality information and influencing our suppliers to minimise potential negative impacts in our value chain.

Monitoring progress

Both our targets are reviewed, and progress against these assessed, as part of their quarterly reporting of the ESG strategy implementation.

As this financial year 2024/25 is our baseline year, we are not reporting on our progress to meet our targets, however, this will be reported annually.

Accounting policy:

Entity specific in-house brands quality information
The share of in-house brands with third-party ingredients platforms or in-house solutions is calculated based on the number of Matas Group in-house brands that are present in KemiLuppen compared against the total number of in-house brand products.

Entity specific Supplier Code of Conduct
The share of suppliers that has signed the Group's Code of Conduct is calculated based on the suppliers who have committed compared against those who are on the old supplier Code of Conduct and have not yet been transitioned to the updated Code of Conduct.

S4

Ent. Spec. 1 In-house brands quality information	Unit	FY2024/25
Share of In-house brands with third-party ingredients platforms or in-house solutions	%	60

S4

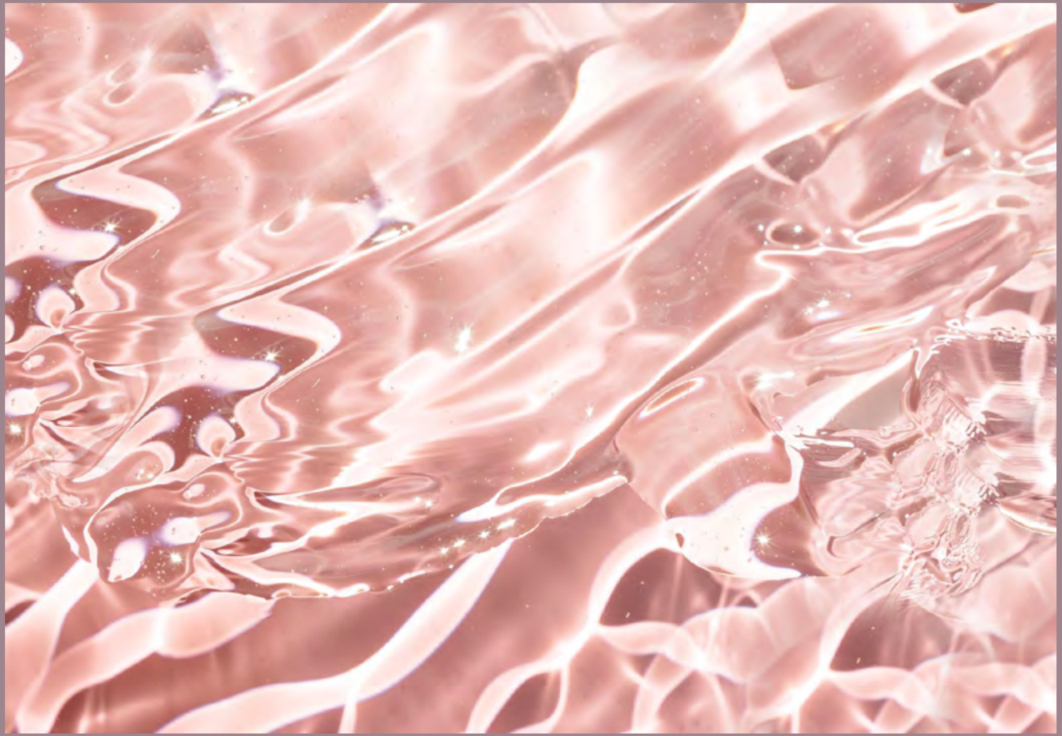
Ent. Spec. 2 Supplier Code of Conduct	Unit	FY2024/25
Share of suppliers that has committed to the Group's updated CoC	%	51

S4.MDR-T

Consumers and end-users targets

Target	Unit	Type of target	Baseline year	Baseline	Target year	Target score	Progress against target
100% of our in-house brand products have high-quality ingredient information to consumers either through third-party ingredient platforms or in-house solutions	%	Relative	2024/25	60	2027/28	100	0
100% of our suppliers have committed to the Group's Supplier Code of Conduct	%	Relative	2024/25	51	2027/28	100	0

M A T A S



Governance

→ G1 Business conduct

G R O U P

G1
Business conduct

In the dynamics of the retail industry, business conduct remains important for Matas Group as this guides our shared corporate values and defines the business behaviour that leads to an open and collaborative culture. This is also important to ensure robust supplier relationships and helps us to maintain the confidence of our stakeholders.

Our administrative, management and supervisory bodies play a key role in ensuring proper business conduct. Their roles and responsibilities are defined by how we ensure corporate governance and described in our 'Corporate Governance' section page 38 which also describes their capabilities to ensure the quality and consistency of our governance approach.

G1.IRO-1

Processes to identify impacts, risks and opportunities

To identify Matas Group's IROs related to business conduct, we have assessed both impacts and financial risks across our retail operations in Denmark, Sweden, Norway, and Finland. Our analysis encompasses supplier relationships and transactions, as well as internal business conduct, with particular attention to the recent acquisition of KICKS, and the integration of business functions at the Group level to drive synergies that are essential to the performance of the Group.

G1.SBM-3

Material impacts, risks and opportunities

Matas Group has identified 1 potential negative impact and 2 risks in its upstream value chain and own operations:

Corporate culture

26 Mismanaged corporate culture leading to negative impact on corporate behaviour and employee satisfaction (negative impact).

27 High employee turnover and reputational damage from mismanaged corporate culture (risk).

Relationship with suppliers

28 Loss of business relationship and reputational damage (risk).

At Matas Group, we believe that corporate culture is a powerful strength that shapes employee behaviour and unites our diverse Group portfolio. As we continue to grow, fostering a collaborative and cohesive corporate culture is key, when potential new acquisitions require different corporate cultures to merge under one Group, like with the KICKS acquisition. This corporate culture, while locally adapted across nationalities in stores and logistics centres, must align with our overarching values and Group policies. This is essential, as left unassessed and mismanaged, corporate culture can negatively impact our employees and potentially increase employee dissatisfaction and cause reputational damage. Both consequences can substitute a financial risk associated with high employee turnover.

Strong supplier relationships are essential for our business operations and our continued growth, and any mismanagement could threaten our ability to stock our stores and e-commerce platforms. Ensuring favourable interactions and timely payments is important to avoid being blacklisted by suppliers. This could not only threaten our financial stability but also put us at risk of reputational harm among our stakeholders.

G1-1

Policies related to corporate culture

At Matas Group, we have policies that explicitly guide the behaviour we believe drive a strong corporate culture. These guidelines are defined in our Employee Code of Business Conduct and our Whistleblower Policy. The sufficiency of both policies is evaluated regularly in Matas Group Compliance Steering Group, which is chaired by the General Counsel.

Employee Code of Business Conduct

Matas Group's Employee Code of Business Conduct is instrumental in shaping the Group's corporate culture by clearly defining the values and ethical principles that guide us as an organisation. It serves as a foundational document that aligns employee behaviour with the Group's purpose, ensuring that everyone understands the expectations and standards for expected business conduct. By articulating these core values, the Code of Conduct promotes consistency in actions and decisions across the organisation, fostering a unified approach to achieving business goals. The Code guides to specific behaviours, mitigating the risk of corruption and bribery, discrimination and harassment, and conflicts of interest.

At Matas Group, we do not assess any functions as being more at risk in respect to corruption and bribery. As such, all employees are considered to be exposed equally, however the risk is perceived to be very low.

The Code is a part of our mandatory onboarding process, ensuring that all employees read and understand expected behaviour upon beginning their employment at Matas Group. With its contents and its early introduction to the Group's employees, it mitigates the identified risk associated with a potential mismanaged corporate culture.

Whistleblower Policy

Our Whistleblower Policy complements our Whistleblower Scheme. All entities under Matas Group are in scope of this Policy and it supports the creation of an open corporate culture, where everyone is free to raise concerns. The objective of our Whistleblower Policy is to foster a responsible and transparent corporate culture where employees and other stakeholders can freely report serious concerns, such as illegal activities or significant misconduct, without the fear of retaliation. With this Policy, we ensure that such reports are handled confidentially and effectively, thereby preventing potential financial losses and reputational damage.

To protect whistleblowers, the Policy clearly guides on how anonymity and confidentiality is guaranteed for those who choose to report concerns, anonymously or not. The system we use for reporting is secure and encrypted, ensuring that personal data is protected. Whistleblowers are shielded from harassment and victimisation, with sanctions in place for anyone attempting to retaliate against them. Additionally, the identity of the whistleblower is kept confidential throughout the investigation process, and they are only disclosed if legal proceedings require their testimony as a witness.

Our Whistleblower Scheme is internally communicated to our employees on an ongoing basis. During the anti-trust trainings of our management teams, we also provide training in our Scheme and Policy objectives. The Matas Group General Counsel has access to and evaluates all reports made through our Whistleblower Scheme. Every quarter, the Audit Committee and the Board of Directors receive information about the number of reports and the gravity hereof.

G1-2

Management of relationships with suppliers

At Matas Group, we are dedicated to upholding the highest standards of integrity, respect, and ethical conduct in our interactions with suppliers. We expect our suppliers to align with business principles that reflect our own. When identifying new and relevant suppliers for Matas Group, we ensure that ethical considerations covering social and environmental attention, guide our process. Furthermore, upon signing with a new supplier, our Supplier Code of Conduct presents a legal agreement to suppliers to adhere to our requirements within social and environmental protection. If any supplier fails to meet these standards, we will initiate an open and transparent dialogue, implement corrective measures, or, if required, terminate the partnership. In return, we honour the reasonable standards set by our partners.

MATAS GROUP

Financial statements

M A T A S

Statements

- → Statement by the Board of Directors and the Executive Committee
- → Independent auditor's report
- → Independent auditor's limited assurance report on the sustainability statement

G R O U P

Statement by the Board of Directors and the Executive Committee

The Board of Directors and Executive Committee have today considered and adopted the Annual Report of Matas A/S for the financial year 1 April 2024 – 31 March 2025.

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.

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 2025 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2024/25.

In our opinion, Management's Review includes a fair review 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, which the Group and the Parent Company are facing.

Additionally, the sustainability statement, which is part of Management's Review, has been prepared, in all material respects, in accordance with paragraph 99 a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS) including that the process undertaken by Management to identify the reported information (the "Process") is in accordance with the description set out in the section titled "Impact, risk and opportunity management". Furthermore, disclosures within the subsection titled "EU Taxonomy reporting" in the environmental section of the sustainability statement are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

The financial year 2024/25 marks the initial implementation of paragraph 99 a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the Annual Report of Matas A/S for the financial year 1 April 2024 - 31 March 2025 with the file name Matas-2025-03-31-en.zip is prepared, in all material respects, in compliance with the European Single Electronic Format (ESEF Regulation).

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

Allerød, 23 May 2025

Executive Committee

Gregers Wedell-Wedellsborg
Group CEO

Per Johannesen Madsen
Group CFO

Board of Directors

Lars Vinge Frederiksen
Chair

Mette Maix
Deputy Chair

Espen Eldal

Barbara Plucnar Jensen

Henrik Taudorf Lorensen

Kenneth Melchior

Malou Aamund

Independent Auditor's reports

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 give a true and fair view of the Group's and the Parent Company's financial position at 31 March 2025 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 April 2024 to 31 March 2025 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 2024 to 31 March 2025 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 reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 2 years including the financial year 2024/25.

