Agenda

1.0 Point of Departure: "Renewing Matas"
   Gregers Wedell-Wedellsborg

2.0 Introducing New Strategy: "Growing Matas Group"
   Gregers Wedell-Wedellsborg
   2.1 Commercial: Expanding the Range
      Lise Ryevad
   2.2 Ecommerce: Digital Growth Platforms
      Brian Andersen
   2.3 Connected Retail: Omnichannel Platform
      Christian Schmidt
   2.4 Brands: Differentiation, Growth & Margin Improvement
      Michael Shin
   2.5 Logistics: Automating & Scaling Logistics
      Brian Gøbel Poulsen

3.0 Financial Ambitions
   Anders T. Skole-Sørensen

4.0 Closing Remarks and Q&A
   Gregers Wedell-Wedellsborg

matas
Today’s presenters

Gregers Wedell-Wedellsborg  
CEO

Anders T. Skole-Sørensen  
CFO

Brian Andersen  
Ecommerce Director

Lise Ryevad  
Commercial Director

Christian Schmidt  
Retail Director

Michael Shin  
Brands Director

Brian Gøbel-Poulsen  
Logistics Director

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1.0

Point of Departure: "Renewing Matas"

Gregers Wedell-Wedellsborg
CEO

matas
Point of Departure:

"Renewing Matas"
The "Renewing Matas" 5-year strategy plan launched in 2018 has delivered results **across all five tracks**

1. **Live our purpose**  
   Beauty & Wellbeing for Life  
   - Improved brand to become #3 best brand in Denmark  
   - ~20% increase in matas.dk satisfaction since 2018/19

2. **Win online**  
   From top 3 to undisputed market leader  
   - Matas.dk is 2nd most used webshop in Denmark  
   - +600% growth on matas.dk since 2017/18  
   - Profitability increased significantly to almost match stores

3. **Consolidate & refresh stores**  
   Adapt the network & shopping experience  
   - Store footprint at 264 – all but two have been profitable despite covid-19 restrictions in 2020/21  
   - 49 store upgrades in the last 3 years

4. **New growth**  
   Build the next destination categories  
   - +29% growth in Health & Wellbeing since 2017/18  
   - Added 11 digital verticals through acquisition of Firtal  
   - Added #1 Danish make-up to own brand portfolio

5. **Change how we work**  
   Enabling and funding the transformation  
   - DKK ~75M cost savings reinvested in digital growth  
   - MLC Project initiated with building plot secured  
   - Revitalized culture and competencies
The **major milestones**: Strategy has been executed both organically and through M&A

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch of Same Day Delivery</td>
<td>June 2018</td>
</tr>
<tr>
<td>Acquisition of <strong>Firtal Group</strong></td>
<td>August 2018</td>
</tr>
<tr>
<td>Opening of <strong>webshop logistics</strong> at 7,000 sqm warehouse in Humlebæk</td>
<td>March 2019</td>
</tr>
<tr>
<td>Acquisition of <strong>Kosmolet</strong></td>
<td>August 2019</td>
</tr>
<tr>
<td>Acquisition of <strong>Din Frisør Shop</strong></td>
<td>October 2019</td>
</tr>
<tr>
<td>Acquisition of minority stake in <strong>Miild</strong></td>
<td>June 2020</td>
</tr>
<tr>
<td>Launch of <strong>subscription services and recurring revenue stream through Club Matas Plus</strong></td>
<td>Sep’-Nov’ 2020</td>
</tr>
<tr>
<td>Acquisition of <strong>Web Sundhed and partnership with Webapoteket</strong></td>
<td>January 2021</td>
</tr>
<tr>
<td><strong>Matas Group’s ecommerce business reaches DKK 1 billion in LTM revenue</strong></td>
<td>March 2021</td>
</tr>
<tr>
<td>Winner of <strong>“Ehandelsprisen” by Dansk Erhverv and “MMM Prisen” by Detailforum</strong></td>
<td>April 2021</td>
</tr>
<tr>
<td>Launch of <strong>health initiatives with Aktiviva, shop-in-shop and partnerships</strong></td>
<td>May 2021</td>
</tr>
</tbody>
</table>
We are now a digital company
We are now a digital company across all functions and roles
The **core competencies have been digitized** and new competencies added to build a platform for **future growth and profitability**.
We are now a digital company leading the online market
Matas has undergone a very fast and successful digital transformation to become the leading omnichannel retailer in beauty and wellbeing.

3-year digital transformation

DKK 1,100,000,000

Digital Revenue in 2020/21
(2017/18: DKK 123M)

Matas Group Revenue Split
2017/18, DKK M / %

Matas Group Revenue Split
2020/21, DKK M / %
We are now a digital company with a profitable business model
Revenue growth of 6% p.a. (including Covid-19 tailwind) achieved while **sustaining gross margins** despite margin erosion from channel shift.
Superior online profitability due to omnichannel synergies and scale effects

Matas Group Ecommerce Financial Development 2018/19 – 2020/21, DKK M / %

- Revenue
- Gross Margin
- Channel Contribution

Sales synergies: Cross-selling & CLV*

Sourcing synergies: Buying power

Marketing synergies: CAC** & mROI

Fulfillment synergies: Click & Collect

Staff synergies: Shared services

Note: Channel Contribution is Gross Margin less personnel-, marketing-, and freight costs
Note: *) CLV = Customer Lifetime Value; **) CAC = Customer Acquisition Costs
We are now a digital company with competitive advantages
Matas has built a number of assets to fend off the anticipated competitive pressure and **capture growth and value**

<table>
<thead>
<tr>
<th>Assets &amp; Capabilities</th>
<th>KPI trend</th>
<th>Key facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>matas</td>
<td></td>
<td>• #2 strongest brand overall in DK, #1 in Health &amp; Beauty (YouGov)</td>
</tr>
<tr>
<td>matas' brand</td>
<td></td>
<td>• 1.7M members of which 1.5M are active</td>
</tr>
<tr>
<td>Club matas</td>
<td></td>
<td>• 70% of Danish women between age 18 and 65</td>
</tr>
<tr>
<td>Club Matas</td>
<td></td>
<td>• +600,000 omnichannel customers (spend 2x offline customers)</td>
</tr>
<tr>
<td>Omni-channel</td>
<td></td>
<td>• 264 local stores with trained staff, endless aisles and high NPS</td>
</tr>
<tr>
<td>Own digital channel</td>
<td></td>
<td>• Customer satisfaction for matas.dk at record highs, with NPS at 68</td>
</tr>
<tr>
<td>Portfolio: Price fighter channels</td>
<td></td>
<td>• Same day delivery available for ~50% of Danish consumers</td>
</tr>
<tr>
<td>Own media &amp; content</td>
<td></td>
<td>• Firtal Group has a low cost operating model and 11 webshops</td>
</tr>
<tr>
<td>House brands</td>
<td></td>
<td>• Monthly reach of 1.8M persons across channels</td>
</tr>
<tr>
<td>Selective distribution/Authorized Dealer</td>
<td></td>
<td>• Significant growth in own digital media portfolio and reach</td>
</tr>
<tr>
<td>Commercial model: Dynamic pricing</td>
<td></td>
<td>• 16% of Matas sales* from House Brands, incl. private label</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 47% private label share in Mass Beauty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 39% of Matas sales* from High End Beauty with selective distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Access to exclusives, news, content and marketing support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High campaign share limits competitive exposure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Every Day Low Price on key value items</td>
</tr>
</tbody>
</table>

