

## TCM Group Management's review

### Interim report Q1 2023 (January 1 - March 31)

(All figures in brackets refer to the corresponding period in 2022)

**Sales showing strong resilience in challenged market, but earnings negatively impacted by mix effects, higher operating costs and dealership restructuring costs. Full year revenue guidance reiterated, but EBIT guidance revised.**

#### CEO Torben Paulin:

“We are pleased that sales showed strong resilience in Q1 despite challenging market conditions. Consumer demand in Q1 continued the soft trend from the second half of 2022, but due to TCM's strong position in B2B and the sales price increases implemented during 2022, sales were broadly unchanged, decreasing by only 3% in Q1 compared to Q1 last year.

Our flagship Svane Køkkenet brand successfully defended its market position in Denmark with unchanged sales in a declining market, while both the private label business and the sale in the e-commerce channel showed good growth rates. In Norway the strong performance continued with a sales growth of 4.4% measured in local currency.

Despite the sales price increases implemented over the last 12 months, gross margin in the quarter was negatively impacted by mix effects stemming from an increasing share of lower margin B2B sales compared to Q1 last year. In addition, rising raw material prices and increases in the price of components such as fixtures and fittings also diluted the margin. In total direct input cost increased by more than 10% compared to Q1 last year. Furthermore, significantly higher energy and freight cost impacted gross profit negatively. Finally, SG&A costs were negatively affected in the quarter by DKK 3 million related to a number of dealership restructurings.

During the first quarter of 2023, and in line with the prior two quarters, TCM continued the restructuring of the organisation to reflect the development in consumer demand. As such the workforce in both production and staff functions was reduced by in total of 35 FTEs in the quarter. The reductions, which are expected to have full impact from Q3 2023, lead to a non-recurring restructuring cost of DKK 1.7 million.

We reiterate our full year revenue guidance, but we revise our adjusted EBIT-guidance: Full year revenue is still expected to be in the range DKK 950-1,050 million (unchanged), while we now expect an adjusted EBIT in the range DKK 60-90 million (previously DKK 70-100 million).”

**Financial highlights Q1**

- Revenue DKK 273.6 million (DKK 281.4 million) corresponding to a revenue decrease of 2.8%.
- Adjusted EBITDA DKK 17.9 million (DKK 30.3 million). Adjusted EBITDA margin was 6.6% (10.8%).
- Adjusted EBIT down DKK 12.9 million to DKK 13.1 million (DKK 26.0 million). Adjusted EBIT margin was 4.8% (9.3%).
- Non-recurring items had a total negative impact of DKK 1.7 million (DKK 5.4 million). Non-recurring items included costs related to organisational restructuring.
- EBIT down DKK 9.2 million to DKK 11.4 million (DKK 20.6 million), corresponding to an EBIT margin of 4.1% (7.3%).
- Net profit down DKK 11.2 million to DKK 5.4 million (DKK 16.6 million).
- Free cash flow was DKK -35.0 million (DKK -32.9 million).
- Cash conversion ratio was 68.2% (60.5%).
- Full-year guidance for the financial year 2023 is revenue in the range DKK 950-1,050 million, and adjusted EBIT in the range DKK 60-90 million.