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 2024/25. 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	How our audit addressed the key audit matter
Valuation of goodwill The carrying amount of goodwill at 31 March 2025 amounts to DKK 4,102 million, corresponding to 43% 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 note 3.1 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 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 macroeconomic 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not as part of the audit 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. This does not include the requirements in paragraph 99 a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

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, except for the requirements in paragraph 99 a related to the sustainability statement, cf. above.

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2024 to 31 March 2025 with the filename Matas-2025-03-31-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 2024 to 31 March 2025 with the file name Matas-2025-03-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 23 May 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Michael Groth Hansen
State Authorised
Public Accountant
mne33228

Tue Stensgård Sørensen
State Authorised
Public Accountant
mne32200

Independent auditor's limited assurance report on the sustainability statement

To the stakeholders of Matas A/S

Limited assurance conclusion
We have conducted a limited assurance engagement on the sustainability statement of Matas A/S (the "Group") included in the Management's Review (the "Sustainability Statement"), for the financial year 1 April 2024 – 31 March 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the subsection "Impact, risk and opportunity management" within the general disclosures section of the Sustainability Statement; and

- compliance of the disclosures in subsection "EU Taxonomy reporting" within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management
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.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Management's responsibilities for the Sustainability Statement
Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the subsection "Impact, risk and opportunity management" within the general disclosures section of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;

- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the ESRS;

- preparing the disclosures as included in the subsection "EU Taxonomy reporting" within the environmental section of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;

- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and

- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;

- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the subsection "Impact, risk and opportunity management" within the general disclosures section of the Sustainability Statement.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the subsection "Impact, risk and opportunity management" within the general disclosures section of the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and Management's Review;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 23 May 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

Michael Groth Hansen
State Authorised
Public Accountant
mne33228

Tue Stensgård Sørensen
State Authorised
Public Accountant
mne32200

M A T A S

Consolidated financial statements

G R O U P

Statement of comprehensive income

for the year ended 31 March

(DKKm)	Note	2024/25	2023/24
Revenue	2.1	8,379	6,701
Cost of goods sold	2.2	(4,509)	(3,623)
Gross profit		**3,870**	**3,078**
Other external costs	2.3	(1,021)	(792)
Staff costs	2.4	(1,654)	(1,299)
Other operating income and expenses, net	2.5	21	19
EBITDA before special items		**1,216**	**1,006**
Special items	2.6	(27)	(102)
EBITDA		**1,189**	**904**
Depreciation, amortisation and impairment	3.1, 3.2, 3.3	(624)	(525)
EBIT		**565**	**379**
Share of profit or loss after tax of associates	2.7	1	1
Financial income	2.8	1	12
Financial expenses	2.8	(183)	(144)
Profit before tax		**384**	**248**
Tax on profit for the year	5.1, 5.2	(102)	(79)
Profit for the year		**282**	**169**

(DKKm)	Note	2024/25	2023/24
Other comprehensive income			
Currency adjustment of foreign entities and loan		28	21
Fair value adjustment of hedging instruments		4	–
Tax on other comprehensive income		(1)	(4)
Other comprehensive income after tax		**31**	**17**
Total comprehensive income for the year		**313**	**186**
Distributed as follows:			
Shareholders of Matas A/S		313	186
Minority shareholders		–	–
		313	**186**
Earnings per share:			
Earnings per share, DKK	4.5	7.42	4.45
Diluted earnings per share, DKK	4.5	7.37	4.43

Statement of cash flows

for the year ended 31 March

(DKKm)	Note	2024/25	2023/24
Profit before tax		384	248
Depreciation, amortisation and impairment	3.1, 3.2, 3.3	624	525
Share of profit or loss after tax of associates	2.7	(1)	(1)
Financial income	2.8	(1)	(12)
Financial expenses	2.8	183	144
Other non-cash operating items, net		32	11
Cash generated from operations before changes in working capital		**1,221**	**915**
Changes in working capital	3.10	(405)	(187)
Cash generated from operations		**816**	**728**
Corporate tax paid		(101)	(83)
Cash flow from operating activities		**715**	**645**
Acquisition of intangible assets	3.1	(225)	(156)
Acquisition of property, plant and equipment	3.2	(477)	(250)
Sale of subsidiaries		–	2
Acquisition of subdisiaries and operations	3.4	(15)	(617)
Cash flow from investing activities		**(717)**	**(1,021)**
Free cash flow excluding sale and acquisition of subdisiaries and operations		**13**	**239**
Free cash flow		**(2)**	**(376)**

(DKKm)	Note	2024/25	2023/24
Debt raised with credit institutions	4.2	564	1,121
Debt settled with credit institutions		–	(189)
Repayment of lease liabilities	4.2	(397)	(289)
Interest received	2.8	1	4
Interest paid	2.8	(131)	(84)
Dividend paid		(76)	(76)
Option agreement, received		10	–
Acquisition of own treasury shares		(27)	(21)
Cash flow from financing activities		**(56)**	**466**
Net cash flow from operating, investing and financing activities		**(58)**	**90**
Currency adjustment		3	4
Cash and cash equivalents, beginning of period		131	37
Cash and cash equivalents, end of period		**76**	**131**

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	2025	2024
ASSETS			
Non-current assets			
Goodwill	3.1	4,102	4,096
Trademarks and trade names	3.1	183	184
Software	3.1	253	258
Other intangible assets	3.1	86	132
Intangibles in progress	3.1	117	1
Total intangible assets		**4,741**	**4,671**
Lease assets	3.3	1,178	1,157
Land and buildings	3.2	107	108
Other fixtures and fittings, tools and equipment	3.2	103	89
Leasehold improvements	3.2	243	208
Plant in progress	3.2	510	169
Total property, plant and equipment		**2,141**	**1,731**
Investments in associates	3.5	1	1
Deferred tax	5.2	33	17
Deposits		48	47
Other securities and investments		1	1
Total other non-current assets		**83**	**66**
Total non-current assets		**6,965**	**6,468**
Current assets			
Inventories	3.6	2,269	1,864
Trade receivables	3.7	93	76
Corporate tax receivable		19	17
Other receivables		22	38
Prepayments	3.7	130	74
Cash and cash equivalents		76	131
Total current assets		**2,609**	**2,200**
Total assets		**9,574**	**8,668**

(DKKm)	Note	2025	2024
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	96	96
Translation reserve	4.1	45	17
Treasury share reserve	4.1	(39)	(43)
Hedging reserve	4.1	3	–
Retained earnings		3,534	3,315
Dividend proposed for the financial year	4.1	76	76
Equity, shareholders in Matas A/S		**3,715**	**3,461**
Non-controlling interests		1	1
Total equity		**3,716**	**3,462**
Liabilities			
Deferred tax	5.2	212	227
Lease liabilities	4.2	870	850
Provisions	3.7	28	28
Credit institutions	4.2	1,958	2,007
Other payables	3.9	5	5
Total non-current liabilities		**3,073**	**3,117**
Credit institutions	4.2	670	55
Lease liabilities	4.2	404	360
Provisions	3.7	2	19
Prepayments from customers	3.8	235	221
Trade payables		1,090	1,070
Other payables	3.9	384	364
Total current liabilities		**2,785**	**2,089**
Total liabilities		**5,858**	**5,206**
Total equity and liabilities		**9,574**	**8,668**

Statement of changes in equity

at 31 March

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Hedging reserve	Proposed dividend	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 April 2024	**96**	**17**	**(43)**	**–**	**76**	**3,315**	**3,461**	**1**	**3,462**
Adjustment to 1 April 2024	**–**	**–**	**–**	**–**	**–**	**2**	**2**	**–**	**2**
Other comprehensive income	–	28	–	4	–	–	32	–	32
Tax on other comprehensive income	–	–	–	(1)	–	–	(1)	–	(1)
Other comprehensive income	**–**	**28**	**–**	**3**	**–**	**–**	**31**	**–**	**31**
Profit for the year	–	–	–	–	76	206	282	–	282
Total comprehensive income	**–**	**28**	**–**	**3**	**76**	**206**	**313**	**–**	**313**
Transactions with owners									
Dividend paid	–	–	–	–	(76)	–	(76)	–	(76)
Dividend on treasury shares	–	–	–	–	(0)	0	–	–	–
Exercise of incentive programme	–	–	21	–	–	(21)	–	–	–
Option agreement[1]	–	–	–	–	–	10	10	–	10
Deferred acquisition[2]	–	–	10	–	–	–	10	–	10
Acquisition of own shares	–	–	(27)	–	–	–	(27)	–	(27)
Share-based payment	–	–	–	–	–	22	22	–	22
Total transactions with owners	**–**	**–**	**4**	**–**	**(76)**	**11**	**(61)**	**–**	**(61)**
								–	
Equity at 31 March 2025	**96**	**45**	**(39)**	**3**	**76**	**3,534**	**3,715**	**1**	**3,716**

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

2 Related to Web Sundhed ApS.

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
Equity at 1 April 2023	**96**	**–**	**(44)**	**76**	**3,234**	**3,362**	**1**	**3,363**
Other comprehensive income	–	21	–	–	–	21	–	21
Tax on other comprehensive income	–	(4)	–	–	–	(4)	–	(4)
Other comprehensive income	**–**	**17**	**–**	**–**	**–**	**17**	**–**	**17**
Profit for the year	–	–	–	76	93	169	–	169
Total comprehensive income	**–**	**17**	**–**	**76**	**93**	**186**	**–**	**186**
Transactions with owners								
Dividend paid	–	–	–	(76)	–	(76)	–	(76)
Dividend on treasury shares	–	–	–	–	–	–	–	–
Exercise of incentive programme	–	–	23	–	(23)	–	–	–
Acquisition of own shares	–	–	(22)	–	–	(22)	–	(22)
Share-based payment	–	–	–	–	11	11	–	11
Total transactions with owners	**–**	**–**	**1**	**(76)**	**(12)**	**(87)**	**–**	**(87)**
Equity at 31 March 2024	**96**	**17**	**(43)**	**76**	**3,315**	**3,461**	**1**	**3,462**

Summary of notes to the financial statements

SECTION 1

Basis of preparation

This section introduces the accounting policies for the Matas Group and significant accounting estimates and judgements.

A more detailed description of accounting policies and significant estimates and judgements related to specific reported amounts is presented in the respective notes. The purpose is to provide transparency on the disclosed amounts and to describe the relevant accounting policy, significant estimates and numerical disclosure for each note.

Notes

Note 1.1 – General accounting policies

Matas A/S is a public limited company domiciled in Denmark. The Annual Report includes 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 2024/25 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 2024/25 on 23 May 2025. The Annual Report will be presented to the shareholders of Matas A/S for approval at the Annual General Meeting to be held on 16 June 2025.

Accounting policies
The general accounting policies applied in the Annual Report as a whole are described below. The accounting policies related to specific line items are described in the notes to which they relate. The description of accounting policies in the notes forms part of the general description of Matas Group's accounting policies.

Consolidated statement
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.

Implementation of new or amended standards and interpretations
Matas A/S has implemented all new or amended IFRS Accounting Standards and interpretations as adopted by the EU that apply to the financial year 1 April 2024 – 31 March 2025. These have not significantly affected Matas Group's Annual Report for 2024/25.

