

Tandem Group plc

(the 'Group' or 'Company')

Annual General Meeting ('AGM') Trading Statement

Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, announces that at the AGM of the Company to be held today, the Company's Chairman, Steve Grant, will make the following statement.

Trading

As previously announced on 28 March 2022, trading in the current year began slowly with revenues for the first 11 weeks of the current year approximately 43% behind the prior year. Trading in the 24 weeks to 17 June 2022 has remained challenging and is approximately 31% behind the prior year period. To 30 April 2022 we had continued to track 43% behind, however, we have now slowed this decline and for the last 7 weeks we were approximately 8% ahead against the comparative period.

Revenue from our Toys, Sports & Leisure business was in line with the comparative period in the prior year. Licensed brand sales were ahead of the prior year, however, own brands were behind.

Revenue from our Ben Sayers golf business was broadly in line with the prior year.

Both national retailer and independent dealer bicycle sales were disappointing during the period to 17 June 2022, with overall Bicycle division turnover 55% behind that of the prior period. During 2020 and 2021 our Bicycles division benefitted from unprecedented demand that COVID-19 lockdowns created. That demand has now diminished and we are left with higher stock levels than we would like against a backdrop of overstocked customers. We will address this over the remainder of the year with a number of promotions and special offers.

In eMobility we experienced similarly disappointing results, with turnover in this segment down 26% compared to the prior year, but still 90% up on the comparative period in 2020. This is the area of the business we still believe has the largest upside potential for the Group, and investment is continuing in this area in order to best take advantage of the changing landscape of transport habits in favour of electrically powered modes of transport.

Our Home & Garden division has also seen a decline, with online shopping habits changing since COVID-19 times, and discretionary spending power reducing due to the cost of living crisis. Home & Garden revenue is 56% lower than that of the comparative period, but we are continuing to invest in this area of the business because we still see good potential to grow in the future as we introduce new product ranges.

Outlook

The outlook for the remainder of 2022 remains challenging. However, we believe we are well placed in categories that consumers will return to when the current economic and world problems abate.

We have continued to experience customers cancelling and delaying orders, which has meant, in conjunction with completion of back orders, the current order book of £10.0 million is well behind compared to £35.4 million this time last year, which is more in line with levels seen at the same point in 2020 when they were £10.8 million.

The government will soon be introducing legislation to fully legalise the use of privately owned e-scooters as part of a new transport bill announced in the Queen's speech. The UK government continues to invest in alternative transport infrastructure, but remains behind

European counterparts such as Germany, France and Spain. The change in French legislation on e-scooters resulted in an increase in e-scooter unit sales by more than 8 fold between 2017 and 2021, and had a total market value of €458m in 2021, compared to the UK which was estimated to be around £75m in 2021. The Group is already well placed to take advantage of the potentially large forthcoming uptake of e-scooters.

Market data also suggests that the e-bike market is set to grow significantly in the coming years, as consumers better understand the benefits of an electrically assisted bicycle. The UK has already seen a 72% unit growth between 2019 and 2021 to around 160,000 units, but is still well behind Germany where it is around 2 million units. The UK is estimated to be 4 to 5 years behind mainland Europe, but again, this is an area in which the Group is well placed to benefit from, already having significant experience in the sector, coupled with a strong range of products at an attractive price point.

The Group will soon be opening a new retail shop on site at our Birmingham facility. We are disappointed at not yet receiving formal planning permission, despite a pre-planning application which revealed no significant areas of concern. We envisage the facility will be open by September.

The store will offer the customer a unique buying experience and provide a range of electric powered products to customers, including e- bicycles, e-scooters and e-motorbikes. There are plans to incorporate a number of well-known market leading bicycle brands into the store amongst our own brands, to cater for a broad range of customers.

The business is continuing to invest in our online B2C offerings, and we have recently appointed a specialist Digital Marketeer to help us reach more people online. We expect this to have a positive impact on sales for the second half of the year and beyond.

We are delighted that our new warehouse in Birmingham adjacent to our existing site (which we have announced previously), is progressing well, with completion still looking to be on time and tracking close to budget. This new facility will mean we can operate all our businesses from one site, bringing cost savings and the ability to expand current and new ranges as customer demand increases again. The business takes its impact on the environment seriously and therefore, like our existing Birmingham warehouse, the new building will be solar powered. The Group also continues to expand on the number of fully electric vehicles in the Group car range to further reduce its carbon impact.

In conclusion, although there is still much uncertainty in the market regarding inflation and the cost of living crisis, the Board remains confident about the future. With new leadership, we are well placed to ultimately drive growth, particularly in all forms of e-powered transportation as consumers look for more affordable means of travel, and believe that we will emerge from this challenging trading environment in a strong position.

Dividend

We announced on 28 March 2022 that following the successful results in 2021 it was the Board's view that there was capacity to again increase the dividend and therefore that it was our intention to pay a final dividend of 6.57 pence per ordinary share. A resolution to that effect will be proposed at the AGM today. Subject to this resolution being passed, the dividend will be paid on or around 30 June 2022 to shareholders on the register on 13 May 2022 (ex-dividend date 12 May 2022).

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

Enquiries:

Tandem Group plc

Peter Kimberley, Chief Executive
David Rock, Company Secretary
Telephone 0121 748 8075

Nominated Adviser

Cenkos Securities plc
Ben Jeynes / Dan Hodgkinson - Corporate Finance
Russell Kerr / Michael Johnson - Sales
Telephone 020 7397 8900

23 June 2022

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.