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**Key figures and ratios**

<b>DKK million</b>	<b>Q1 2023</b>	<b>Q1 2022</b>	<b>FY 2022</b>
<b>Income statement</b>			
<b>Revenue</b>	<b>273.6</b>	<b>281.4</b>	<b>1,146.1</b>
Gross profit	50.7	60.0	234.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	16.2	24.8	114.9
Adjusted EBITDA	17.9	30.3	121.3
Earnings before interest, tax, and amortisation (EBITA)	11.4	20.6	96.9
<b>Adjusted EBIT</b>	<b>13.1</b>	<b>26.0</b>	<b>103.4</b>
<b>Operating profit (EBIT)</b>	<b>11.4</b>	<b>20.6</b>	<b>96.9</b>
Financial items	(4.8)	(0.7)	(8.8)
Profit before tax	6.8	20.9	89.4
Net profit for the period	5.4	16.6	70.5
<b>Balance sheet</b>			
Total assets	993.1	971.5	970.2
Net working capital (NWC)	(22.3)	(37.6)	(57.1)
Net interest-bearing debt (NIBD)	315.0	277.8	288.1
Equity	426.0	423.0	420.6
<b>Cash Flow</b>			
Free cash flow excl. acquisitions of operations	(35.0)	(32.9)	39.5
Cash conversion, %	68.2%	60.5%	61.0%
<b>Growth ratios</b>			
Revenue growth, %	(2.8%)	0.1%	3.4%
Gross profit growth, %	(15.4%)	(9.2%)	(8.1%)
Adjusted EBIT growth, %	(49.9%)	(21.0%)	(24.9%)
EBIT growth, %	(44.9%)	(34.9%)	(30.0%)
Net profit growth, %	(67.4%)	(32.7%)	(36.3%)
<b>Margins</b>			
Gross margin, %	18.5%	21.3%	20.4%
Adjusted EBITDA margin, %	6.6%	10.8%	10.6%
Adjusted EBIT margin, %	4.8%	9.3%	9.0%
EBIT margin, %	4.1%	7.3%	8.5%
<b>Other ratios</b>			
Solvency ratio, %	42.9%	43.5%	43.4%
Leverage ratio	2.95	1.89	2.35
NWC ratio, %	(2.0%)	(3.4%)	(5.0%)
Capex ratio excl. acquisitions, %	1.0%	1.9%	2.0%
<b>Share information</b>			
Number of outstanding shares	9,067,294	9,067,294	9,067,294
Weighted average number of outstanding shares	9,067,294	9,097,924	9,074,847
Number of treasury shares	75,000	932,706	75,000
Earnings per share before dilution, DKK	0.61	1.83	7.77
Earnings per share after dilution, DKK	0.60	1.83	7.75

Reference is made to the consolidated financial statements for 2022 prepared in accordance with IFRS for definitions of key figures and ratios.

## Business review

In Q1 2023 revenue decreased by 2.8% to DKK 273.6 million (DKK 281.4 million). The organic like-for-like growth excluding third party revenue (core business) was -2.9% in the quarter.

TCM Group's primary market is Denmark which contributed with 90% of Group revenue in Q1 2023. Customer demand in the Danish kitchen market remained soft in the quarter. For TCM Group, revenue in Denmark was down 2.7%, however with a largely flat like-for-like development for the Svane Køkkenet brand. The e-commerce and private label sales saw good growth in the quarter.

Revenue outside Denmark decreased by 3.1% compared to Q1 2022, with the Group largest export market, Norway, experiencing negative growth of 0.6% when measured in DKK. Measured in local currency sales to Norway increased by 4.4%, driven by increased sales to existing stores.

Gross margin decreased from 21.3% in Q1 2022 to 18.5% in Q1 2023. The gross margin was negatively impacted by a higher share of lower margin B2B project sales in addition to which increased raw material prices and higher costs of fixtures and fittings further diluted the margin despite mitigation through sales price increases. In total, direct input cost increased by more than 10% compared to Q1 last year. Direct input costs are expected to start decreasing from Q3 onwards. Furthermore, significantly higher energy and freight cost impacted earnings negatively, with energy cost increasing by more than 50% in Q1 compared to the same quarter last year.

In connection with the ongoing efforts to adapt and strengthen our store network we successfully transitioned a few underperforming stores to new owners in the quarter. As a result of this we incurred losses on accounts receivables and incurred cost related to securing supplies to end-customers. In total this resulted in a charge of DKK 3 million to the selling expenses (SG&A) in Q1.