The new standards that are not yet effective are not expected to have any material impact on Matas Group, exept IFRS 18 Presentation and Disclosure in Financial Statements, which was issued in April 2024 and will be effective from 2027/28, impacting presentation and disclosure of the Financial Statements. Matas Group is currently evalu-ating the potential impact of this standard.

IXBRL reporting
The Group has filed the Annual Report 2024/25 in the European Single Electronic Format (ESEF), XHTML, which can be displayed in a standard browser. The consolidated financial statements are tagged using extensible Business Reporting Language (iXBRL), which complies with the ESEF taxonomy included in the ESEF Regulation. The Annual Report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a zip file named Matas-2025-03-31-en.zip.

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, they may not be comparable with the ratios applied by other companies. Accordingly, these financial ratios should not be considered a substi-tute for performance measures defined under IFRS. For a definition of the performance measures applied by Matas Group, see 'Definitions of key financials'.

Consolidated financial statements
Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed 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.

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 consol-

Notes

Note 1.1 – General accounting policies continued

idation, 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 fully 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.

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 corporate 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.

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.

Functional and presentation currency
The consolidated financial statements are presented in DKK, which is also the functional currency of the Parent Company. Each subsidiary determines its own functional currency, and items recognised in the financial statements of each entity are measured using that functional currency.

Transactions and balances
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 into 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.

Foreign exchange rate adjustments arising on monetary items which are considered part of the net investment in foreign entities are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Notes

Note 1.2 – Management’s judgements and estimates

Significant accounting estimates
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 Group’s 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 Group 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 Group is exposed are described in the Management’s Review and in the notes.

Management's judgement and estimates	Note
Segment and revenue information	2.1
Special items	2.6
Intangible assets	3.1
Property, plant and equipment	3.2
Leases	3.3
Inventories	3.6
Prepayments from customers	3.8

SECTION 2

Profit for the year

This section comprises notes related to the results for the year, including reporting segment disclosures, and provides additional information related to the Groups' three reportable segments: Matas, KICKS and Other. A detailed description of the results for the year is given in the Financial review starting on page 24.

Notes

Note 2.1 – Segment and revenue 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.

Matas Group has changed the Management reporting, so it comprise three segments Matas, KICKS and Other with the aim of showing Matas excluding Other (Firtal, Grænn and Web Sundhed) separately. Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management.

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, which is the reason why Management when looking at financial performance below gross profit is looking at the consolidated Group figures.

(DKKm)	Matas 2024/25	KICKS 2024/25	Other 2024/25	Total 2024/25
Revenue	4,683	3,151	545	8,379
Cost of goods sold	(2,480)	(1,763)	(266)	(4,509)
Gross profit	**2,203**	**1,388**	**279**	**3,870**
Gross margin	47.0%	44.0%	51.4%	46.2%
Other external costs				(1,021)
Staff costs				(1,654)
Other operating income and expenses, net				21
EBITDA before special items				**1,216**
Special items				(27)
EBITDA				**1,189**

(DKKm)	Matas 2023/24	KICKS 2023/24	Other 2023/24	Total 2023/24
Revenue	4,357	1,861	483	6,701
Cost of goods sold	(2,332)	(1,036)	(255)	(3,623)
Gross profit	**2,025**	**825**	**228**	**3,078**
Gross margin	46.5%	44.4%	47.2%	45.9%
Other external costs				(792)
Staff costs				(1,299)
Other operating income and expenses, net				19
EBITDA before special items				**1,006**
Special items				(102)
EBITDA				**904**

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

Geographical information

(DKKm)	2024/25	2023/24
Denmark	5,568	5,252
Sweden	1,075	1,003
Other countries	322	213
Total non-current assets at 31 March	**6,965**	**6,468**

Notes

Note 2.1 – Segment and revenue information continued

Accounting policies
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 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 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 gift vouchers 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 Group's 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.

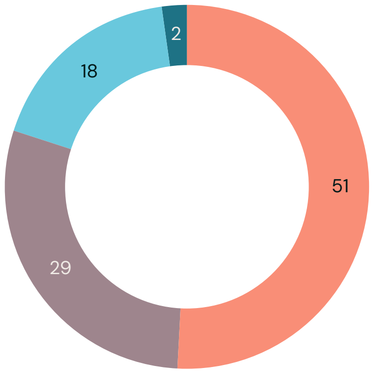
The proportion of the total consideration that is variable, for example in the form of discounts, bonus payments, etc., is recognised in revenue when it is highly probable that it will not be subsequently reversed due to, for example, non-redemption of points earned.

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 available for the customer. The Group does not have any sale of services.

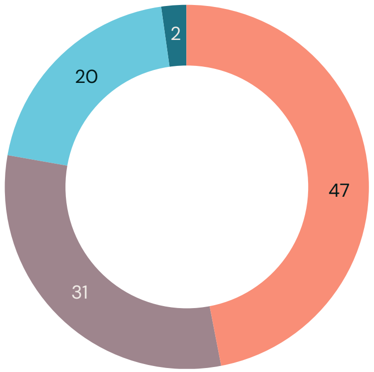
A small proportion of the Group's revenue is invoiced, e.g. wholesale sales, in which connection a receivable is recognised.

(DKKm)	2024/25	2023/24
Physical stores	5,526	4,522
Online	2,734	2,067
Retail revenue	**8,260**	**6,589**
Wholesale sales, etc.	119	112
Total revenue	**8,379**	**6,701**

Retail revenue by category 2024/25
%



Retail revenue by category 2023/24
%



High-end Beauty Mass Beauty Health and Wellbeing Other

Notes

Note 2.1 – Segment and revenue information continued

Customers have the option of returning products, but the volume of returns at 31 March 2025 was insignificant, as was the amount of guarantee commitments, similar to last year.

Revenue breaks down by product groups as follows

(DKKm)	2024/25	2023/24
High-end Beauty	4,204	3,064
Mass Beauty	2,407	2,056
Health and Wellbeing	1,464	1,345
Other	185	123
Wholesale sales, etc.	119	113
Total revenue	**8,379**	**6,701**

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, health supple-ments, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Baby and parent. Sexual wellness, Personal care products (oral, foot and intimate care and hair removal) and special skincare.
- **Other:** Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and garden (cleaning and maintenance, electrical products, interior decoration, textiles, etc.) and value adjustment of loyalty points and expired gift vouchers.
- **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.

Geographical information

(DKKm)	2024/25	2023/24
Denmark	5,196	4,812
Sweden	1,879	1,130
Other countries	1,304	759
Total revenue	**8,379**	**6,701**

Management's judgements and estimates

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 80 million at 31 March 2025 (31 March 2024: DKK 70 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.

The obligation for sale of gift vouchers is based on a 95% redemption rate, equal to historical redemption rate (2023/24: 100%).

Notes

Note 2.2 – Cost of goods sold

Accounting policies
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.

(DKKm)	2024/25	2023/24
Cost of goods sold for the year	4,527	3,625
Write-down of inventories for the year	57	56
Reversal of write-down of inventories	(76)	(58)
Total cost of goods sold etc.	**4,509**	**3,623**

Note 2.3 – Other external costs

Accounting policies
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.

Other external costs

(DKKm)	2024/25	2023/24
Other external costs	1,053	871
Transferred to special items	(32)	(79)
Total	**1,021**	**792**

Note 2.4 – Staff costs

Accounting policies
Staff costs comprise wages, salaries, pensions and other staff costs. 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 costs are accrued to match the rendering of the services by the employees. Termination benefits are recognised at the time the agreement between the Group and the employee is made and no future service is rendered by the employee in exchange for benefits.

(DKKm)	2024/25	2023/24
Wages and salaries	1,469	1,188
Defined contribution plans	117	81
Share-based payment	22	11
Other staff costs	113	104
Total staff costs	**1,721**	**1,384**

(DKKm)	2024/25	2023/24
Staff costs in statement of comprehensive income	1,654	1,299
Special items in statement of comprehensive income	5	33
Staff cost capitalised as intangible assets[1]	62	52
Total staff costs	**1,721**	**1,384**
Average number of FTEs	3,504	2,931

1 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 6.1.

Notes

Note 2.4 – Staff costs continued

Employee benefits
Pension obligations and similar non-current liabilities

Accounting policies
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.

Note 2.5 – Other operating income and expenses, net

Accounting policies
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.

Other operating income and expenses, net

(DKKm)	2024/25	2023/24
Other operating income and expenses, net income	31	29
Transferred to special items	(10)	(10)
Total	**21**	**19**

Note 2.6 – Special items

Accounting policies
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 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.

(DKKm)	2024/25	2023/24
Costs related to the acquisitions of KICKS Group AB:		
Transaction costs	–	49
Integration costs	27	63
	27	**112**
Income from reversal of earn-out in Web Sundhed	(10)	(10)
Matas' 75-year anniversary party	10	-
Total special items	**27**	**102**

Notes

Note 2.6 – Special items continued

Special items reconcile to the income statement as specified below:

	2024/25			2023/24		
(DKKm)	**Reported income statement**	**Special items**	**Adjusted income statement**	**Reported income statement**	**Special items**	**Adjusted income statement**
Revenue	8,379	–	8,379	6,701	–	6,701
Cost of goods	(4,509)	–	(4,509)	(3,623)	–	(3,623)
Gross profit	**3,870**	**–**	**3,870**	**3,078**	**–**	**3,078**
Other external cost	(1,021)	(32)	(1,053)	(792)	(79)	(871)
Staff costs	(1,654)	(5)	(1,659)	(1,299)	(33)	(1,332)
Other operating income, net	21	10	31	19	10	29
EBITDA before special items	**1,216**	**(27)**	**1,189**	**1,006**	**(102)**	**904**
Special items	(27)	27	–	(102)	102	–
EBITDA	**1,189**	**–**	**1,189**	**904**	**–**	**904**

Management's judgements and estimates
In the classification of special items, judgement is applied in ensuring that only exceptional items not associ-ated with the ordinary operations of the Group are included.

Note 2.7 – Share of profit or loss after tax of associates

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

The share of profit or loss after tax of associates amounted to a profit of DKK 1 million for 2024/25 from Geniads ApS against a profit of DKK 1 million in 2023/24.

Notes

Note 2.8 – Financial income and expenses

Accounting policies
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.