Note: * Matas Sales only represents sales through Matas stores and matas.dk
We are now a digital company with long-term growth prospects
Euromonitor forecasts the underlying Danish Health & Beauty market to support our long-term growth by 2-4% p.a. with some post-covid volatility.

Danish Health, Beauty & Personal care market 2015-2025, CAGR %
- Mass Beauty & Personal care
- Premium Beauty & Personal care
- Health*
- CAGR

Note: *) Excludes prescription and pharmacy restricted OTC products, **) Assuming inflation rate of 1.5% p.a.
Source: Euromonitor
The market is characterized by a set of **fundamentals that makes it highly attractive**

- Market **outgrowing general economy** for numerous years expected to continue due to continued demographic and lifestyle evolution.
- Evergreen need for inner and outer beauty, **continuously growing the Health & Beauty market**.
- **Large profit pools** to be shared across the entire value chain due to limited commoditization.
- Consumer preferences for **brands, newness, experience** and advice drives differentiation and premiums.
- **Massive innovation in the consumer health space** opening new growth opportunities.
- **Resilient to economic cycles** with Mass beauty, High-end beauty and Health categories.

**matas**
Looking ahead, the Health & Beauty market is expected to **outgrow the general economy** with six major factors affecting the future.
The digital core competencies allow for three addressable expansion opportunities and one medium-term opportunity.

- **Ecommerce**: Expand with new categories in Denmark
- **Health**: Broaden health offering online and in-store
- **Brands**: Build Nordic brands through own and third party channels
- **International**: Sell own and partner brands online

Digital core competence

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We now aim to put Matas on a long-term sustainable growth trajectory
Introducing New Strategy: "Growing Matas Group"

Gregers Wedell-Wedellsborg
CEO
Introducing New Strategy:

“Growing Matas Group”
The Matas Group Purpose: 

*Health and beauty for life*
Ambition is to accelerate growth by **doubling the digital revenue** and build a **digital health and beauty group** towards 2025/26.

### 2017/18:
**Brick & mortar retailer**

<table>
<thead>
<tr>
<th>Matas Group Revenue Split 2017/18, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores: 4%</td>
</tr>
<tr>
<td>Digital: 96%</td>
</tr>
</tbody>
</table>

### 2020/21:
**Omnichannel retailer**

<table>
<thead>
<tr>
<th>Matas Group Revenue Split 2020/21, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores: 26%</td>
</tr>
<tr>
<td>Digital: 74%</td>
</tr>
</tbody>
</table>

### 2025/26:
**Health & Beauty Group**

<table>
<thead>
<tr>
<th>Matas Group Revenue Split 2025/26, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores: %</td>
</tr>
<tr>
<td>Digital: %</td>
</tr>
</tbody>
</table>
Matas Group: The **health and beauty group** consists of three mutually supportive growth platforms with a shared core.
Matas Group is based on **Nordic values**: ESG/CSR strategy is linked to our purpose and is a competitive advantage

- **Health and Beauty for Life**
  - **Health**: Contribute to public health
    - Access to digital health solutions for all
    - More "clean, green and healthy" ranges
  - **Inclusion**: Empower our colleagues and customers
    - Best place to work in retail

- **Sustainability**: Minimize the climate footprint of shopping
  - CO2 neutral in 2030
  - Eliminate 100 mio. pieces of plastic

- • Science-based targets
- • Milestone and activity plans
- • ESG reporting according to GRI and UN Global Compact signatories
- • Compliance on GDPR and product safety
- • Supplier code of conduct
- • Governance and incentives

Health: Contribute to public health

Inclusion: Empower our colleagues and customers

Sustainability: Minimize the climate footprint of shopping

Matas Group
The Growing Matas Group strategy and the omnichannel business model positions Matas for long-term profitable growth.

Three main targets for the financial guidance by 2025/26:

- **Revenue**: +5.0B
  - In 2025/26, driven by +1B increase in online sales and consolidation of stores, excluding significant M&A.

- **EBITDA-margin**: 17-18%
  - In 2025/26, affected by (i) margin expansion from scale advantages, MLC & vertical integration, and (ii) margin dilution from competitive response and growth “investments”.

- **CAPEX**: 1.0-1.3B
  - Accumulated from 2021/22 to 2025/26, through MLC and continued digitalization, (excluding M&A).
The growth ambition is **driven by the online channels**, while stores are expected to consolidate due to channel shift.

Note: *) 2019/20 proforma adjusted to include Web Sundhed’s revenue as of acquisition.
A profitable growth strategy

Growing Matas Group: #1 for health and beauty
Leverage our platform for growth with a profitable business model

Commercial: #1 offer
Triple the assortment and market the broadened offer to consumers

Ecommerce: #1 online
Double revenues by acquiring omni-customers and growing sales per customer

Connected retail: #1 in-store
Consolidate and connect the stores to drive customer satisfaction and protect profitability

Brands: #1 products
Widen ‘house brand’ portfolio to improve margins and open for international growth options

Logistics: #1 operator
Build Matas Logistics Center to enable growth and improve margins

matas
2.1

Commercial: Expanding the Range

Lise Ryevad
Commercial Director

L'OREAL
MARS DENMARK
COPENHAGEN AIRPORT
NESTLÉ

Strategic mission:

*Triple the assortment and market broadened offer to our 1.8 million consumer contacts per month*
From single-channel to omni-channel retailer: Future focus is **growing customer lifetime value (CLV)** by selling more to existing customers.