At the end of Q1 2023, the total number of branded stores was 93 (94). In Q1 2023 several Tvis Køkken stores have been rebuild, further strengthening the Tvis Køkken brand position. Furthermore, a new Tvis Køkken store will open in Lyngby in Q2.

To strengthen the organization and create stronger ties between brands we launched our common values "teamwork, ambition and pride". In this connection all colleagues have been invited to share their experience and how the values support, inspire, and guide their everyday life.

During Q1 we have strengthened our focus on waste management and continued our journey to reduce CO2 emissions from our production.

Total number of employees at the end of Q1 2023 was 449 (496).

## Events after the reporting period

The annual general meeting was held on 13 April 2023. The annual general meeting approved the proposal not to distribute dividend. Furthermore, it was approved to authorize the Board of Directors to, at their discretion, distribute an extraordinary dividend of up to a maximum of DKK 30,000,000 in total in the second half of 2023.

Pernille Wendel Mehl and Erika Hummel were appointed as new board members at the annual general meeting. The Board of Directors hereafter consists of six independent and one dependent board members, all elected by the annual general meeting.

Besides from the above, no events of importance to the consolidated interim financial statements have occurred after the reporting period.

## Financial outlook

We reiterate our full year revenue guidance, but we revise our adjusted EBIT-guidance: Full year revenue is still expected to be in the range DKK 950-1,050 million (unchanged), while we now expect an adjusted EBIT in the range DKK 60-90 million (previously DKK 70-100 million).

## Forward looking statements

This interim report contains statements relating to the future, including statements regarding TCM Group's future operating results, financial position, cash flows, business strategy and plans for the future. The statements are based on management's reasonable expectations and forecasts at the time of the disclosure of the report. Any such statements are subject to risks and uncertainties, and a number of different factors, many of which are beyond TCM Group's control, could mean that actual performance and actual results will differ significantly from the expectations expressed in this interim report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive matters, supplier issues and financial issues.

## Significant risks in the Group

TCM Group is exposed to strategic, operating, and financial risks, which are described in the management review and note 2 of the 2022 Annual Report prepared in accordance with IFRS. The Russian invasion of Ukraine has impacted the overall supply of raw materials in the European market. For TCM Group the impact has primarily been felt through the further pressure on raw material prices and higher energy and transportation costs. There is a possible risk of this leading to significant cost inflation and challenges with raw material availability, both of which can impact TCM Group's financial results negatively.

## Financial review

### Revenue

In Q1 2023 revenue decreased by 2.8% to DKK 273.6 million (DKK 281.4 million).

Revenue in Denmark in Q1 2023 was DKK 245.5 million (DKK 252.4 million) corresponding to a decrease of 2.7%. Revenue in other countries in Q1 2023 decreased 3.1% to DKK 28.1 million (DKK 29.0 million).

### Gross profit

Gross profit in Q1 2023 was DKK 50.7 million (DKK 60.0 million), corresponding to a gross margin of 18.5% (21.3%). In Q1 high margin B2C sales declined compared to Q1 LY. The revenue shortfall was offset by growth within B2B sales, driven by growth in sales from lower margin B2B project sales. As a result, this led to an unfavourable change in sales mix with a significant negative impact on gross margin.

### Operating expenses

Operating expenses in Q1 2023 were DKK 37.7 million (DKK 33.9 million). Operating expenses represented 13.8% of revenue in Q1 2023 (12.1%). The increase in operating expenses was primarily due the increase in provisions for restructuring of the store network of DKK 3.0 million mentioned above.

### Adjusted EBITDA

Adjusted EBITDA in Q1 2023 was DKK 17.9 million (DKK 30.3 million), corresponding to an adjusted EBITDA margin of 6.6% (10.8%).

### Adjusted EBIT

Adjusted EBIT in Q1 2023 was DKK 13.1 million (DKK 26.0 million), corresponding to an adjusted EBIT margin of 4.8% (9.3%).