Financial income

(DKKm)	2024/25	2023/24
Interest credit institutions	1	4
Currency gains	–	7
Other	–	1
Total financial income	**1**	**12**
Interest from financial assets measured at amortised cost amounts to	–	–

Financial expenses

(DKKm)	2024/25	2023/24
Interest, credit institutions	119	84
Interest, lease liabilities	50	45
Interest, contingent consideration	1	4
Amortisation of financing costs	1	3
Currency losses	10	4
Other	2	4
Total financial expenses	**183**	**144**
Interest on financial liabilities measured at amortised cost amounts to	170	133

SECTION 3

Invested capital and working capital items

The notes in this section describe the assets that form the basis for the activities of the Group and the related liabilities, including acquisition of entities during the year. Financial risks are described in note 4.3

Notes

Note 3.1 – Intangible assets

(DKKm)	Goodwill	Trademarks and trade names	Software	Other intangible assets	Intan-gibles in progress	Total
Cost at 1 April 2024	**4,096**	**1,340**	**779**	**299**	**1**	**6,515**
Currency adjustment	6	9	14	5	–	34
Transfer	–	–	57	2	(59)	–
Additions	–	–	50	–	175	225
Disposals	–	–	(2)	(13)	–	(15)
Cost at 31 March 2025	**4,102**	**1,349**	**898**	**293**	**117**	**6,759**
Amortisation and impairment at 1 April 2024	**–**	**1,156**	**521**	**167**	**–**	**1,844**
Currency adjustment	–	–	13	–	–	13
Amortisation	–	10	111	40	–	161
Amortisation and impairment at 31 March 2025	**–**	**1,166**	**645**	**207**	**–**	**2,018**
Carrying amount at 31 March 2025	**4,102**	**183**	**253**	**86**	**117**	**4,741**
Cost at 1 April 2023	**3,999**	**1,204**	**562**	**203**	**–**	**5,968**
Additions on acquisitions	94	132	94	59	–	379
Currency adjustment	3	4	3	2	–	12
Additions	–	–	120	35	1	156
Cost at 31 March 2024	**4,096**	**1,340**	**779**	**299**	**1**	**6,515**
Amortisation and impairment at 1 April 2023	**–**	**1,146**	**411**	**118**	**–**	**1,675**
Amortisation	–	10	110	49	–	169
Amortisation and impairment at 31 March 2024	**–**	**1,156**	**521**	**167**	**–**	**1,844**
Carrying amount at 31 March 2024	**4,096**	**184**	**258**	**132**	**1**	**4,671**
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.

Intangibles in progress primarily relates to Group IT development projects, especially in relation to the integration with KICKS Group, development of business IT systems including development of the Group's websites and brands.

Goodwill

Accounting policies
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.

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.

For 2023/24 goodwill increased by DKK 97 million 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 2025, Management tested the carrying amount of goodwill for impairment at individual cash-generating unit (CGU) level, defined as the operating segments Matas banner, KICKS banner, and Other (Firtal Group, Grænn and Web Sundhed).

Goodwill has been allocated as follows between individual CGUs:

(DKKm)	2024/25	2023/24
Matas banner	3,729	3,729
KICKS banner	103	97
Other	270	270
Goodwill at 31 March	**4,102**	**4,096**

Notes

Note 3.1 – Intangible assets continued

The carrying amount of goodwill developed as follows:

(DKKm)	2024/25	2023/24
Goodwill at 1 April	4,096	3,999
Addition on acqusistion of KICKS Group AB	–	94
Currency adjustment	6	3
Goodwill at 31 March	**4,102**	**4,096**

Trademarks and trade names

Accounting policies
Trademarks and trade names acquired in business combinations are measured at cost less accumulated impairment losses. KICKS trademarks and trade names are not amortised as these can be maintained for an indefinite period, as these are well-established brands in their markets, having existed for decades. Whether these assets should be depreciated is reassessed annually.

Other intangible assets

Accounting policies
Other intangible assets, which primarily comprise 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.

Impairment testing

Accounting policies
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 (CGU) 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 derive from an asset or the CGU to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a CGU, respectively, exceeds the recoverable amount of the asset or the CGU. 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 exceeed the carrying amount of the asset after amortisation/depreciation, had the asset not been impaired.

Notes

Note 3.1 – Intangible assets continued

Management judgements and estimates
In performing the annual impairment test of goodwill, an assessment is made of how the cash-generating unit (CGU) 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 2-5 years into the future and are as such subject to some estimate uncertainty. This uncertainty is reflected in the discount rate applied.

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 CGU 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 derive from an asset or the CGU to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a CGU, respectively, exceeds the recoverable amount of the asset or the CGU. 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.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired.

If any such indication exists, or when annual impairment testing of an asset is required, the Group estimates the recoverable amount of the asset.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Method for impairment testing
As at 31 March 2025, Management tested the carrying amount of goodwill for impairment at CGU level, defined as the operating segments Matas banner, KICKS banner, and Other (Firtal Group, Grænn and Web Sundhed).

Management monitors goodwill on the basis of the operating segments, and the annual impairment testing of goodwill is thus performed for the operating segments Matas banner, KICKS banner, and combined for Others (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 2025/26-2029/30 represent Management's best estimates. The key assumptions on which Management bases its cash flow projections are: Volumes, sales prices, input costs, operating investments and 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.

Matas banner
As regards to the Matas banner, the recoverable amount is based on the value in use, which is determined using expected net cash flows on the basis of the 2025/26 budget approved by the Board of Directors and a projection for the remaining forecast period (the years 2026/27-2029/30). Earnings during the forecast period are based on the EBITDA level indicated in the 2025/26 budget and expected investments. In the short-term perspective, growth will depend partly on general economic trends while Matas anticipates EBITDA growth within its product areas of an average of 4.5% p.a. (CAGR), assuming stable economic growth.

In the long-term perspective, demand is expected to be affected by changes in the demographics, mix of consumers and consumer behavior 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. The growth rate used to extrapolate futire net cash flows in the terminal period is estimated at 2.0% (31 March 2024: 2.0%). The growth rate is not assessed to exceed the long-term average growth rate within the Matas banner's markets.

In performing the impairment test, Management used a discount factor (WACC) after tax of 7.9% (2023/24: 8.5%), a discount factor before tax of 9.6% (2023/24: 10.0%).

Notes

Note 3.1 – Intangible assets continued

Based on the impairment test performed for the Matas banner at 31 March 2025, 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.

KICKS banner
KICKS banner is affected by the same demand mechanisms as the Matas banner and short-term growth will depend partly on general economic trends. Earnings during the forecast period are based on the EBITDA level indicated in the 2025/26 budget and expected investments while it anticipates EBITDA growth of an average 5.7% p.a. (CAGR), assuming stable economic growth.

In performing the impairment test, Management used a discount factor (WACC) after tax of 8.1% (2023/24: 8.5%), a discount factor before tax of 9.8% (2023/24: 9.8%).

The growth rate used to extrapolate future net cash flows in the terminal period is estimated at 2.0% (31 March 2024: 2.0%). The growth rate is not assessed to exceed the long-term average growth rate within the KICKS banner's markets.

Based on the impairment test performed for the KICKS banner at 31 March 2025, 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.

Other
As regards to Other (Firtal Group, Grænn and 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 2025/26 budget approved by the Board of Directors and a projection for the remaining forecast period (the years 2026/27-2029/30). Earnings during the forecast period are based on the EBITDA level indicated in the 2025/26 budget and expected investments while it anticipates EBITDA growth of an average 4.5% p.a. (CAGR), assuming stable econimic growth.

The growth rate used to extrapolate future net cash flows in the terminal period is estimated at 2.0% (31 March 2024: 2.0%).

In performing the impairment test, Management used a discount factor (WACC) after tax of 8.2%, a discount factor before tax of 10.0%

Based on the impairment test performed for Other (Firtal Group, Grænn and Web Sundhed) at 31 March 2025, 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.

Notes

Note 3.2 – Property, plant and equipment

(DKKm)	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Plant in progress	Total
Cost at 1 April 2024	**172**	**434**	**437**	**169**	**1,212**
Currency adjustment	1	4	25	1	31
Transfer	0	14	20	(34)	–
Additions	8	41	52	376	477
Disposals	–	(1)	(2)	(2)	(5)
Cost at 31 March 2025	**181**	**492**	**532**	**510**	**1,715**
Depreciation and impairment at 1 April 2024	**64**	**345**	**229**	**-**	**638**
Currency adjustment	1	2	12	-	15
Depreciation	9	42	50	-	101
Disposals	–	–	(2)	-	(2)
Depreciation and impairment at 31 March 2025	**74**	**389**	**289**	**-**	**752**
Carrying amount at 31 March 2025	**107**	**103**	**243**	**510**	**963**
Cost at 1 April 2023	**143**	**368**	**233**	**60**	**804**
Additions on acquisitions	8	22	138	-	168
Currency adjustment	–	1	4	-	5
Additions	21	46	64	119	250
Disposals	–	(3)	(2)	(10)	(15)
Cost at 31 March 2024	**172**	**434**	**437**	**169**	**1,212**
Depreciation and impairment at 1 April 2023	**56**	**303**	**205**	**-**	**564**
Depreciation	8	45	26	-	79
Disposals	–	(3)	(2)	-	(5)
Depreciation and impairment at 31 March 2024	**64**	**345**	**229**	**-**	**638**
Carrying amount at 31 March 2024	**108**	**89**	**208**	**169**	**574**
Depreciated over:	10-75 years	1-7 years	2-8 years	-	

Accounting policies

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.

Notes

Note 3.2 – Property, plant and equipment continued

Depreciation, amortisation and impairment

(DKKm)	2024/25	2023/24
Amortisation, software	111	110
Amortisation, other intangible assets	50	59
Depreciation, property, plant and equipment	101	79
Depreciation of lease assets	362	277
Loss on disposal of property, plant and equipment	0	0
Total depreciation, amortisation and impairment	**624**	**525**

Management's judgements and estimates
Judgement is applied in determining the depreciation period and future residual value of the assets recognised and is generally based on historical experience. Reassessment is performed annually to ascertain that the depreciation basis applied is still representative and reflects the expected life and future residual value of the assets.

Note 3.3 – Leases

Accounting policies
The Group annually performs 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 for stores and 10 years for warehouses 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

Note 3.3 – Leases continued

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	3-4 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.

(DKKm)	2024/25	2023/24
Store leases, etc.	993	986
Administration and warehouse buildings etc.	179	164
Cars and other leases	6	7
Total lease assets	**1,178**	**1,157**

For 2024/25, an addition of DKK 124 million was recognised as right-of-use assets (2023/24: DKK 259 million, including an addition of DKK 122 million regarding KICKS' central warehouse in Rosersberg, Stockholm).

In 2024/25 a reassesment was performed which has made an additional right-of-use asset of DKK 223 million. (2023/24: DKK 60 million).

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

(DKKm)	2024/25	2023/24
Non-current liabilities	870	850
Current liabilities	404	360
Total lease liabilities	**1,274**	**1,210**

Most store leases in Denmark are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice 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)	2024/25	2023/24
Store leases	321	242
Administration and warehouse buildings, etc.	38	31
Cars and other leases	3	4
Total depreciation of lease assets	**362**	**277**

In 2024/25, Matas made lease payments concerning recognised assets of DKK 397 million (2023/24: DKK 289 million).

Interest in the amount of DKK 50 million was expensed in 2024/25 (2023/24: DKK 45 million).

Notes

Note 3.3 – Leases continued

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 lease payments are not included in the lease liabilities and are therefore not reflected in the tables above. Revenue-based lease is, as before, recognised under other external costs and amounted to DKK 33 million in 2024/25 (2023/24: DKK 33 million).

A total amount of DKK 3 million 2024/25 (2023/24: DKK 1 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 1 million at 31 March 2025 (31 March 2024: DKK 1 million).

Management's judgements and estimates
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 does 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 or more, then the extension option should not be exercised.

Determining the discount factor in a lease
Matas Group applies an alternative borrowing rate for the purpose 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.

Notes

Note 3.4 – Business combinations

Accounting policies
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 annually 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 (CGU) 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 on 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.

