

Tandem Group plc

(the "Company" or "Group")

TRADING UPDATE AND NOTICE OF RESULTS

Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, provides the following trading update and announces that its annual results for the year ended 31 December 2021 ("FY21") will be announced in late March 2022.

Trading and operations

Further to the trading update provided by the Company on 7 December 2021, the Christmas trading period saw continued robust performance from the Group's toys, sports & leisure business and, whilst the rate of growth achieved in the second half of 2021 did not match the levels seen in the first half, turnover was still over 7% ahead of the same period in the prior year, despite the ongoing logistics impacts previously reported.

As we reported in our interim results, revenue in the first half of the year was approximately 14% ahead of the equivalent period in the previous year.

As a result, the Group expects to report FY21 revenue of £40.9m, with FY21 profit before tax expected to be well ahead of the prior year and slightly ahead of the current market expectations.

Toy, Sports & Leisure

Revenue from the toy, sports and leisure business was ahead of the prior year, with a number of licences showing positive growth on the prior period including Paw Patrol, Peppa Pig, Nerf and Barbie. Our own brands including Hedstrom, Stunted and uMoVe have also performed strongly and finished ahead of the prior year.

Our Ben Sayers golf range continued to perform significantly well, with revenue growth of 33% over the prior year.

The Group recently exhibited at London Toy Fair with positive feedback, especially on new licences including Bluey, CoComelon and Rainbow High. There was also general excitement about the new Disney Pixar Lightyear range, with the movie being released in June this year.

Bicycles

Revenue from the bicycle business was approximately 3% ahead of last year, with our lightweight Squish branded children's range performing strongly, reporting a 31% increase in turnover on the prior period.

Our biggest challenge as previously reported has been stock availability, particularly on adult bikes, however, this has continued to improve in recent months and we have started the year with better stock availability than the prior year.

Home & Garden

Our Home & Garden segment revenue was approximately 9% ahead of the prior period, with solid growth in many of our outdoor ranges of product, which are mostly sold from our online platforms.

eMobility

It was a very strong year for our eMobility segment of the business. Revenue increased by over 70% compared to the prior year comparative, with our Li-Fe and Wired range of eScooters performing particularly well.

Sales of eBikes under our Dawes, Falcon and Claud Butler brands also saw significant double digit growth.

Outlook

2022 has begun more slowly for the Group, with some customers delaying orders into future months. However, we remain confident that we have secured the strongest wheeled toy licences and have some exciting developments planned for the year.

We expect our eMobility business to continue to expand in 2022, given the growing consumer trend towards these types of products. We are therefore investing further in this particular sector, and have plans to refurbish our onsite shop at our Castle Bromwich premises. This will focus on our eMobility offerings such as eScooters, eBicycles plus a new range of eMotorbikes and eMopeds, whilst continuing to offer our electric golf trolley and mobility scooter range of products. The shop refurbishment is planned for completion in Q2 2022.

We also remain very aware of the ongoing consumer shift to online sales, and as such, work has begun on a new B2C website which will focus on all our eMobility products.

We are pleased to announce that formal planning permission was granted on 23 December 2021 for the new warehouse project with no pre-commencement conditions attached. Construction work has now begun and is anticipated to be completed in Q4 2022. This warehouse will provide the Group with additional capacity, helping to grow our domestic business further, as well as enhancing warehouse and distribution efficiency due to centralised operations.

The business continues to experience global logistical challenges, which are still impacting upon the supply of goods from the Far East to the UK. Despite this, our order book remains materially ahead of the comparative position in the prior year.

We are committed to minimising our carbon footprint and continue to invest in this area, including additional EV charge points for our Castle Bromwich premises. There is also an additional solar panel installation planned for the new warehouse. We continue to monitor and improve the recyclable content of our packaging used on all of our products.

The majority of the Group's products relate to both human and/or clean, electric powered mobility. The impact of such green products in the market significantly lowers traffic congestion, reduces harmful emissions, and therefore has a positive impact on the environment and the health of all our consumers.

Notice of results

The Group expects to publish its FY21 results on 28 March 2022.

A final results presentation will be available on the website on 28 March 2022 at www.tandemgroupplc.co.uk/investor-presentations. Investors with questions are asked to email the Company at investorrelations@tandemgroupplc.co.uk.

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.