**Historically:**
- Market leading single-channel retailer
  - ~20 million in-store transactions per year, driven by 1.7 million members
  - ~18,000 products in biggest store, while average store only has ~10,000 products

**Today:**
- Market leading omni-channel retailer
  - +600,000 omni-channel customers with **2x annual spend** compared to offline-only customers
  - 50,000 products offered online and through endless aisles

**Future:**
- Range expansion
  - Grow customer lifetime value **through a deeper beauty range and a wider health range**, as well as adjacent categories
  - 150,000 products offered online and through connected retail

Customer Lifetime Value = Annual spend pr. member x years of memberships
Customer lifetime value will be increased through a dedicated range expansion strategy aiming at a 3x expansion of assortment, mainly online.

Assortment development across channels 2020/21 – 2025/26, # SKU

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Store Assortment</th>
<th>Additional Online Assortment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/21</td>
<td>50,000</td>
<td>40,000</td>
</tr>
<tr>
<td>2025/26</td>
<td>150,000</td>
<td>140,000</td>
</tr>
</tbody>
</table>
Range expansion provides an assortment, available online and through endless aisles, **15x the average matas store** and **2x a typical hypermarket**

- **matas**
  - ~10,000 SKUs
  - Average store 2020/21

- **TYPICAL HYPERMARKET**
  - ~80,000 SKUs

- **matas group**
  - 150,000 SKUs
  - Assortment 2025/26
Range expansion strategy is supported by **second-to-none marketing** and **distribution power** that stimulates demand and builds brand value.

**Matas’ second-to-none product launch and sales machine**

- **Club matas**

  - Advise-led omnichannel setup reaching 70% of Danish women
    - Ability to both **build brand value**, while ensuring **high sales volume** across channels
    - Nationwide distribution, plus digital advisory services with educated specialists, ranging from hair dressers to pharmacy technicians

  - **Insights from Club Matas with 1.7M members**
    - Instant and continuous feedback on product performance and consumer identification
    - Potential for “personalized” communication to select customers through “Brand Club”

  - **Media portfolio reaching 1.8 million contacts per month**
    - Fast build-up of awareness and recognition of new product and brand through multiple online and offline channels
    - First-party data provides insights to alter communication and media strategy
Range expansion focused on widening assortment in **Health** and deepen assortment in **Beauty** sub-segments

Matas has a **high share of the DKK 7.5-8.0B beauty market**, but room to grow in selected sub-segments and increase fair share online.

Matas is **underrepresented in DKK 5.0-5.5B health market** with significant room to grow as the consumers transition online.
Matas is already at a high market share in high-end beauty, but still **room to grow in few sub-segments**

Matas is clear market leader in High-End Beauty…

Estimated market size and Matas’ share of beauty segments in Denmark 2020, DKK B / %

<table>
<thead>
<tr>
<th>Segment</th>
<th>Estimated Market Size (DKK B)</th>
<th>Matas Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-End Beauty (excl. Pro Hair Care)</td>
<td>4.0-4.5</td>
<td>50-60%</td>
</tr>
<tr>
<td>High-End Beauty</td>
<td>3.0-3.5</td>
<td>25-35%</td>
</tr>
<tr>
<td>Mass Beauty</td>
<td>0-5%</td>
<td>~0.5</td>
</tr>
<tr>
<td>Professional Hair Care</td>
<td>2.5-3.0</td>
<td>55-65%</td>
</tr>
</tbody>
</table>

...But still room to grow in few underrepresented sub-segments, such as Professional Hair Care

Estimated market size and Matas’ share of high-end beauty and Pro hair care in DK 2020, DKK B / %

<table>
<thead>
<tr>
<th>Segment</th>
<th>Estimated Market Size (DKK B)</th>
<th>Matas Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Hair Care</td>
<td>2.5-3.0</td>
<td>~0.5</td>
</tr>
<tr>
<td>High-End Beauty (excl. Pro Hair Care)</td>
<td>55-65%</td>
<td>50-60%</td>
</tr>
<tr>
<td>Mass Beauty</td>
<td>3.0-3.5</td>
<td>25-35%</td>
</tr>
</tbody>
</table>

**Sources:** ACN; Euromonitor; Dansk Erhverv; Management Estimate
First off is **Professional Hair Care**, launched on matas.dk & through endless aisles with 18 high-end brands and online hair studio

Launched 18 high-end brands and 700 SKU’s on matas.dk, while additional 15-20 brands with 600-750 SKU’s expected in 1-2 years

Benefiting from Matas’ **second-to-none ecommerce capabilities** encapsulated in Matas.dk Hair Studio

18 EXISTING PRO HAIR CARE BRANDS ON MATAS.DK:

- **ghd**
  - Styling Tools
  - Professional Hair
- **Moroccanoil**
  - Professional Hair
- **keune**
  - Professional Hair
- **ALTERNA**
  - Professional Hair
- **d:fi**
  - Professional Hair
- **Bumble and bumble**
  - Professional Hair
- **Living proof**
  - Professional Hair
- **OROFLUORO**
  - Professional Hair
- **KERASTASE**
  - Professional Hair
- **LYN**
  - Professional Hair
- **REDKEN**
  - Professional Hair
- **LOreal**
  - Professional Hair
- **CUTRIN**
  - Professional Hair
- **PURELY**
  - Professional Hair
- **weDo**
  - Professional Hair
- **Wella**
  - Professional Hair
- **Masco pearson**
  - Professional Hair
- **Less is More**
  - Professional Hair
Health & Wellbeing is a DKK 5.0-5.5B market with strong online growth - opening a large share gain opportunity for Matas.

Matas is below fair share in the DKK 5.0-5.5B Health & Wellbeing market
Estimated market size of non-prescription Health & Wellbeing products in Denmark 2020, DKK B / %

Market has several attractive sub-segments for Matas
Non-prescription Health & Wellbeing market segments 2020, DKK B / %

Notes: Health & Wellbeing excludes prescription and pharmacy restricted OTC products, while market share includes Firtal’s webshops
Sources: ACN; Euromonitor; Apotekerforeningen; Dansk Erhverv; Management Estimate
To address the Health market opportunity, **new products, partnerships, and services** will be launched.

### Strategic initiatives to address Health Market

#### Products
Expand assortment across
(i) **vitamins & supplements**, (ii) **skin care** products and (iii) **new categories** such as scalp, eye, oral, etc.

#### Partnerships
Enter partnerships with niche experts to develop **new products and services**

#### Advisory
Further expand authority as **trusted health advisor** – offline and online

#### Media & marketing
Leverage full suite media portfolio, 1st party data and campaigns to **win share of voice** in under-communicated market.