Purchase Price Allocation (PPA) (DKKm)	2024/25	2023/24
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
Assets acquired	**–**	**1,791**
Trade payables	–	(288)
Credit institutions	–	(101)
Lease liability	–	(543)
Deferred tax liability	–	(24)
Other payables	–	(143)
Prepaid income and deferred expenses	–	(94)
Liabilities assumed	**–**	**(1,193)**
Net identifiable assets acquired	**–**	**598**
Goodwill arising on acquisitions	–	94
Purchase consideration	**–**	**692**
Outflow of cash to acquire subsidiary, net of cash acquired:		
Cash consideration	–	(692)
Less cash balances	–	75
Contingent liabilities	(15)	–
Net outflow of cash – investing activities	**(15)**	**(617)**

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

Notes

Note 3.4 – Business combinations continued

Acquisitions in 2024/25
Contingent consideration of DKK 25 million concerning the acquisition Apo IT ApS and Web-Apo ApS through Web Sundhed ApS was paid at the beginning of financial year 2024/25 (DKK 10 million in shares and DKK 15 million in cash settlements).

At 31 March 2025 there are no further contingent considerations nor deferred purchase price related to acquisition of Apo IT ApS and Web-Apo ApS (31 March 2024: DKK 39 million).

Acquisition and integration related costs
An income of DKK 10 million has been taken as special items regarding reversal of accrual for deferred acquisition cost related to Apo IT ApS and Web-Apo ApS.

DKK 27 million of special items has been included in EBITDA related to integration of KICKS in 2024/25 (2023/24: DKK 49 million related to acquisition and DKK 63 million initiation of the integration).

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, was paid fully upon closing of the transaction.

Management has fully factored in synergies from the KICKS acquisition of DKK +100 million in EBITDA into plans for 2025/26. The synergies are deriving 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 for 2023/24. If KICKS had been acquired at 1 April 2023, the consolidated revenue for 2023/24 would have amounted to DKK 7,834 million[1] compared to actual DKK 6,701 million.

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

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 stand-alone improvement to KICKS' EBITDA, from already invested and executed initiatives. None of the goodwill is tax deductible.

Acquisitions after the reporting period
No acquisitions took place after the reporting period.

1 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

Note 3.5 – Investments in associates

Accounting policies
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.

Note 3.6 – Inventories

Accounting policies
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.

(DKKm)	2024/25	2023/24
Goods for resale	2,269	1,864
Carrying amount of inventories recognised at net selling price	–	–
Inventories at 31 March	**2,269**	**1,864**

Provisions for shrinkage made at 31 March 2025 amounted to DKK 14 million (31 March 2024: DKK 44 million). Provision for obsolescence made at 31 March 2025 amounted to DKK 40 million (31 March 2024: DKK 43 million).

Management's judgements and estimates
Full stock counts are performed at all Matas stores once a year, predominantly in the last quarter of the financial year. A provision for shrinkage is made covering the period from the date of the stock count to end of year corresponding to 1.3% (2023/24: 1.8%) of sales in the period. 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.

KICKS stores are performing rolling stocktakes continously for which reason Management assumes the quantities to be valid and no provision for shrinkage is made at 31 March 2025 (31 March 2024: DKK 13 million).

Provisions for obsolescense are made for 50% of the cost on goods which are older than two years.

Notes

Note 3.7 – Receivables, prepayments and provisions

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)	2024/25	2023/24
Impairment at 1 April	–	1
Impairment in the year	1	–
Realised in the year	(0)	(1)
Impairment at 31 March	**1**	**–**

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

(DKKm)	2024/25	2023/24
Maturity:		
Up until 30 days	15	6
Between 30 and 90 days	2	2
More than 90 days	1	2
Total overdue trade receivables at 31 March	**18**	**10**

Accounting policies
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 of recognition of the receivable in the statement of financial position based on the lifetime expected credit loss.

Prepayments

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

Provisions

Accounting policies
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 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.

Notes

Note 3.7 – Receivables, prepayments and provisions continued

(DKKm)	2024/25	2023/24
Included in non-current liabilities		
Obligation for reinstatement of tenancies	28	28
Additions on acquisitions	–	–
Total provisions, non-current	**28**	**28**
Included in current liabilities:		
Restructuring provisions	2	19
Additions on acquisitions	–	–
Total provisions, current	**2**	**19**

Note 3.8 – Prepayments from customers

Prepayments from customers

(DKKm)	2024/25	2023/24
Prepayments from customers at 1 April	221	161
Additions on acquisitions	–	33
Recognised in the year	491	428
Settled in the year	(477)	(401)
Prepayments from customers at 31 March	**235**	**221**

Accounting policies

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.

Management's judgements and estimates

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.

Obligation for sale of gift vouchers is based on a 95% redemption rate, equal to historical redemption rate (2023/24: 100%).

Notes

Note 3.9 – Other payables

Accounting policies
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.

(DKKm)	2024/25	2023/24
Included in non-current liabilities:		
Contingent consideration	5	5
Total other payables, non-current liabilities	**5**	**5**
Included in current liabilities:		
VAT payable	79	56
Holiday pay obligation	131	122
Pay-related liabilities	173	136
Contingent consideration	–	34
Other creditors	1	16
Total other payables, current liabilities	**384**	**364**

Note 3.10 – Changes in working capital

Accounting policies
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 corporate tax paid.

(DKKm)	2024/25	2023/24
Change in inventories	(405)	(334)
Change in deposits and receivables	(55)	(31)
Change in trade payables and other payables	55	178
Total changes in working capital	**(405)**	**(187)**

SECTION 4

Capital structure and finances

This section includes notes related to Matas Group's capital structure, including financial risks in note 4.3.

Notes

Note 4.1 – Share capital / 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 3.1 times at 31 March 2025 (31 March 2024: 2.8 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 38.7% at 31 March 2025 (31 March 2024: 40.0%).

Dividend
Based on the satisfactory financial results, the Board of Directors proposes that DKK 2.00 per share (2023/24: DKK 2.00), equivalent to 76.6 million (2023/24: DKK 76.6 million) and 22.8% of Matas Group's adjusted profit after tax for 2024/25, be distributed as dividends (2023/24: 25.4%).

Dividend paid has no effect on Group's tax expense for the year.

For further shareholder information on dividend payments, see page 47 Shareholder information.

Accounting policies
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.

Translation reserve

Accounting policies
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 (DKK).

Treasury share reserve

	Number of shares at DKK 2.5		% of share capital	
	2024/25	**2023/24**	**2024/25**	**2023/24**
Treasury shares at 1 April	382,981	358,423	1.00%	0.93%
Disposed in connection with exercise of incentive programmes	(190,241)	(185,442)	(0.50%)	(0.48%)
Disposed in connection with deferred acquisition (Web Sundhed ApS)	(85,266)	–	(0.22%)	–
Acquired for future incentive programmes	210,000	210,000	0.55%	0.55%
Treasury shares at 31 March	**317,474**	**382,981**	**0.83%**	**1.00%**

A total of 190,241 treasury shares were vested in connection with the exercise of LTIP 2021/22. Reference is made to note 4.4 for a description of the Group's incentive programmes.

For an overview of outstanding incentive programmes, see note 6.1.

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

Notes

Note 4.2 – Liabilities from financing activities

Accounting policies
On initial recognition 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.

Gains and losses are recognised in the income statement when the liabilities are derecognised and through the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium at inception, as well as fees and other costs.

Finance income and costs comprise interest income and expenses, realised and unrealised gains and losses on payables/receivables and transactions in foreign currencies.

For all financial instruments measured at amortised cost, interest income or expense is recognised using the effective interest rate, which is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

(DKKm)	1 April 2024	Cash flows	Additions on acquisitions	Non-cash changes	31 March 2025
2024/25					
Credit institutions	2,062	564	-	2	2,628
Lease liabilities	1,210	(397)	-	461	1,274
Liabilities from financing activities	**3,272**	**167**	**-**	**463**	**3,902**

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

Notes

Note 4.2 – Liabilities from financing activities continued

(DKKm)	2024/25	2023/24
Amounts owed to credit institutions are recognised in the statement of financial position as follows:		
Non-current liabilities	1,958	2,007
Current liabilities	670	55
Total	**2,628**	**2,062**
Nominal value	**2,630**	**2,065**
Falls due more than 5 years after the reporting date, nominal value	-	-
Fair value	**2,630**	**2,065**

The fair value of financial liabilities is determined as the present value of expected future instalments and interest payments. Fair value is based on unadjusted quoted prices in markets, which corresponds to level 2 measurement. 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 70-230 basis points above CIBOR (2023/24: 70-210 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 2025 of 1.78% (2.18 less margin 0.40) and loan interest was 3.39% (2.53 plus margin 0.86). At 31 March 2024, the deposit interest was 3.25% (3.65 less margin 0.40) and loan interest was 4.89% (4.00 plus margin 0.89).

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

The primary covenant that Matas Group ae to comply are ratio of net interest-bearing debt (NIBD) to LTM EBITDA before special items. The covenant is measured on a quarterly basis. The bank loans covered by the covenant are as of 31 March 2025 DKK 2,630 million (31 March 2024: DKK 2,065 million).

Note 4.3 – Financial risks

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.

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.

Interest rate risks
It is Matas Group's 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.

In September 2024, interest rate swap agreements entered with the credit institutions to reduce/hedge interests' exposure on the Groups interest bearing debt. The interest swap agreements cover a total of DKK 1,450 million of the Group interest bearing debt and expires 30 September 2025. The interest swap agreements change the floating-rate interest to fixed interest rate at a level of 2.8%. The interest swaps agreements are accounted for according to IFRS 9 Hedge accounting.

Due to Matas Group's floating-rate cash and cash equivalents and debt to credit institutions, and swap agreements not covering the Group's full interest bearing debt a decline 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 25 million (2023/24: DKK 20 million) and on year-end equity of DKK 25 million (31 March 2024: DKK 20 million). An increase in interest rates of 1% p.a. relative to the actual level of interest rates would, other things being equal, have a negative effect on the profit for the year of DKK 23 million (2023/24: DKK 20 million) and on year-end equity of DKK 23 million (31 March 2024: DKK 20 million).

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.

Notes

Note 4.3 – Financial risks continued

Currency risk
The Group's currency risk is primarily related to its net exposure to NOK and SEK through KICKS operations. 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 2025. Net currency exposure for assets and liabilities, 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)	Change in exchange rate	2024/25 Profit before tax	2024/25 Equity	2023/24 Profit before tax	2023/24 Equity
SEK	+10%	(35)	38	25	36
NOK	+10%	57	36	–	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 in which the monetary items are denominated. The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency.

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 322 million at 31 March 2025 (31 March 2024: DKK 768 million). In addition, we have access to Money market credit line and as of May 2025 we have replaced existing debt with a new club deal significantly increasing the available liquidity all other tings equal with DKK 1,000 million. The credit facilities are managed by Group Treasury and Group Finance. The Group aims to maintain sufficient cash resources for, among other things, strategic investments.

The Group's financial liabilities fall due as follows:

(DKKm)	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
2024/25					
Non-derivative financial instruments					
Credit institutions[2]	2,628	2,695	700	1,995	–
Lease liabilities	1,274	1,406	449	894	63
Trade payables	1,090	1,090	1,090	–	–
Contingent consideration and deferred purchase price[1]	5	5	5	–	–
Financial liabilities at 31 March 2025	**4,997**	**5,196**	**2,244**	**2,889**	**63**
2023/24					
Non-derivative financial instruments					
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[1]	39	40	20	20	–
Financial liabilities at 31 March 2024	**4,381**	**4,741**	**1,633**	**3,029**	**79**

1 In the judgement of the fair value of the contingent considerations and deferred purchase price, non-observable (level 3) assumptions have been used. Of the contingent consideration and deferred purchase price per 31 March 2024, DKK 25 million was paid in April 2024 and DKK 10 million has been reversed and taken as other operating income in special items in 2024/25.