### Non-recurring items

TCM Group presents non-recurring items separately to ensure comparability. Non-recurring items consist of income and expenses that are special and of a non-recurring nature. In Q1 2023 non-recurring items included costs related to restructuring. These items are considered non-recurring by nature and material and are presented as non-recurring items.

Non-recurring items, DKK m	Q1		Full year
	2023	2022	2022
Costs related to supply chain disruptions and Covid-19 precautions	0.0	5.4	5.4
Restructuring costs	1.7	0.0	4.7
Net gain from the Celebert/kitchn.dk transaction	0.0	0.0	(3.6)
<b>Total</b>	<b>1.7</b>	<b>5.4</b>	<b>6.5</b>

## EBIT

EBIT in Q1 2023 decreased to DKK 11.4 million (DKK 20.6 million). The decrease was primarily due to the decrease in EBITDA. Depreciations and amortizations in Q1 2023 were DKK 4.9 million (DKK 4.2 million). The increase was driven by depreciations on investment projects completed during 2022.

## Net profit

Net profit in Q1 2023 decreased to DKK 5.4 million (DKK 16.6 million). Net financial expenses in Q1 2023 were DKK 4.8 million compared to DKK 0.7 million in Q1 2022. The increase was due to the higher interest-bearing debt combined with higher interest rates due to the increase in the underlying market rates since Q1 last year. In total interest charges and financial fees amounted to DKK 5.0 million in Q1 2023 (DKK 1.1m). In addition, foreign currency adjustments of trade receivables amounted to a loss of DKK 1.4 million in Q1 2023 (gain DKK 0.4 million).

## Free cash flow

Free cash flow in Q1 2023 was DKK -35.0 million (DKK -32.9 million). The cash flow in Q1 2023 was negatively impacted by lower operating profit and positively impacted by lower investments compared to Q1 2022. Investments were DKK 6.4 million in Q1 2023 compared to DKK 7.4 million last year.

## Net working capital

Net working capital at the end of Q1 2022 was DKK -22.3 million (DKK -37.6 million). NWC ratio at the end of Q1 2022 was -2.0% (-3.4%).

DKK million	End of Q1	
	2023	2022
Inventories	77.4	87.2
Trade and other receivables	88.1	81.2
Trade and other payables	(187.9)	(206.0)
<b>Net working capital</b>	<b>(22.3)</b>	<b>(37.6)</b>
<b>NWC ratio</b>	<b>(2.0%)</b>	<b>(3.4%)</b>

The decrease in inventory of DKK 9.8 million was due a decision to decrease the stock of parts and raw materials after the supply situation in the marked has stabilized.

Trade receivables and other receivables increased by DKK 6.9 million. Other receivables as of 31 March 2023 is excluding the value subleases accounted for as per IFRS16, amounting to DKK 7.5 million. This is not included in the net working capital.

Operating liabilities decreased by DKK 18.1 million. The development in operating liabilities was a mix of lower trade payables and higher other payables. The decrease in trade payables was driven by a reduction in outstanding payments related to raw materials as the “buffer stock” of raw materials have been reduced.

**Net interest-bearing debt**

Net interest-bearing debt amounted to DKK 315.0 million at the end of Q1 2023 (DKK 277.8 million). Net interest-bearing debt increased by DKK 37.2 million in Q1 2023. Leverage ratio, measured as net interest-bearing debt excluding tax liabilities divided by adjusted EBITDA LTM, end of Q1 2023 was 2.95 (1.89), well within our, previously announced, renegotiated covenant of 4.00. Excluding the leasing liabilities related to IFRS 16, leverage ratio end of Q1 2023 was 2.51 (1.60).

**Equity**

Equity at the end of Q1 2023 amounted to DKK 426.0 million (DKK 423.0 million). The equity increased by DKK 5.4 million in Q1 2023 due to net profit for the period.

The solvency ratio was 42.9% at the end of Q1 2023 (43.5%).