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First off is **dermatological skincare**, which is a high growth Health segment perfectly fit for Matas’ #1 position as health and beauty advisor.

Matas has seen strong growth in under-represented problem-solving skincare products.

Estimated market size and Matas share in Denmark 2020, DKK M / %

- **Matas** has grown 36% CAGR in past 3 years
- ~600
- **Other**

<table>
<thead>
<tr>
<th>Dermatological Skincare</th>
<th>Matas</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Fair Share</td>
<td>30-40%</td>
<td>30-40%</td>
</tr>
</tbody>
</table>

Danish market is significantly behind other markets with DKK +400M opportunity to catch up to Western EU.

Dermatological skincare share of skincare market 2020, %

<table>
<thead>
<tr>
<th>DK</th>
<th>SE</th>
<th>NO</th>
<th>Western EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>33%</td>
<td>36%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Matas addresses the market opportunity with launch of 7-9 high performing brands in 2021.

Three new brands launched in Q2 2021:

- Brand #4
- Brand #5
- Brand #6
- Brand #7
- Brand #8
- Brand #9

Matas has grown 36% CAGR in past 3 years.

<table>
<thead>
<tr>
<th>Estimated market size and Matas share in Denmark 2020, DKK M</th>
</tr>
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<tbody>
<tr>
<td>Dermatological Skincare</td>
</tr>
<tr>
<td>Matas</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Matas share of dermatological skincare market 2020, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
</tr>
<tr>
<td>19%</td>
</tr>
</tbody>
</table>

Four to six new brands still to be launched in 2021:

Sources: Euromonitor; L’Oreal; Apotekerforbundet; Management Estimate
2.2

Ecommerce: Digital Growth Platforms

Brian Andersen
Ecommerce Director

Strategic mission:

*Double online revenues by selling more to the existing +600,000 omni-customers and converting more offline customers to online*
Matas Group’s **three digital businesses** provide a strong platform for continued growth

- **Matas.dk**
  - Brodest assortment & best-in-class customer experience

- **Firtal**
  - Price-led niche positioning for portfolio of webshops with low-cost operating model

- **webapoteket.dk**
  - Improving convenience and accessibility of health and pharmacy purchase
Matas.dk has leaped to become the 2nd most used webshop in Denmark and has changed the perception of Matas’ brand

**Significant leap to become the second most used webshop in Denmark in 2020**

The Matas brand ranking reached new heights due to strong digital performance

<table>
<thead>
<tr>
<th>2017</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>Brand</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Rema 1000</td>
</tr>
<tr>
<td>3</td>
<td>MobilePay</td>
</tr>
<tr>
<td>4</td>
<td>Lurpak</td>
</tr>
<tr>
<td>5</td>
<td>Anthon Berg</td>
</tr>
<tr>
<td>6</td>
<td>Audi</td>
</tr>
<tr>
<td>7</td>
<td>Volvo</td>
</tr>
<tr>
<td>8</td>
<td>Änglamark</td>
</tr>
<tr>
<td>9</td>
<td>Kærgården</td>
</tr>
<tr>
<td>10</td>
<td>Rynkeby</td>
</tr>
</tbody>
</table>

**Rankings**

**2017**

1. Lego
2. Rema 1000
3. MobilePay
4. Lurpak
5. Anthon Berg
6. Audi
7. Volvo
8. Änglamark
9. Kærgården
10. Rynkeby

**2021**

1. Rema 1000
2. Lego
3. Matas
4. MobilePay
5. Lurpak
6. Netflix
7. DR
8. DRTV
9. Ikea
10. TV2

Sources: FDIH; YouGov

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Matas.dk has delivered strong growth and increasing earnings margins for the past three years while covid-19 added an extra boost.
Primary growth driver has been the **persistent focus on improving customer experience through innovative best-in-class customer services**

Matas.dk’s net promoter score has increased by 13 points during the covid-19 pandemic

Through a persistent focus on innovative best-in-class customer services

- **Same-Day deliveries**: +50% of consumers can get same-day delivery
- **Personalized online guidance**: Live video consultation with basket size at index 180
- **Engaging content**: +100 live shopping events since March 2020 with 14% conversion rate
Matas.dk is expected to be the **largest growth contributor** in Matas Group driven by headroom in existing categories and range expansion.

**Existing Beauty categories allow for market share gain through online migration**

Estimated market size and Matas share of beauty segments in Denmark 2020, DKK B / %

<table>
<thead>
<tr>
<th>Segment</th>
<th>Estimated Market Size</th>
<th>Matas Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Beauty</td>
<td>4.0-4.5</td>
<td>25-35%</td>
</tr>
<tr>
<td>High End Beauty</td>
<td>3.0-3.5</td>
<td>50-60%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Headroom to grow in new Health & Beauty categories through range expansion**

Estimated market size and Matas share of selected segments in Denmark 2020, DKK B / %

<table>
<thead>
<tr>
<th>Segment</th>
<th>Estimated Market Size</th>
<th>Matas Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Wellbeing</td>
<td>5.0-5.5</td>
<td>15-25%</td>
</tr>
<tr>
<td>Dermo Cosmetics</td>
<td>~0.6</td>
<td>0-5%</td>
</tr>
<tr>
<td>Prof. Hair Care</td>
<td>~0.5</td>
<td>0-5%</td>
</tr>
</tbody>
</table>

Matas’ market share in Mass is higher online.
Strategy for Matas.dk is to **strengthen and expand the leading market position in Denmark** reinforcing continuous profitable growth.

- **Best digital supplier partnerships**
- **Brodest assortment**
- **Largest Share of Voice with 1st party data**
- **Strongest guidance & inspiration**
- **Highest convenience & Share of Wallet**
- **Fastest delivery**

Expanding market leading position
Matas Group’s **three digital businesses** provide a strong platform for continued growth

Matas.dk

- Brodest assortment & best-in-class customer experience

Firtal

- Price-led niche positioning for portfolio of webshops with low-cost operating model

webapoteket.dk

- Improving convenience and accessibility of health and pharmacy purchase
Firtal has outperformed the investment case to deliver profitable growth while keeping leadership team engaged and developing new services

Strong growth to more than double revenue in three years

Firtal revenue development during ownership 2018 – 2020/21, DKK M

<table>
<thead>
<tr>
<th>2018</th>
<th>2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>~140</td>
<td>343</td>
</tr>
</tbody>
</table>

Peer-leading margins by large gap to pure-play online retailers

Firtal EBITDA-margin vs. peers 2020/21, %

<table>
<thead>
<tr>
<th>Peer group*</th>
<th>Firtal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Driven by:
- Strong operational focus from leaders
- Geni ecommerce expertise
- Sourcing synergies from Matas