2 Of the DKK 1,995 million due within 1 to 5 years all is due within three years.

Notes

Note 4.3 – Financial risks continued

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 3.7.

(DKKm)	Carrying amount 31 March 2025	Fair value 31 March 2025	Carrying amount 31 March 2024	Fair value 31 March 2024
Deposits	48	48	47	47
Trade receivables	93	93	76	76
Other receivables	22	22	38	38
Cash and cash equivalents	76	76	131	131
Financial assets at amortised cost	**239**	**239**	**292**	**292**
Non-current financial liabilities				
Credit institutions	1,958	1,960	2,007	2,010
Lease liabilities	870	870	850	850
Current financial liabilities				
Credit institutions	670	670	55	55
Lease liabilities	404	404	360	360
Trade payables	1,090	1,090	1,070	1,070
Financial liabilities at amortised cost	**4,992**	**4,994**	**4,342**	**4,345**

Derivative financial instruments

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

With effect from September 2024, the Group entered into an agreement concerning a new interest rate hedging instrument, a CAP, with a principal amount of DKK 1,450 million for partial hedging of interest rate risks on loans. The interest swap agreements change the floating-rate interest to fixed interest rate at a level of 2.8%.

(DKKm)	Hedge amount	Fair value adjustment recognised trough profit or loss	Fair value	Term to maturity (months)
2024/25				
Interest rate risks				
Interest rate swaps	**1,450**	**3**	**4**	**6**

Notes

Note 4.4 – Incentive programmes

Accounting policies
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.

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.

Share-based payments
Selected Matas employees receive remuneration in the form of share-based payment transactions, whereby programme participants render services as consideration for equity instruments (equity-settled transactions).

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 150% of their annual base salary excluding pension contributions as at the date of grant.

See note 6.1 for accounting policies related to Management's remuneration, share options and share holdings.

Note 4.5 – Earnings per share

	2024/25	2023/24
Profit for the year (the Group's share), DKKm	**282**	**169**
Average number of shares	38,291,492	38,291,492
Average number of treasury shares	(270,284)	(281,338)
Average number of outstanding shares	**38,021,208**	**38,010,154**
Average dilutive effect of outstanding PSUs	233,491	184,623
Diluted average number of outstanding shares	**38,254,699**	**38,194,777**
Earnings per share of DKK 2.50	7.42	4.45
Diluted earnings per share of DKK 2.50	7.37	4.43
Adjusted earnings per share of DKK 2.50	8.84	7.94

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

SECTION 5

Tax

This chapter includes disclosures on the Group's direct and indirect taxes.

In 2024/25, Matas Group contributed with direct and indirect taxes such as corporate taxes, excise duties, employee taxes, etc.

Matas Group's corporate income tax payments amounted to DKK 101 million (2023/24: DKK 83 million).

Notes

Note 5.1 – Tax

Accounting policies
Income tax expense for the year comprises current tax and changes in deferred tax, including changes in tax rate, adjustment to prior years and changes in provision for uncertain tax positions. Tax is recognised in the income statement, except to the extent that it is related to items recognised in equity or other comprehensive income. The tax rates and tax laws used to compute the amounts are those enacted or substantively enacted, by the reporting date, in the countries in which Matas operates and generates taxable income.

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 corporate taxes to the tax authorities.

On payment of joint taxation contributions, the current Danish corporate 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.

OECD Pillar Two Minimum Tax
OECD has introduced a global minimum tax of 15%, based on group accounting income per jurisdiction. The minimum tax rules apply to entities that are a member of a multinational group with annual revenue of EUR 750 million or more in the consolidated financial statements. If the tax rate is lower than 15% in any jurisdiction, a top-up or minimum tax must be paid.

Matas Group is not subject to minimum tax since all jurisdictions which the Group operates impose tax rates in excess of 15%.

(DKKm)	2024/25	2023/24
Tax on the profit for the year breaks down as follows:		
Tax on the profit for the year	102	79
Total tax	**102**	**79**
Tax on the profit for the year has been calculated as follows:		
Current tax	112	90
Deferred tax	(12)	(13)
Tax regarding previous years, current tax	21	2
Tax regarding previous years, deferred tax	(19)	–
Total	**102**	**79**
Tax on profit for the year can be explained as follows:		
Computed 22.0% tax on profit before tax	84	55
Incentive programmes	3	–
Current payments, discounting	(2)	1
Limitation of right to deduct interest	–	8
Other	5	4
Tax assets not recognised as asset	10	–
Transaction costs	–	9
Tax regarding previous years, current tax	21	2
Tax regarding previous years, deferred tax	(19)	–
Total tax	**102**	**79**
Effective tax rate	26.7%	31.9%

Notes

Note 5.2 – Deferred tax

(DKKm)	2024/25	2023/24
Deferred tax at 1 April	210	199
Additions on acquisitions	–	24
Adjustment to prior years	(19)	–
Deferred tax for the year, recognised in profit for the year	(12)	(13)
Deferred tax at 31 March	**179**	**210**
Deferred tax is recognised as follows in the statement of financial position:		
Deferred tax (asset)	(33)	(17)
Deferred tax (liability)	212	227
Deferred tax at 31 March, net	**179**	**210**
Deferred tax relates to:		
Intangible assets	213	242
Property, plant and equipment	(14)	1
Inventories	(5)	(4)
Tax loss carryforwards	(18)	(19)
Other assets and liabilities	3	(10)
Deferred tax at 31 March, net	**179**	**210**

Unrecognised deferred tax assets which are not expected to be utilised against future earnings amount to DKK 18 million (31 March 2024: DKK 19 million).

Changes in temporary differences during the year:

(DKKm)	Balance at 1 April	Adjustment to prior years	Recognised in profit for the year, net	Balance at 31 March
2024/25				
Intangible assets	242	–	(29)	213
Property, plant and equipment	1	(1)	(14)	(14)
Inventories	(4)	–	(1)	(5)
Tax loss carryforwards	(10)	(14)	6	(18)
Other assets	(19)	(4)	26	3
Total	**210**	**(19)**	**(12)**	**179**

(DKKm)	Balance at 1 April	Additions on acquisitions	Recognised in profit for the year, net	Balance at 31 March
2023/24				
Intangible assets	204	38	–	242
Property, plant and equipment	1	–	–	1
Inventories	(1)	–	(3)	(4)
Tax loss carryforwards	–	–	(10)	(10)
Other assets	(5)	(14)	–	(19)
Total	**199**	**24**	**(13)**	**210**

Notes

Note 5.2 – Deferred tax continued

Accounting policies
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 tax receivable are 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.

Note 5.3 – Approach to taxes

Our sustainability strategy is reflected in our tax approach, and we aim at paying a fair tax in all markets where the Matas Group operates. Matas Group is committed to ensure compliance with the letter and the spirit of tax law in the markets where we operate. The Group Tax Policy, which has been approved by the Board of Directors of Matas A/S, is available at matasgroup.com/governance/policies/ and includes more information on our approach to taxes.

Matas Group's Transfer Pricing Policy follows a so-called principal operating model, where profits follow risk and value creation. Matas Operations A/S is the principal value driver for the two segments Matas and Other. KICKS Group AB is the principal value driver for the KICKS segment. Matas Operations A/S and KICKS Group AB also assume the majority of the business risk for the three segments within Matas Group. Other entities in the Group achieve a profit margin, based on benchmark studies, and the residual profits (or loss) in the value chain remain with Matas Operations A/S and KICKS Group AB, respectively.

Intercompany transactions are made on arm's length basis and therefore priced on basis consistent with the way unrelated parties would have priced such transactions.

Note 5.4 – Paid income taxes

In 2024/25, Matas Group paid income taxes amounting to DKK 101 million (2023/24: DKK 83 million). The major part of the taxes is attributable to Denmark and Sweden. Income tax paid reflects the cash payments made in the year and relates to taxes on account for the current year as well as payments regarding prior years. For the majority of countries, the final taxes are paid in the year following the financial year, creating a timing difference in cash payments.

Management's judgements and estimates
Management applies significant judgements and estimates when recognising and measuring deferred tax assets and uncertain tax positions.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised if it is assessed that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives. Deferred tax assets are tested annually and are only recognised if it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Uncertain tax positions include ongoing disputes with tax authorities and have been provided for in accordance with the accounting policies. Management believes that the provisions made are adequate. The actual obligations may deviate as they depend on the result of litigations and settlements with the relevant tax authorities.

SECTION 6

Other notes

This chapter includes disclosures on other statutory information not directly related to the operating activities of the Matas Group. The chapter describes transactions with Group Management, auditors and other related parties as well as contingent liabilities and security for debt.

Notes

Note 6.1 – Management's remuneration, share options and shareholdings

Management's remuneration
At the Annual General Meeting held on 19 June 2024, it was approved that the Chair of the Board of Directors received a fixed annual fee of DKK 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. See note 4.4 for accounting policies related to incentive programs.

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 150% 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 2.4) appears as follows:

(DKKm)	Fixed salary incl. benefits	Pension con-tributions	Short-term bonus	Total	PSUs	Total, including PSUs
2024/25						
Gregers Wedell-Wedellsborg, Group CEO	6	1	5	13	6	19
Per Johannesen Madsen, Group CFO	3	1	3	7	3	10
Executive Committee, total	**10**	**2**	**8**	**20**	**9**	**29**
Other executives, total	**10**	**2**	**5**	**17**	**6**	**23**
Lars Vinge Frederiksen	1	-	-	1	-	1
Mette Maix	1	-	-	1	-	1
Espen Eldal[1]	0	-	-	0	-	0
Barbara Plucnar Jensen[2]	0	-	-	0	-	0
Henrik Taudorf Lorensen	0	-	-	0	-	0
Kenneth Melchior	0	-	-	0	-	0
Birgitte Nielsen[3]	0	-	-	0	-	0
Malou Aamund	0	-	-	0	-	0
Board of Directors, total	**3**	**-**	**-**	**3**	**-**	**3**
Total	**23**	**4**	**13**	**40**	**15**	**55**
Total excluding other executives	**13**	**2**	**8**	**23**	**9**	**32**

1 Joined on 19 June 2024.
2 Joined on 19 June 2024.
3 Resigned on 19 June 2024.

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 6 months' notice. Termination benefits cannot exceed the aggregate compensation paid to the member of the Executive Committee during the last 24 months.