## Additional information

### Financial calendar

The financial year covers the period 1 January – 31 December, and the following dates have been fixed for releases etc. in the financial year 2023:

18 August 2023	Interim report Q2 2023
17 November 2023	Interim report Q3 2023
28 February 2024	Interim report Q4 2023 and Annual report 2023
11 April 2024	Annual General Meeting

### Presentation

The interim report will be presented on Wednesday 17 May at 9:30 CEST in a teleconference that can be followed on TCM Groups website or on <https://edge.media-server.com/mmc/p/a9bb79uf>

To participate in the teleconference, and thus have the possibility to ask questions, participants are required to register in advance of the conference using the link provided below. Upon registering, each participant will be provided with Participant Dial In Numbers, and a unique Personal PIN.

**Online Registration to the call:** <https://register.vevent.com/register/BI5054b926379647d99b9624fad79d9cc7>

### About TCM Group A/S

TCM Group is Scandinavia's third largest kitchen manufacturer, with a major part of its business concentrated in Denmark. The product offering includes cabinets, tabletops and storage.

Manufacturing is generally carried out in-house and more than 90% is manufactured to a specific customer order. Production sites are located in Denmark, with three factories in Tvis and Aulum (in the western part of Denmark).

The Group pursues a multi-brand strategy, under which the main brand is Svane Køkkenet and the secondary brands are Tvis Køkken, Nettoline and private label. Combined, the brands cater for the entire price range. Products are mainly marketed through a network of franchise stores and independent kitchen retailers. Furthermore, TCM Group is supplier to the 45% owned e-commerce kitchen business Celebert, which operates under the brands kitchn.dk, billigskabe.dk, Celebert and Just Wood.

### Company information

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## Consolidated interim financial statements

### Consolidated income statement

DKK m	Note	Q1		Full year
		2023	2022	2022
Revenue	2	273.6	281.4	1,146.1
Cost of goods sold		(222.9)	(221.5)	(912.0)
<b>Gross profit</b>		<b>50.7</b>	<b>60.0</b>	<b>234.0</b>
Selling expenses		(24.6)	(21.3)	(79.6)
Administrative expenses		(13.1)	(12.6)	(51.0)
Other operating income		0.0	0.0	(0.0)
<b>Operating profit before non-recurring items</b>		<b>13.1</b>	<b>26.0</b>	<b>103.4</b>
Non-recurring items	3	(1.7)	(5.4)	(6.5)
<b>Operating profit</b>		<b>11.4</b>	<b>20.6</b>	<b>96.9</b>
Share of profit/loss in associated companies		0.2	1.0	1.3
Financial income		0.2	0.4	0.4
Financial expenses		(5.0)	(1.1)	(9.2)
<b>Profit before tax</b>		<b>6.8</b>	<b>20.9</b>	<b>89.4</b>
Tax for the period		(1.4)	(4.3)	(18.9)
<b>Net profit for the period</b>		<b>5.4</b>	<b>16.6</b>	<b>70.5</b>
Earnings per share before dilution, DKK		0.61	1.83	7.77
Earnings per share after dilution, DKK		0.60	1.83	7.75

## Consolidated statement of comprehensive income

DKK m	Q1		Full year
	2023	2022	2022
Net profit for the period	5.4	16.6	70.5
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequent to profit or loss</b>			
Value adjustments of currency hedges before tax	(0.0)	1.4	(1.1)
Tax on value adjustments of currency hedges	0.0	(0.3)	0.3
<b>Other comprehensive income for the period</b>	<b>(0.0)</b>	<b>1.1</b>	<b>(0.9)</b>
<b>Total comprehensive income for the period</b>	<b>5.4</b>	<b>17.7</b>	<b>69.6</b>