Founders still on-board and strong competencies built

- Founders (CEO & CTO) and leadership team have been successfully kept on-board and are still highly engaged in operations
- Organization has expanded significantly while further strengthening the culture
- Developed best of breed digital services under the “brand” Geni with strong digital agency services, data insights and platform services
Firtal has developed a **strong platform for future profitable** growth across a portfolio of webshops

**Perceived price**

- Low
- High

**Perceived value**

- Low
- High

Ambition is to continue growth and sustain margins through market share expansion

### #1 Low-end double-digit growth
- Firtal’s current webshops are strong and able to increase market share through price fighter strategy
- Platform is able to expand through potential select bolt-on acquisitions

### #2 Sustain margins
- Continued strong **focus on operations** and further development of **Geni services** and expertise
- Leveraging **Matas synergies** further on top of already strong purchasing synergies

---

Source: YouGov (Vitamins, Minerals & Supplements store/webshop survey)
Matas Group’s **three digital businesses** provide a strong platform for continued growth

**Matas.dk**

Brodest assortment & best-in-class customer experience

**Firtal**

Price-led niche positioning for portfolio of webshops with low-cost operating model

**webapoteket.dk**

Improving convenience and accessibility of health and pharmacy purchase
Matas’ Web Sundhed provides IT and supply chain services to Webapoteket.dk, a digital market leader in the Danish pharmacy market.

Web Sundhed ApS (owned by Matas)
- Storage & logistics services (freight agreements, logistic optimization ensuring smooth back-end operations)
- Purchasing services (purchasing agreements including expansion of free trade assortment)

Apo IT ApS
- IT platform & services (E-commerce platform, hardware, software and licenses)
- Marketing services (SEO, google optimization, online advertising and newsletters)

Webapoteket.dk (owned by Trine Persson)

Gazelle Online Apotek
- Customer handling (contact & service)
- Pharmacy operations (orders, prescription handling and packaging)
- Commercial strategy (prices, assortment and campaign timing)
Acquisition entails **three broad investment case drivers** through market growth, synergies and positioning for further liberalization

## #1
**Danish health market poised for digital transformation**

- Online share of free-trade and OTC pharmacy sales 2020, %
  - ~0.8B
  - Market opportunity if DK’s online share gets to 8%

## #2
**Low margin growth case with sourcing synergies**

- Access to **strongest assortment** through exclusive international supplier agreements
- **Best-in-class delivery services** to help vulnerable customers at home
- Best of breed **digital marketing services**
- Pharmacist Trine Persson can focus on **core business** with outsourcing of IT & logistics

## #3
**Strategic position for further liberalization of pharmacies**

- Danish pharmacy market has seen gradual liberalization in recent years:
  - **2015** Ownership of multiple pharmacies
  - **2016** Apropro & Webapoteket granted online pharmacy licenses
  - **2018** Self-selection of OTC in retail
  - **2019** Pharmacists allowed to renew prescription of regular medicines

---

**matas**  Sources: Sveriges Apoteksförening; Danish Lægemiddelstyrelsen; Apotekerforeningen; Management estimate

---

Capital Markets Day – 18 August 2021 | 56
Matas Group’s three digital businesses reinforce each other through synergies on assortment, sourcing and best-practice sharing.

Three platforms collectively make a strong assortment to be shared across:

- **Firtal** contributes with **long-tail assortment** competencies and supplier relationships.
- **Matas.dk** contributes with **purchasing power** & scale advantages toward large suppliers.
- **Web Sundhed** contributes with **consumer insights** on health products and **niche products** from the health industry.
2.3

Connected Retail: Omnichannel Platform

Christian Schmidt
Retail Director

SALLING GROUP
TOP TOY
ALDI

Strategic mission:

Connect and consolidate the stores to drive customer satisfaction and protect profitability
Physical retail market continue to be under pressure, but connecting, consolidating and operating the Matas stores better will mitigate this.
Covid-19 accelerated **online channel shift**, but also showed the resilience of stores as soon as restrictions were lifted.

Matas Channel Development  
2020/21 – July 2021/22, Matas.dk vs. Matas stores

<table>
<thead>
<tr>
<th>Month</th>
<th>Matas.dk</th>
<th>Matas stores</th>
<th>Months with Covid-19 restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
<td>29%</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>15%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>14%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Jul</td>
<td>12%</td>
<td>88%</td>
<td>2021/22</td>
</tr>
<tr>
<td>Aug</td>
<td>15%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td>13%</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>14%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>27%</td>
<td>73%</td>
<td>2020/21</td>
</tr>
<tr>
<td>Dec</td>
<td>20%</td>
<td>80%</td>
<td>2021/22</td>
</tr>
<tr>
<td>Jan</td>
<td>31%</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>27%</td>
<td>73%</td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>20%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td>24%</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>18%</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>16%</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Jul</td>
<td>14%</td>
<td>86%</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Above sales channel split is excluding Firtal’s online channels*
Connected Retail shifting focus from Conventional Store Renewal Program, to **Digital Store Renewal Program**

**OPERATE THE STORES**

**CONSOLIDATE THE STORES**

**CONNECT THE STORES**
All but two of the 264 stores have been profitable during 2020/21, despite the restrictions following the Covid-19 pandemic.
Stores still contain room for operational improvements to sustain salary-percentage with market pressure on topline performance

Stores have kept salary-percentage relatively stable in recent years...

Matas Store salary as % of revenue 2016/17 – 2020/21, %

...But still significant potential to improve operations and sustain salary-percentage with market pressure on topline performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary as % of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/17</td>
<td></td>
</tr>
<tr>
<td>2017/18</td>
<td></td>
</tr>
<tr>
<td>2018/19</td>
<td></td>
</tr>
<tr>
<td>2019/20</td>
<td></td>
</tr>
<tr>
<td>2020/21</td>
<td></td>
</tr>
</tbody>
</table>

Staff optimization
Leverage data to optimize and allocate store personnel to match consumer footfall

Ease of payment
Staff spend ~15% of time on transactions which will be freed up by technological advancements

Best practice
Benchmark within clusters to improve staff efficiency to match best practice stores
Connected Retail shifting focus from Conventional Store Renewal Program, to **Digital Store Renewal Program**
Matas’ nationwide **network of 264 stores is unmatched** and filled with +2,000 trained advisors driving strong customer satisfaction.

