

Tandem Group plc

(the "Company" or "Group")

TRADING UPDATE

Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, announces a trading update to 30 November 2021.

Trading and operations

In our interim results announcement in September 2021 we reported that revenue to 30 June 2021 was approximately 14% ahead of the same period in the previous year. This position improved in quarter three to 30 September 2021 with revenues 17% ahead of the prior year. Quarter four to 30 November 2021 has since seen revenues broadly flat across the Group when compared to the first two months of quarter four 2020, principally as a result of the comparative period in 2020 being particularly strong.

Quarter four 2021 to date has seen a robust performance from our toys, sports & leisure business with a number of licences including Peppa Pig, Paw Patrol, Spider-Man and Batman ahead of the prior year. Disney Princess, Barbie and Nerf have also grown strongly and our own brands, including Stunted, Hedstrom, Kickmaster and uMoVe were all ahead of the prior year.

In addition, Ben Sayers continued to show significant growth compared to the comparative period.

Stock availability in our bicycles business has, as was anticipated, improved and this has resulted in more despatches and increased bicycles revenue in November compared to September and October. Demand for our lightweight Squish branded children's range remains very strong.

In our e-mobility business, our Wired range of e-scooters performed very strongly, supported by our Li-Fe brand and range of e-bikes utilising the Dawes, Falcon and Claud Butler brands. We expect that this category will continue to expand in 2022 and we have therefore invested additional resource and capacity to facilitate the anticipated growth.

As is seasonally typical, our home & garden products business, which is mostly sold from our online platforms, has been under greater pressure as we move out of the traditional garden season, although we have seen a good performance from heating products and other indoor homewares.

As previously reported, increases in input costs, shipping and transport rates and adverse currency movements have placed pressure on gross profit margins in 2021 year to date. Notwithstanding these challenges, margins have held up well and we are beginning to see some early indications of improvements in costs, particularly with regards to freight.

Overheads remain tightly controlled and within our expectations, and as a result we expect profitability for the full year to be in line with or slightly ahead of current market expectations and we look forward to updating shareholders further in January 2022, following the Christmas trading period.

Property

Our warehouse project continues to progress well. The site has been cleared, main contractor appointed, certain materials ordered and work scheduled. We have

addressed the pre-commencement planning conditions in advance of planning consent and we expect to receive formal planning permission shortly.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company take responsibility for this announcement.

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Forward Looking Statements

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.