Notes

Note 6.1 – Management's remuneration, share options and shareholdings continued

(DKKm)	Fixed salary incl. benefits	Pension con-tributions	Short-term bonus	Total	PSUs	Total, including PSUs
2023/24						
Gregers Wedell-Wedellsborg, Group CEO	6	1	11	18	8	26
Per Johannesen Madsen, Group CFO	3	1	6	10	2	12
Executive Committee, total	**9**	**2**	**17**	**28**	**10**	**38**
Other executives, total	**10**	**1**	**4**	**15**	**10**	**25**
Lars Vinge Frederiksen	1	–	–	1	–	1
Mette Maix	1	–	–	1	–	1
Lars Jensen[1]	0	–	–	0	–	0
Henrik Taudorf Lorensen	0	–	–	0	–	0
Kenneth Melchior	0	–	–	0	–	0
Birgitte Nielsen	1	–	–	1	–	1
Malou Aamund[2]	0	–	–	0	–	0
Board of Directors, total	**3**	**–**	**–**	**3**	**–**	**3**
Total	**22**	**3**	**21**	**46**	**20**	**66**
Total excluding other executives	**12**	**2**	**17**	**31**	**10**	**41**

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

Share options
In accordance with Matas A/S' overall guidelines on incentive pay, Matas in 2024/25 granted a total of 177,790 PSUs to purchase shares in Matas A/S, consisting of 82,454 PSUs to members of the Executive Committee and 95,336 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 2026/27. 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 2026/27. Assuming minimum and maximum achievement, respectively, of the KPIs by the end of financial year 2026/27, the PSUs represent a value of DKK 16 million and DKK 32 million, respectively.

Programme	Number of employees	Number of PSUs granted	Market value at grant (DKKm)
2022/23	12	180,248	11 – 22
Adjustment relating to employees no longer part of Management	(1)	(20,476)	(1) – (2)
2022/23, adjusted	**11**	**159,772**	**10 – 20**
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	–	–	–
2023/24, adjusted	**16**	**189,027**	**12 – 25**
Related to Executive Committee	2	98,033	6 – 13
Related to Other executives	14	90,994	6 – 12
2024/25	18	177,790	16 – 32
Adjustment relating to employees no longer part of Management	–	–	–
2024/25, adjusted	**18**	**177,790**	**16 – 32**
Related to Executive Committee	2	82,454	7 – 15
Related to Other executives	16	95,336	9 – 17

Notes

Note 6.1 – 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 2024	161,719	58,186	219,905	220,198	440,103	29 - 60
PSUs vested in 2024/25	(44,293)	-	(44,293)	(62,175)	(106,468)	8 - 16
PSUs granted in 2024/25	53,196	29,258	82,454	95,336	177,790	16 - 32
Employees no longer part of Management	-	-	-	-	-	-
Outstanding at 31 March 2025	**170,622**	**87,444**	**258,066**	**253,359**	**511,425**	**37 - 76**

The number of outstanding PSUs under all ongoing programmes totals 551,098 including employees no longer part of Management.

In 2024/25, the cost recognised relating to PSUs amounted to DKK 20 million (2023/24: DKK 10 million).

Shareholdings

Shareholdings of the Board of Directors and the Executive Committee in Matas A/S and changes in shareholdings in 2024/25:

	Shareholding at 1 April 2024	Purchase/ sale in the period	Shareholding at 31 March 2025	Market value at 31 March 2025
	No.	No.	No.	(DKKm)
Board of Directors				
Lars Vinge Frederiksen	28,959	-	28,959	3.8
Mette Maix	1,700	-	1,700	0.2
Espen Eldal[1]	-	-	-	-
Barbara Plucnar Jensen[2]	-	1,117	1,117	0.1
Henrik Taudorf Lorensen	2,000	-	2,000	0.3
Kenneth Melchior	536	-	536	0.1
Malou Aamund	2,000	-	2,000	0.3
Executive Committee				
Gregers Wedell-Wedellsborg	169,026	(31,537)	137,489	18.1
Per Johannesen Madsen	50,200	8,000	58,200	7.7

1 Joined on 19 June 2024.
2 Joined on 19 June 2024.

Notes

Note 6.2 – Fees to auditors appointed at the general meeting

Non-audit services provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC), Denmark, amounted to DKK 5 million in 2024/25. This includes services in relation to assurance and advisory in relation to ESG, various tax advisory services and other advisory services.

Of other services, DKK zero is presented as special items in 2024/25 (2023/24: DKK 4 million).

(DKKm)	2024/25	2023/24
Audit	5	4
Other assurance engagements	2	-
Tax and VAT assistance	2	2
Other services	0	3
Total fees to auditors appointed by the shareholders at the general meeting	**9**	**9**

Note 6.3 – 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 6.1.

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

(DKKm)	2024/25	2023/24
Revenue	1	1
Other external costs	(14)	(12)
Receivables	2	1
Trade payables	-	-

Note 6.4 – Events after the date of the statement of financial position

As of May 2025 we have replaced existing debt with a new club deal significantly increasing the available liquidity all other things equal with DKK 1,000 million.

Besides above no subsequent events have occurred that materially affect Matas Group's financial position.

Note 6.5 – 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 13 million (31 March 2024: DKK 33 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 25 million (31 March 2024: DKK 20 million).

Management's judgements and estimates
Management applies judgements in assessing the existence of contingent liabilities on an ongoing basis and in this regard considers if the criteria for recognising a provision are met. These judgements may involve advice from external experts, legal advisors, etc. As a nordic retailer, the Group is regularly involved in rental disputes. Management believes that the cases currently identified will have no material impact on the financial position of the Group. A detailed disclosure of individual contingent liabilities is considered impracticable and is therefore not included in the notes to the financial statements.

Matas Group

	Domicile	Ownership
Parent Company		
Matas A/S	Denmark	
Subsidiaries		
Matas Operations A/S[4]	Denmark	100%
Matas Property A/S	Denmark	100%
Firtal Group ApS	Denmark	100%
Firtal Web A/S	Denmark	100%
Firtal Tech ApS	Denmark	60%
Grønn ApS (former Firtal Distribution ApS)	Denmark	100%
Grænn A/S	Denmark	100%
Web Sundhed ApS	Denmark	100%
Web-Apo ApS	Denmark	100%
Apo IT ApS	Denmark	100%
Matas Sverige AB[4]	Sweden	100%
KICKS Group AB[1]	Sweden	100%
Skincity Sweden AB	Sweden	100%

	Domicile	Ownership
Subsidiaries		
Matas Norge AS	Norway	100%
KICKS Norge AS[2]	Norway	100%
KICKS Kosmetikkedjan OY	Finland	100%
Skincity Finland OY	Finland	100%
Matas Torshavn P/F[3]	Faroe Islands	100%
Graenn GmbH[3]	Germany	100%
Graenn Ltd.[3]	United Kingdom	100%
Associates		
Geniads ApS	Denmark	50%

1 During 2024/25 Myself & Friends AB and Axbeautyhouse AB merged with KICKS Group AB.
2 During 2024/25 Skincity Norway AS merged with KICKS Norge AS.
3 Companies not audited by PwC.
4 Subsidiaries owned directly by Matas A/S.

M A T A S

Parent Company financial statements

G R O U P

Statement of comprehensive income

for the year ended 31 March

(DKKm)	Note	2024/25	2023/24
Other operating income	2.3	21	10
Other external costs	2.1	(5)	(3)
Staff costs	2.2	(45)	(29)
EBIT before special items		**(29)**	**(22)**
Special items	2.4	–	(8)
EBIT		**(29)**	**(30)**
Financial income	2.5	7	1
Financial expenses	2.5	(31)	(4)
Profit/loss before tax		**(53)**	**(33)**
Tax on profit/loss for the year	5.1	1	5
Profit/loss for the year		**(52)**	**(28)**
Other comprehensive income			
Other comprehensive income after tax		–	–
Total comprehensive income for the year		**(52)**	**(28)**
Proposed appropriation of profit			
Proposed dividend: DKK 2.00 per share (2023/24: DKK 2.00 per share)		76	76
Retained earnings		(128)	(104)
Total		**(52)**	**(28)**

Statement of cash flows

for the year ended 31 March

(DKKm)	Note	2024/25	2023/24
Profit/loss before tax		(53)	(33)
Financial income	2.5	(7)	(1)
Financial expenses	2.5	31	4
Non-cash operating items, etc.		32	8
Cash generated from operations before changes in working capital		**3**	**(22)**
Changes in working capital	3.2	2	1
Cash generated from operations		**5**	**(21)**
Corporate tax paid		(8)	(7)
Cash flow from operating activities		**(3)**	**(28)**
Change in receivables from Group entities		–	–
Acquisition of subsidiaries and operations		(70)	(5)
Cash flow from investing activities		**(70)**	**(5)**
Free cash flow		**(73)**	**(33)**
Dividend paid		(76)	(76)
Share buyback programme		(27)	(21)
Interest received		7	–
Interest paid		(31)	(4)
Debt raised/settled with Group entities	4.2	200	134
Cash flow from financing activities		**73**	**33**
Net cash flow from operating, investing and financing activities		**–**	**–**
Cash and cash equivalents, beginning of period		–	–
Cash and cash equivalents, end of period		**–**	**–**

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	2025	2024
ASSETS			
Non-current assets			
Investments in subsidiaries	3.1	2,111	2,041
Deferred tax assets	5.1	10	5
Total non-current assets		**2,121**	**2,046**
Current assets			
Receivables from Group entities	4.2	–	–
Corporate tax receivable		123	119
Other receivables		–	–
Total current assets		**123**	**119**
Total assets		**2,244**	**2,165**

(DKKm)	Note	2025	2024
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	96	96
Treasury share reserve		(39)	(43)
Retained earnings		1,484	1,611
Dividend proposed for the financial year		76	76
Total equity		**1,617**	**1,740**
Liabilities			
Payables to Group entities	4.2	623	423
Trade payables	4.3	4	2
Total current liabilities		**627**	**425**
Total liabilities		**627**	**425**
Total equity and liabilities		**2,244**	**2,165**

Statement of changes in equity

at 31 March

(DKKm)	Share capital	Treasury share reserve	Proposed dividend	Retained earnings	Total
Equity at 1 April 2024	**96**	**(43)**	**76**	**1,611**	**1,740**
Other comprehensive income	–	–	–	–	–
Profit/loss for the year	–	–	76	(128)	(52)
Total comprehensive income	**–**	**–**	76	**(128)**	**(52)**
Transactions with owners					
Dividend paid	–	–	(76)	–	(76)
Dividend on treasury shares	–	–	0	–	0
Exercise of incentive programme	–	21	–	(21)	–
Deferred acquisition[1]	–	10	–	–	10
Acquisition of own shares	–	(27)	–	–	(27)
Share-based payment	–	–	–	22	22
Total transactions with owners	**–**	**4**	**(76)**	**1**	**(71)**
Equity at 31 March 2025	**96**	**(39)**	**76**	**1,484**	**1,617**
Equity at 1 April 2023	**96**	**(44)**	**76**	**1,727**	**1,855**
Other comprehensive income	–	–	–	–	–
Profit/loss for the year	–	–	76	(104)	(28)
Total comprehensive income	**–**	**–**	**76**	**(104)**	**(28)**
Transactions with owners					
Dividend paid	–	–	(76)	–	(76)
Dividend on treasury shares	–	–	0	–	0
Exercise of incentive programme	–	23	–	(23)	–
Acquisition of own shares	–	(22)	–	–	(22)
Share-based payment	–	–	–	11	11
Total transactions with owners	**–**	**1**	**(76)**	**(12)**	**(87)**
Equity at 31 March 2024	**96**	**(43)**	**76**	**1,611**	**1,740**

1 Related to Web Sundhed ApS

Summary of notes to the financial statements

SECTION 1

Basis of preparation

This section introduces the accounting policies for Matas A/S and significant accounting estimates and judgements.

A more detailed description of accounting policies and significant estimates as well as judgements related to specific reported amounts is presented in the respective notes. The purpose is to provide transparency on the disclosed amounts and to describe the relevant accounting policy, significant estimates and numerical disclosure for each note.