264

Stores with nationwide coverage across ~170 cities

Stores have performed at a **+65 Net Promoter Score** since the nationwide lockdown was eased.
Store network has undergone **significant transformation** in recent years through consolidations, relocations, closures and new openings.

Matas Store Network Development
April 2018 – May 2021, # of stores

- **At IPO (2012/13)**: 293
- **April 2018**: 277
  - Stores Closed: -12
  - Net-effect Consolidations: -7
  - Relocated Stores: 9
  - New stores: +6
- **May 2021**: 264

Note: Store count includes the store on Faroe Island.
Flexible lease terms provides a significant competitive advantage to 
**consolidate store network** continuously to get fewer and bigger stores

---

Flexible lease terms for store network allows quick and cheap consolidation

- All 264 stores are **100% rental spaces**, hence no tied-up capital in real estate
- **Exit terms** on leases are on average **less than 6 months**
- **Cost to exit leases** has historically on average been **covered by the up-front deposit**
- Financial reporting will be impacted by **some goodwill impairment** when exiting cities fully

Strategy will leverage on this advantage to continually adapt store network

- **Continuous adaptation**...
- **...to get fewer & bigger stores**...
- **...and push rent cost down**
- There will be **no 5-year store number target**, as store network will adapt to consumer needs and behavior
- **Relocation of stores** to get better lease terms and achieve higher footfall
- **Consolidation of stores** in near proximity to increase total earnings
- **Agile network** allows for more **aggressive rent negotiations** to ensure positive rent in % of revenue development

---

Note: *) Based on latest 23 leases that have been terminated with an average cost to exit at DKK 164K vs. average deposits at DKK 190K per lease
Connected Retail shifting focus from Conventional Store Renewal Program, to **Digital Store Renewal Program**

**OPERATE THE STORES**

**CONSOLIDATE THE STORES**

**CONNECT THE STORES**

(matas)
The *Matas Life Store Upgrade program* has shown the way to a less capex intensive Store Refresh program with multiple digital enhancements.

Matas Life upgrade program has gravitated towards a store refresh program

<table>
<thead>
<tr>
<th>Matas Store upgrades</th>
<th>2018/19 – 2020/21, # of stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Refresh</td>
<td>26</td>
</tr>
<tr>
<td>Store Upgrade</td>
<td>6</td>
</tr>
<tr>
<td>Total CAPEX</td>
<td>97M / 2M per store</td>
</tr>
</tbody>
</table>

Lower capex “connected store” refresh program shows same effect on sales and customer satisfaction

<table>
<thead>
<tr>
<th>Store refresh look &amp; feel</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-store app mode</td>
</tr>
<tr>
<td>In-store endless Aisles</td>
</tr>
<tr>
<td>Convenient payment</td>
</tr>
</tbody>
</table>

Matas Store upgrades
2018/19 – 2020/21, # of stores
- Store Refresh
- Store Upgrade

Total CAPEX kept at 97M / 2M per store last 3 years
Connecting the stores **adds a new innovative layer of digital services** that increases customer satisfaction and earnings per store.

**Connected store**

- **Click & Reserve**
- **Endless aisles**
- **Every store offers full matas.dk assortment as staff can order for home delivery with a current average SKU up-lift from ~10K to +50K**
- **Pick-up-in-store**
- **Up-sell at more than 25% of the +1.1M store pick-ups**
- **Live In-store events**
- **Live events from local stores through Facebook with ~50% conversion and best stores improving sales +20%**
- **1:1 Video consultation**
- **Basket size at index 180 and +20% conversion rate**
- **Ease of payment**
- **Ultra convenience for customers and release of staff time spend on transactions**
- **Online booking of 1:1 shopping appointment w. beauty advisor**
- **In-store recruitment of subscribers that have 25-30% higher sales and increased frequency of 20-25%**
- **Low-cost fulfillment from store with increased traffic**
The model for **connecting the stores is in place** with DKK +200M revenue potential to roll-out across store network

Improving Endless Aisles sales across store network could provide 80-100M additional revenue

- Endless aisles sales share of total store sales 2020/21, %
  - All stores: 3%
  - Top 10th store: 6%

Revenue uplift potential by increasing Endless Aisles share to 6% for all stores outside top 10

80-100M

Revenue uplift potential if scaling number of beauty advisors fully

80-100M

Live shopping and video consulting offers new revenue streams through stores

25-35M

Revenue uplift potential at full run-rate when all stores conduct Live Events

In-store live event

1:1 booking of beauty advisor

Long term potential increases further when online range is extended

matas
2.4

Brands: Differentiation, Growth & Margin Improvement

Michael Shin
EVP, Director of Matas Brands

L’OREAL  ELIZABETH ARDEN  BIOEFFECT

Widen the portfolio of House Brands to support differentiation and margin improvement - and initiate international sales of brands
Numerous retailers have vertically integrated brand ownership to differentiate, grow and improve margins.

Retailers vertically integrate due to differentiation, margins and growth opportunities.

- Differentiate from retailing competitors
- Take larger share of value chain to achieve better margins
- Open up new growth opportunities

Illustrative value chain:

- Producers
- Brand owners
- Retailers

Numerous examples of retailers with brand ownership:

- Private label: Änglamark, No7, Bestseller
- High-end brands: Kendo, Sephora, THG, Espa

matas
The objective of the brand ownership strategy is foremost to **improve differentiation and margins**, and secondly to **add international growth**.
Matas Brands strategy is driven through **three sequential levers** to upgrade competencies, expand portfolio and initiate international sales of brands.

- **#1** Upgrade brand-building competencies
- **#2** Expand portfolio of house brands & partnerships
- **#3** Initiate international sales of brands
Building brands has become much **less risky and time consuming** due to social media and online advertising, as well as DTC sales channels.