## Consolidated balance sheet

DKK m	Note	End of Q1 2023	2022	End of 2022
<b>ASSETS</b>				
<b>Intangible assets</b>				
Goodwill		369.8	369.8	369.8
Brand		172.0	172.0	172.0
Other intangible assets		17.6	6.3	14.2
		<b>559.4</b>	<b>548.1</b>	<b>555.9</b>
<b>Tangible assets</b>				
Land and buildings		127.1	95.9	127.1
Tangible assets under construction and prepayments		2.1	10.6	1.1
Machinery and other technical equipment		40.3	33.5	42.5
Equipment, tools, fixtures, and fittings		9.1	7.2	8.9
		<b>178.6</b>	<b>147.2</b>	<b>179.6</b>
Investments in associated companies		48.9	48.4	48.7
Financial assets		23.4	32.2	26.7
<b>Total non-current assets</b>		<b>810.2</b>	<b>775.9</b>	<b>811.0</b>
<b>Inventories</b>		<b>77.4</b>	<b>87.2</b>	<b>80.7</b>
<b>Current receivables</b>				
Trade receivables		76.9	73.3	41.0
Current tax receivables		0.5	0.0	0.0
Other receivables		6.8	9.9	0.0
Prepaid expenses and accrued income		18.3	15.5	30.2
		<b>102.4</b>	<b>98.7</b>	<b>74.1</b>
Cash and cash equivalents		3.0	9.6	4.4
<b>Total current assets</b>		<b>182.9</b>	<b>195.6</b>	<b>159.2</b>
<b>Total assets</b>		<b>993.1</b>	<b>971.5</b>	<b>970.2</b>

## Consolidated balance sheet

DKK m	Note	End of Q1		End of
		2023	2022	2022
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Share capital		0.9	1.0	0.9
Treasury shares		(12.1)	(150.4)	(12.1)
Value adjustments of currency hedging		(0.9)	1.1	(0.9)
Retained earnings		438.1	516.9	432.7
Proposed dividend for the financial year		0.0	54.4	0.0
<b>Total shareholders' equity</b>		<b>426.0</b>	<b>423.0</b>	<b>420.6</b>
Deferred tax		54.4	54.1	53.4
Mortgage loans		24.4	27.2	25.1
Lease liabilities		47.4	38.0	48.8
Other liabilities		0.8	1.3	0.5
<b>Total long-term liabilities</b>		<b>126.9</b>	<b>120.6</b>	<b>127.7</b>
Mortgage loans		2.8	2.8	2.8
Bank loans		239.0	208.2	200.3
Lease liabilities		11.3	11.4	12.0
Trade payables		144.5	168.6	151.9
Liabilities to associated companies		0.0	0.9	0.1
Current tax liabilities		0.0	0.0	3.6
Other liabilities		42.6	36.1	51.2
<b>Total short-term liabilities</b>		<b>440.2</b>	<b>427.8</b>	<b>421.8</b>
<b>Total shareholders' equity and liabilities</b>		<b>993.1</b>	<b>971.5</b>	<b>970.2</b>

## Change in consolidated shareholders' equity

	Share capital DKK m	Trea- sury shares DKK m	Value adjust- ments of currency hedges after tax DKK m	Retained earnings DKK m	Propo- sed divi- dend DKK m	Total DKK m
<b>Opening balance 01.01.2021</b>	<b>1.0</b>	<b>(136.0)</b>	<b>0.0</b>	<b>500.3</b>	<b>54.4</b>	<b>419.7</b>
Net profit for the period	0.0	0.0	0.0	16.6	0.0	16.6
Other comprehensive income for the period	0.0	0.0	1.1	0.0	0.0	1.1
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>16.6</b>	<b>0.0</b>	<b>17.7</b>
Purchase of treasury shares	0.0	(14.4)	0.0	0.0	0.0	(14.4)
<b>Closing balance 31.03.2021</b>	<b>1.0</b>	<b>(150.4)</b>	<b>1.1</b>	<b>516.9</b>	<b>54.4</b>	<b>423.0</b>
<b>Opening balance 01.01.2022</b>	<b>0.9</b>	<b>(12.1)</b>	<b>(0.9)</b>	<b>432.7</b>	<b>0.0</b>	<b>420.6</b>
Net profit for the period	0.0	0.0	0.0	5.4	0.0	5.4
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.4</b>	<b>0.0</b>	<b>5.4</b>
<b>Closing balance 31.03.2022</b>	<b>0.9</b>	<b>(12.1)</b>	<b>(0.9)</b>	<b>438.1</b>	<b>0.0</b>	<b>426.0</b>