Notes to the financial statements

Note 1.1 – General accounting policies

The separate financial statements of the Parent Company are incorporated in the Annual Report. 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 Parent Company financial statements show the financial position, results and cash flows of Matas A/S on a non-consolidated basis for financial year 1 April 2024 - 31 March 2025.

Accounting policies
The accounting policies of the Parent Company are unchanged from last year and identical to the accounting policies in Matas Group's consolidated financial statement, with the only exemptions stated in the following sections.

The description in note 1.1 General accounting policies to the consolidated financial statements regarding new standards issued effective for the Annual Report 2024/25 and new standards not yet in force fully covers the Parent Company as well.

Note 1.2 – Management's judgments and estimates

Significant accounting estimates
In preparing the Parent Company's 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 A/S is exposed are described in the Management's Review and in the notes.

Management's judgement and estimates	Note
Special items	2.4
Investments in subsidiaries	3.1

SECTION 2

Profit for the year

This section comprises notes related to the results for the year.

Notes to the financial statements

Note 2.1 – Other external costs

Other external costs

(DKKm)	2024/25	2023/24
Other external costs	5	11
Transferred to special items	–	(8)
Total	**5**	**3**

Note 2.2 – Staff costs

Remuneration of the Matas' 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 (2023/24: DKK 3 million).

The remuneration of the Executive Committee is recognised in profit or loss in the amount of DKK 20 million (2023/24: DKK 19 million).

Share-based payment is recognised in the amount of DKK 22 million (2023/24: DKK 11 million) for the Executive Committee and other executives.

Average number of FTEs is 2 (2023/24: 2).

For additional information on remuneration of the Board of Directors and the Executive Committee, see note 6.1 to the consolidated financial statements.

Note 2.3 – Other operating income and expenses, net

Accounting policies
Other operating activities are secondary to the principal activities of the Company and consist of management fees from subsidiaries.

(DKKm)	2024/25	2023/24
Management fee from Group entities	21	10
Total	**21**	**10**

Note 2.4 – Special items

(DKKm)	2024/25	2023/24
Costs related to the acquisitions of KICKS Group AB:		
Transaction costs	–	8
Total special items	**–**	**8**

Special items for 2023/24 relate to staff costs in the income statement.

Management's judgements and estimates
In the classification of special items, judgement is applied in ensuring that only exceptional items not associated with the ordinary operations of the Group are included.

Notes to the financial statements

Note 2.5 – Financial income and expenses

Accounting policies
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.

Financial income

(DKKm)	2024/25	2023/24
Interest, Group entities	7	1
Total financial income	**7**	**1**

Financial expenses

(DKKm)	2024/25	2023/24
Interest, Group entities	30	4
Other	1	0
Total financial expenses	**31**	**4**

SECTION 3

Invested capital and working capital items

The notes in this section describe the assets that form the basis for the activities of the Parent Company and the working capital.

Notes to the financial statements

Note 3.1 – Investments in subsidiaries

Accounting policies
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.

(DKKm)	2024/25	2023/24
Cost at 1 April	2,041	2,036
Addition of Matas Sverige AB	70	5
Carrying amount at 31 March	**2,111**	**2,041**

Please see Matas Group at page 189 showing subsidiaris owned directly by Matas A/S.

Management's judgements and estimates
Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments are tested for impairment in the same way as goodwill, involving various estimates on future cash flows, growth, discount rates, etc. As of 31 March 2025, no impairment indicators were identified.

Note 3.2 – Changes in working capital

(DKKm)	2024/25	2023/24
Change in receivables, prepayments and deferred income	–	–
Change in trade payables and other payables	2	1
Total	**2**	**1**

SECTION 4

Capital structure and finances

This section includes notes related to the Parent Company's capital structure, including financial risks in note 4.3.

Notes to the financial statements

Note 4.1 – Share capital / 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 Parent 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 72.1% at 31 March 2025 (31 March 2024: 80.4%)

Note 4.2 – Liabilities from financing activities

(DKKm)	1 April 2024	Cash flows	31 March 2025
2024/25			
Group entities	(423)	(200)	(623)
Receivables/payables, financing activities	**(423)**	**(200)**	**(623)**

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

Note 4.3 – Financial risks and financial instruments

Currency risk
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
2024/25					
Non-derivative financial instruments					
Trade payables	4	4	4	–	–
31 March 2025	**4**	**4**	**4**	**–**	**–**
2023/24					
Non-derivative financial instruments					
Trade payables	2	2	2	–	–
31 March 2024	**2**	**2**	**2**	**–**	**–**

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.

Notes to the financial statements

Note 4.3 – Financial risks and financial instruments continued

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 2024/25	Fair value 2024/25	Carrying amount 2023/24	Fair value 2023/24
Financial assets at amortised cost	**–**	**–**	**–**	**–**
Suppliers	4	4	2	2
Financial liabilities at amortised cost	**4**	**4**	**2**	**2**

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.

SECTION 5

Tax

This chapter includes disclosures on the Parent Company's direct and indirect taxes.

Notes to the financial statements

Note 5.1 – Tax

(DKKm)	2024/25	2023/24
Tax on the profit/loss for the year breaks down as follows:		
Tax on the profit/loss for the year	(1)	(5)
Total	**(1)**	**(5)**
Tax on the profit/loss for the year has been calculated as follows:		
Joint taxation contributions	(1)	(6)
Deferred tax	(5)	-
Tax regarding previous years, current tax	5	1
Total	**(1)**	**(5)**
Tax on the profit/loss for the year is explained as follows:		
Computed 22.0% tax on profit/loss before tax	(12)	(7)
Incentive programmes	3	-
Limitations of right to deduct high salaries	4	-
Tax regarding previous years, current tax	5	1
Other	(1)	1
Total	**(1)**	**(5)**
Effective tax rate	(1.8)%	(15.2)%

Deferred tax assets as of 31 March 2025 are recognised by DKK 10 million (2023/24: DKK 5 million) regarding Matas Group share-based payments (PSUs). The change in the deferred tax assets in 2024/25 of DKK 5 million is recognised in the income statement (2023/24: DKK zero million).

Accounting policies
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 corporate 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).

SECTION 6

Other notes

This chapter includes disclosures on other statutory information not directly related to the operating activities of the Parent Company. The chapter describes transactions with Group Management, auditors and other related parties as well as contingent liabilities and security for debt.

Notes to the financial statements

Note 6.1 – Related parties

In addition to the disclosures in note 6.3 to the consolidated financial statements, the Parent Company's related parties comprise subsidiaries, see note 3.1 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 2024/25 (2023/24: DKK (7) million).

Matas A/S has set up a management fee scheme with its subsidiaries, see note 2.3 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's remuneration.

For additional information, see note 2.2 to the Parent Company's financial statements and note 6.1 to the consolidated financial statements.

Note 6.2 – Fees to auditors appointed at the general meeting

(DKKm)	2024/25	2023/24
Audit	1	1
Other assurance engagements	–	–
Tax and VAT assistance	–	–
Other services	–	–
Total fees to auditors appointed by the shareholders at the general meeting	**1**	**1**

Note 6.3 – 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, joint and severally liabilities with the other entities participating in the joint taxation for Danish corporation tax payable by the jointly taxed entities. Corporate tax payable amounted to DKK zero at 31 March 2025 (31 March 2024: 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 2,628 million at 31 March 2025 (31 March 2024: DKK 2,062 million).

M A T A S

Other

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.

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

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

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

Interim financial highlights

(Unaudited – part of Management's Review)

(DKKm)	2024/25 Q4	2024/25 Q3	2024/25 Q2	2024/25 Q1	2023/24 Q4	2023/24 Q3	2023/24 Q2	2023/24 Q1
Statement of comprehensive income								
Revenue	1,878	2,694	1,851	1,956	1,758	2,508	1,285	1,150
Gross profit	870	1,245	852	903	845	1,115	596	522
EBITDA	202	473	238	276	182	404	138	180
EBIT	49	317	81	118	16	249	25	89
Net financials	(38)	(51)	(50)	(42)	(58)	(29)	(21)	(23)
Profit before tax	11	266	31	76	(42)	220	4	66
Profit for the period	(3)	202	24	59	(45)	163	2	49
Statement of financial position								
Assets	9,574	9,604	9,284	8,943	8,668	8,879	8,625	6,378
Equity	3,716	3,676	3,501	3,462	3,462	3,527	3,364	3,337
Net working capital	799	492	656	441	378	(46)	261	(50)
Net interest-bearing debt	3,825	3,235	3,478	3,262	3,140	2,490	3,003	1,483
Statement of cash flows								
Cash flow from operating activities	(125)	560	39	241	(235)	702	(74)	252
Investments in tangible assets	(94)	(126)	(108)	(149)	(75)	(109)	(51)	(16)
Cash flow from investing activities	(181)	(183)	(144)	(209)	(121)	(142)	(707)	(51)
Free cash flow	(306)	377	(105)	32	(356)	560	(781)	201
Acquisition of subsidiaries and operations	-	-	-	(15)	2	-	(617)	-
Free cash flow excluding acqusition of subsidiaries and operations	(306)	377	(105)	47	(358)	560	(164)	201
Net cash flow from operating, investing and financing activities	(378)	352	(54)	22	(282)	149	193	30

Interim financial highlights – continued

(Unaudited - part of Management's Review)

(DKKm)	2024/25 Q4	2024/25 Q3	2024/25 Q2	2024/25 Q1	2023/24 Q4	2023/24 Q3	2023/24 Q2	2023/24 Q1
Key performance indicators								
Number of transactions (millions)	8.7	11.6	8.6	8.9	8.2	11.1	6.6	6.0
Average basket size (DKK)	211	230	212	217	211	223	183	188
Total retail floor space (thousands of square metres)	108.0	107.3	106.9	106.1	105.2	104.9	104.1	53.7
Avg. revenue per square metre (DKK thousands) - LTM	78.3	77.6	76.3	74.9	79.7	83.3	82.7	83.6
Proforma revenue currency neutral growth	7.2%	7.5%	6.8%	6.1%	2.7%	7.4%	8.0%	9.2%
Adjusted figures								
EBITDA	202	473	238	276	182	404	138	180
Special items included in EBITDA	(14)	(1)	5	(17)	(22)	(20)	(39)	(21)
EBITDA before special items	216	474	233	293	204	424	177	201
Depreciation of property, plant and equipment and amortisation of software	(143)	(147)	(147)	(148)	(151)	(140)	(96)	(81)
EBITA before special items[1]	73	327	86	145	53	284	81	120
Adjusted profit after tax	15	210	26	85	(13)	190	47	78
Gross margin	46.4%	46.2%	46.0%	46.1%	48.0%	43.7%	46.4%	45.4%
EBITDA margin	10.7%	17.6%	12.8%	14.1%	10.3%	16.1%	10.7%	15.6%
EBITDA margin before special items	11.5%	17.6%	12.6%	15.0%	11.6%	16.9%	13.8%	17.5%
EBITA margin before special items[1]	3.9%	12.1%	4.6%	7.4%	3.0%	11.3%	6.3%	10.4%
EBIT margin	2.6%	11.7%	4.4%	6.0%	0.9%	9.9%	1.9%	7.7%

1 Historical figures for EBITA before special items and EBITA margin before special items have been adjusted for amortisation of software in alignment with definitions of key financials as described on page 210.

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G R O U P