**#1 Upgrade brand-building competencies**

**Historically:**
- 10-15 years to launch brands
- Brands launched through store-by-store retail distribution
- Brand value built through **mass printed advertising and nationwide TV** once scale was reached
- Brand awareness built through advocacy, loyalty and word of mouth
- Expansion on a slow **country by country** basis

**Today:**
- 3-5 years to launch brands
- Brands launched with **simultaneous DTC and online distribution**, while image, brand value and awareness built digitally and through **social media**
- Faster time to market and less risky advertising with low budgets, targeted at right audience across borders
- Wider reach across geographies to launch **internationally from the start**

Illustrative sales development for new brands
Historical vs. Today, Illustrative
Matas is a strong brand launcher and will strengthen competencies to build own brands end-to-end with a small team

#1
Upgrade brand-building competencies

Historically:
Great success as Brand Launcher

- External brands have utilized Matas’ **deep consumer insights to identify needs** and winning propositions
- Strong competencies in accelerating external brands through a **plethora of retail-competencies**:
  - Nationwide physical and digital distribution
  - Pricing and Promotions
  - Media and Engagement
  - Instore advice
  - Sampling
- Leveraging **consumer and retail insights** to optimize SKUs

Strategy:
Upgrade competencies as End-to-End Brand Builder

- Building on top of historical Brand Accelerator, by upgrading **competencies end-to-end to build own brands**
- **Leverage consumer insights** to develop new in-house products and brands to match consumer needs
- Build brands with **international mindset** and ability to attack all **distribution channels**, not just mass with low price points
- **Leverage strong internal media** offering to advertise
- Ensure **selective distribution** and build brand perception through Direct-to-Consumer
Matas Brands cover an existing portfolio of internally developed and acquired 3rd party brands, plus a newly launched brand incubator

#2
Expand portfolio of house brands & partnerships

- **House brands:**
  - Matas
  - Striberne
  - Plaisir
  - My Moments
  - Matas Natur
  - Skønt
  - **Denmark:** Matas only
  - **International:** Beauty Stores

- **Acquired brands:**
  - Njord
  - Nilsens Jord
  - MIILD
  - **Denmark:** Matas & External
  - **International:** Beauty Stores

- **New brands:**
  - GRÆNN Brand Incubator
  - Development and acquisition of new brands
  - **Denmark:** Matas & External
  - **International:** Beauty Stores
#2
Expand portfolio of house brands & partnerships
Initiate international distribution of existing brands that all hold strong international appeal due to Nordic heritage and branding

#3
Initiate international sales brands

Strong portfolio of brands with international appeal for Nordic values

- Striber: Everyday products used by most Danish women since the 1950-ies
- My Moments: Home Spa range with essential oils to find peace and new energy for body and mind
- Plaisir: Luxurious and innovative skincare products based on active ingredients with proven effects
- Matas Natur: Natural, ecological, vegan and perfume-free product range that are environmentally friendly
- Nilens jord: Denmark’s #1 make-up brand. Skin friendly, clean formulas without parabens and perfume
- Miild: Allergy-friendly, sustainable and organic certified beauty products
- New brands: New brands are all rooted in Nordic values and lifestyle
2.5

Logistics: Automating & Scaling Logistics

Strategic mission: **Build Matas Logistics Center to enable growth and improve margins**

Brian Gøbel Poulsen
Logistics Director

SPORTSMASTER
COOP

matas
Matas Group currently manages 7 warehouses across Denmark:

1. Allerød CL1 – Ground level
2. Allerød CL1 – 1st floor
3. Allerød CL2
4. Kosmolet Farum
5. Webshop Humlebæk
6. Brøndby CL3
7. Firtal Group Lystrup
To expand capacity and advance logistics capabilities Matas has initiated ‘Matas Logistics Center’, a new state-of-the-art logistics center

- Expected to be located in Lynge close to HQ
- Consolidation of 4 warehouses fully operational by 2024/25
- Building is ~25,000 M$^2$ (170M X 155M X 15M)
- Channel independent whether online, connected retail or endless aisles
- Sustainable building with potential installation of solar panels & heat pumps
- Automated picking and packing machines combined with proven high-tech shuttle solution
- Advanced box storage system specifically effective for handling of small packages
The range expansion strategy requires a step-change in capacity to accommodate 150,000 SKUs by 2024/25.
To continue **competitiveness on delivery times and cost**, the order execution capacity and cost per order also needs a step-change.

Matas’ daily order execution capacity & packaging cost
2017/18 – 2024/25, # of orders & cost index
- # of orders per day
- Packaging cost per order index

**Note:** At current average basket size, the 100,000 daily order execution capacity would allow for DKK +10B revenue.
Matas Logistics Center requires **CAPEX of DKK ~500M**, but will improve margins and allow for strong future growth.

**Matas Logistics Center**

Acquisition of property, buildings & machines for DKK ~500M CAPEX

### 1.0-1.5% EBITDA margin improvement effect
- ✔ Staff costs reduced from lower FTE requirement
- ✔ Rent costs reduced from consolidating 4 sites
- ✔ Warehouse cost for web orders reduced ~50%
- ✔ Machine maintenance costs will increase

### +2x operational scalability of capacity
- ▲ Scalability – capacity increase from 70,000 to 150,000
- ▲ # of orders per day - increase from 50,000 to 100,000
- ▲ Speed – max 30 minutes from order to ready for carrier
- ▲ Sustainability – CO2 emission free warehouse by 2030

**Matas**
Strategic mission:

Secure long-term profitable growth through well-managed capital allocation and mitigation of risks
The Growing Matas Group strategy and the omnichannel business model positions Matas for long-term profitable growth.

Three main targets for the financial guidance by 2025/26:

- **Revenue**: +5.0B
  - In 2025/26, driven by +1B increase in online sales and consolidation of stores, excluding significant M&A.

- **EBITDA-margin**: 17-18%
  - In 2025/26, affected by (i) margin expansion from scale advantages, MLC & vertical integration, and (ii) margin dilution from competitive response and growth “investments”.

- **CAPEX**: 1.0-1.3B
  - Accumulated from 2021/22 to 2025/26, through MLC and continued digitalization, (excluding M&A).
Growth ambition to reach at least **DKK 5.0B by 2025/26** is driven by market growth and range expansion through online channels.

Illustrative Matas Group revenue development by channel

2019/20A – 2025/26F, DKK B

<table>
<thead>
<tr>
<th>Channel</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2025/26</th>
<th>2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores</td>
<td>3.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matas.dk</td>
<td></td>
<td></td>
<td>+5.0</td>
<td></td>
</tr>
<tr>
<td>Firtal</td>
<td></td>
<td></td>
<td>+5.0</td>
<td></td>
</tr>
<tr>
<td>Web</td>
<td></td>
<td></td>
<td>+5%</td>
<td></td>
</tr>
<tr>
<td>Sundhed</td>
<td></td>
<td></td>
<td>4.1</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** 2019/20 proforma adjusted to include Web Sundhed’s revenue as of acquisition.

Growth ambition driven by market growth and online range expansion:

- The underlying **Health & Beauty market** is expected to continue showing modest growth driven by strong fundamentals:
  - Beauty, health & wellbeing has **historically grown faster than GDP** and consumption in general.
  - Consumer trends such as “Younger for longer” and increased spending on health will support market growth.

- Matas aims to increase market share in selected categories within Health & Beauty through range extensions, which will help Matas in achieving the goal of doubling online sales.