## Consolidated cash flow statement

DKK m	Note	Q1 2023	2022	Full year 2022
<b>Operating activities</b>				
Operating profit		11.4	20.6	96.9
Depreciation and amortization		4.9	4.2	18.0
Other non-cash operating items		0.0	0.0	2.1
Income tax paid		(10.8)	(7.7)	(8.9)
Change in net working capital		(34.1)	(42.7)	(35.9)
<b>Cash flow from operating activities</b>		<b>(28.6)</b>	<b>(25.5)</b>	<b>72.2</b>
<b>Investing activities</b>				
Investments in fixed assets		(6.4)	(7.4)	(32.7)
Acquisition of operations, net		0.0	0.0	(2.2)
<b>Cash flow from investing activities</b>		<b>(6.4)</b>	<b>(7.4)</b>	<b>(34.9)</b>
<b>Financing activities</b>				
Interest paid		(3.4)	(0.7)	(8.8)
Repayments of loans		(0.7)	(0.7)	(2.8)
Repayments of lease liabilities		(1.0)	(1.0)	(4.1)
Purchase of treasury shares		0.0	(14.4)	(14.3)
Dividend paid		0.0	0.0	(54.4)
<b>Cash flow from financing activities</b>		<b>(5.1)</b>	<b>(16.8)</b>	<b>(84.4)</b>
<b>Cash flow for the period</b>		<b>(40.1)</b>	<b>(49.7)</b>	<b>(47.1)</b>
<b>Cash and cash equivalents at the beginning of the period</b>				
		<b>(195.9)</b>	<b>(148.8)</b>	<b>(148.8)</b>
Cash flow for the period		(40.1)	(49.7)	(47.1)
<b>Cash and cash equivalents at the end of the period</b>		<b>(236.0)</b>	<b>(198.6)</b>	<b>(195.9)</b>

## Notes to the consolidated interim financial statements

### 1. Accounting policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish disclosure requirements for listed companies. TCM Group has applied the same accounting policies in this interim report as were applied in the consolidated financial statements for 2022 prepared in accordance with IFRS, why reference is made to note 1 of these financial statements for accounting policies and for definitions of key figures and ratios on pages 46-51 and 65.

#### *Impact from new IFRS standards*

TCM Group A/S has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2023 as adopted by the European Union.

Implementation of the standards and amendments have not had any material impact on the Group’s Financial Statements and are likewise not expected to have any significant future impact.

### 2. Revenue and segment information

The Group’s business activities are managed within a single operating segment that is producing and selling kitchens, bathrooms, and storage. The result of the operating segment is monitored by the Group’s management to evaluate it and to allocate resources.

<b>Revenue by region, DKK m</b>	<b>Q1</b>		<b>Full year</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Denmark	245.5	252.4	1,032.5
Other countries	28.1	29.0	113.6
	<b>273.6</b>	<b>281.4</b>	<b>1,146.1</b>

<b>Revenue by category, DKK m</b>	<b>Q1</b>		<b>Full year</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Revenue, core business	212.7	219.1	870.7
Revenue, 3rd party	60.9	62.3	275.4
	<b>273.6</b>	<b>281.4</b>	<b>1,146.1</b>

Revenue consists of sale of goods and services.