- Note, growth from potential international expansion is not included in the long-term ambition.
Earnings driven by **topline growth, scale advantages** and **vertical integration**, allowing for competitive response and growth “investments”

Illustrative Matas Group EBITDA before special items
2019/20A – 2025/26F, DKK M

<table>
<thead>
<tr>
<th>Year</th>
<th>Topline Growth</th>
<th>Scale Advantages (Matas.dk &amp; MLC)</th>
<th>Growing House Brands</th>
<th>Headroom for competitive response &amp; growth “investments”</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>699</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020/21</td>
<td>+850</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025/26</td>
<td>797</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

matas
Three potential major risks in the strategy period, but limited impact is expected due to decisive mitigation actions

**Increased competition**
- Competition could arise from multiple angles, but **most prevalent will be online competition** from pure-players and market places
- Competition could further come from **fashion players entering the beauty market**
- And lastly from **specialty retailers** pursuing an aggressive offline roll-out plan

**Macro economy setbacks**
- H&B market is expected to grow at historical rates, just above GDP
- Some market observers **anticipate roaring 20-ies economic development**
- But market might as well **bounce back in the 5-year strategy period**, from multiple angles as geopolitical risk, financial instability, pandemics, etc.

**Operational risks**
- Operational risks will increase due to implementation of MLC that will not only drive important efficiency gains, but also allow for future growth
- Risks imply potential **delays** and potential **budget overruns**

---

Matas
Cash generation to accelerate towards end of strategy period driven by reduced CAPEX and continued strong NWC development

**Cash flow**

Matas' underlying business will continue to produce strong operational cash flows throughout the strategy period.

**CAPEX**

In the first years Matas Logistics Center and continued CAPEX to support the digital growth will limit the free cash flow.

Towards the end of the strategy period the CAPEX requirements are expected to become smaller and free cash flow will rise.

**Working capital**

Throughout the strategy period, working capital is expected to remain fairly stable as a percentage of sales, but fluctuations are to be expected.

The range extension strategy is expected to have marginal effect on inventories as a percentage of sales, as this will largely be driven through online channels.
Capital allocation towards 2025/26 - CAPEX, Gearing and Distribution

- **DKK 1.0-1.3B CAPEX**
  - CAPEX is expected in a DKK 1.0-1.3B range accumulated over the five years driven by:
    - Matas Logistics Center
    - Continued digitalisation of both on- and offline activities
    - New acquisitions are not included in the expected CAPEX

- **2-3x Gearing**
  - Maintain a gearing between 2 and 3 (Net Interest Bearing Debt to EBITDA)
  - Ensure that gearing ratio does not materially exceed 3 for longer periods of time

- **>20% Distribution**
  - Distribution of at least 20% of adjusted net profit after tax annually - subject to gearing target and near term risks
4.0

Closing Remarks and Q&A
A profitable **growth strategy**

**Growing Matas Group: #1 for health and beauty**
Leverage our platform for growth with a profitable business model

**Commercial: #1 offer**
Triple the assortment and market the broadened offer to consumers

**Ecommerce: #1 online**
Double revenues by acquiring omni-customers and growing sales per customer

**Connected retail: #1 in-store**
Consolidate and connect the stores to drive customer satisfaction and protect profitability

**Brands: #1 products**
Widen ‘house brand’ portfolio to improve margins and open for international growth options

**Logistics: #1 operator**
Build Matas Logistics Center to enable growth and improve margins
## Building Matas Group: Major Change & Investment Programs

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial</th>
<th>Ecommerce</th>
<th>Connected Retail</th>
<th>Brands</th>
<th>Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/21</td>
<td>Launch Pro Hair Care &amp; Dermatological Skincare</td>
<td>Expand assortment and go to market</td>
<td>Connect &amp; consolidate store network</td>
<td>Build brand portfolio &amp; competencies</td>
<td>Optimize existing logistics setup</td>
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<tr>
<td>2021/22</td>
<td>Launch new health categories</td>
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<td></td>
<td>Scale international sale of brands*</td>
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<tr>
<td>2022/23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MLC: Automate and scale logistics</td>
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<tr>
<td>2023/24</td>
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<td>2024/25</td>
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<tr>
<td>2025/26</td>
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*) Subject to satisfactory proof of concept
Matas Equity Story: Digitalization of Health & Beauty drives profitable growth

Matas’ market leadership provides a platform for market share gains

The Foundation: Leverage our historical strength

- **DKK ~13B market** with above-GDP growth and attractive margins
  - Beauty demand is non-cyclical with margins upheld by consumer preference for brands, non-commodities, news, personalisation and luxury
  - Health demand driven by aging population, product innovation and online

- **Matas is the absolute market leader – online and offline**
  - #1 brand in beauty and personal care, #3 brand overall in DK
  - #1 store network with 264 profitable stores and +2,000 advisors
  - #1 club with 1.7 million members, #2 loyalty program overall in DK
  - #1 media portfolio with 1.8 million unique monthly contacts
  - #1 portfolio of private label/exclusive house brands

- **Matas is positioned to benefit from online shift**
  - In three years, Matas has become #1 for health and beauty online in Denmark with ~35% market share and 600,000 happy customers
  - 2nd most used webshop in Denmark across all categories

- **Matas has a strong financial position**
  - Leap in online profitability driven by scale and omnichannel synergy
  - Strong cash generation supported by inventory optimization
  - Strong balance sheet with ample room for gearing

- **Leadership team with a proven strategy execution track record**

The Opportunity: Profitable digital growth

- **Growth journey towards DKK +5B revenues** driven by
  - Online range expansion
  - Market share gains in selected categories
  - Becoming the preferred non-prescription health destination

- **Profitability around 17-18% EBITDA-margin** can be sustained:
  - Online scale effects and omnichannel synergies
  - Gradual store consolidation & Connected Store concept
  - Vertical Integration: Increase of House Brands share
  - Automation of logistics for capacity, speed and efficiency
  - Disciplined and continuous cost-improvement

- **CAPEX investment** of DKK 1.0-1.3B in the coming 5 years composed of:
  - Run-rate investment kept around 3-4% of sales to support digitalisation of customer experience – both offline and online
  - Additional DKK ~500M will be spend to automate & scale logistics

- **Distribution to shareholders**: More than 20% of adjusted net profit after tax will be distributed

- **Additional growth options** (not in financial ambition)
  - Further category expansion, export of house brands, and bolt-on/adjacency M&A to be decided on case by case basis
  - Health positioning will open access to male target groups