### 3. Non-recurring items

<b>Non-recurring items, DKK m</b>	<b>Q1</b>		<b>Full year</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Costs related to supply chain disruptions and Covid-19 precautions	0.0	5.4	5.4
Restructuring	1.7	0.0	4.7
Net gain from the Celebert/kitchn.dk transaction	0.0	0.0	(3.6)
<b>Total</b>	<b>1.7</b>	<b>5.4</b>	<b>6.5</b>



#### **4. Related party transactions**

Except for remuneration to senior executives and Board of Directors, there were no other transactions with related parties.

#### **5. Events after the reporting period**

The annual general meeting was held on 13 April 2023. The annual general meeting approved the proposal not to distribute dividend. Furthermore, it was approved to authorize the Board of Directors to distribute an extraordinary dividend up to a maximum of DKK 30,000,000 in total in the calendar year 2023.

Pernille Wendel Mehl and Erika Hummel were appointed as new board members at the annual general meeting. The Board of Directors hereafter consists of six independent and one dependent board members, all elected by the annual general meeting.

Besides from the above, no events of importance to the consolidated interim financial statements have occurred after the reporting period.

## Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management today considered and adopted the interim report of TCM Group A/S for the period 1 January 2023 – 31 March 2023.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position on 31 March 2023 and of the results of the Group's operations and cash flows for the period 1 January to 31 March 2023.

Furthermore, in our opinion, the management review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Tvis, 16 May 2023

### Executive Management

Torben Paulin  
CEO

Thomas Hjannung  
CFO

### Board of Directors

Sanna Mari Suvanto-Harsaae  
Chairman

Anders Tormod Skole-Sørensen  
Deputy Chairman

Søren Mygind Eskildsen

Carsten Bjerg

Pernille Wendel Mehl

Jan Amtoft

Erika Hummel

## Supplementary financial disclosures

### Quarterly overview

DKK million	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Income statement</b>					
<b>Revenue</b>	<b>281.4</b>	<b>324.8</b>	<b>265.0</b>	<b>274.9</b>	<b>273.6</b>
Gross profit	60.0	69.3	49.7	55.1	50.7
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	24.8	47.1	20.8	22.2	16.2
Adjusted EBITDA	30.3	43.5	25.4	22.2	17.9
Earnings before interest, tax, and amortisation (EBITA)	20.6	42.7	15.9	17.7	11.4
<b>Adjusted EBIT</b>	<b>26.0</b>	<b>39.1</b>	<b>20.6</b>	<b>17.7</b>	<b>13.1</b>
<b>Operating profit (EBIT)</b>	<b>20.6</b>	<b>42.7</b>	<b>15.9</b>	<b>17.7</b>	<b>11.4</b>
Financial items	(0.7)	(2.7)	(3.4)	(2.0)	(4.8)
Profit before tax	20.9	40.1	12.4	16.0	6.8
Net profit for the period	16.6	32.2	9.7	11.9	5.4
<b>Balance sheet</b>					
Total assets	971.5	1,006.4	989.4	970.2	993.1
Net working capital	(37.6)	(29.4)	(9.1)	(57.1)	(22.3)
Net interest-bearing debt (NIBD)	277.8	333.3	334.6	288.1	315.0
Equity	423.0	397.8	407.3	420.6	426.0
<b>Cash Flow</b>					
Free cash flow excl. acquisitions of operations	(32.9)	26.5	(6.3)	52.2	(35.0)
<b>Margins</b>					
Gross margin, %	21.3%	21.3%	18.7%	20.1%	18.5%
Adjusted EBITDA margin, %	10.8%	13.4%	9.6%	8.1%	6.6%
Adjusted EBIT margin, %	9.3%	12.0%	7.8%	6.5%	4.8%
EBIT margin, %	7.3%	13.1%	6.0%	6.5%	4.1%
<b>Other ratios</b>					
Solvency ratio, %	43.5%	39.5%	41.2%	43.4%	42.9%