Musti GROUP

October 2020 – March 2021 Half-Year Financial Report Q2/2021

1 October 2020 –
31 March 2021

Half-Year Financial Report 1 October 2020 – 31 March 2021

Accelerating growth

January – March 2021

- Group net sales totalled EUR 82.4 million (68.4 million), an increase of 20.5%.
- Like-for-like sales growth was 11.6%.
- Adjusted EBITA was EUR 7.7 (5.5) million, up by 39.0%, including EUR 0.8 million short-term negative impact relating to warehouse consolidation.
- Adjusted EBITA margin was 9.3% (8.1%).
- Operating profit increased by 183.1% to EUR 6.1 (2.1) million, representing 7.4% (3.1%) of net sales.
- Profit for the period totalled EUR 3.8 (-2.7) million.
- Earnings per share, basic was EUR 0.11 (-0.09).
- Number of stores grew to 301 (287).

October 2020 – March 2021

- Group net sales totalled EUR 166.7 million (138.7 million), an increase of 20.2%.
- Like-for-like sales growth was 12.3%.
- Adjusted EBITA was EUR 18.3 (13.3) million, up by 37.5%.
- Adjusted EBITA margin was 11.0% (9.6%).
- Operating profit increased by 92.5% to EUR 14.5 (7.5) million, representing 8.7% (5.4%) of net sales.
- Profit for the period totalled EUR 11.6 (1.0) million.
- Earnings per share, basic was EUR 0.35 (0.03).
- Number of stores grew to 301 (287).
- Number of loyal customers grew to 1,222 thousand (1,076 thousand).

The figures in parentheses refer to the comparison period, i.e. the same period in the previous year, unless stated otherwise. Musti Group's financial year is from 1 October to 30 September.

Key figures

EUR million or as indicated	1-3/2021	1-3/2020	Change %	10/2020-3/2021	10/2019-3/2020	Change %	FY2020
Net sales	82.4	68.4	20.5	166.7	138.7	20.2	284.4
Net sales growth, %	20.5%	15.9%		20.2%	12.7%		15.3%
LFL sales growth, %	11.6%	14.8%		12.3%	11.1%		11.5%
LFL store sales growth, %	8.6%	10.0%		8.3%	8.5%		7.3%
Online share, %	24.4%	23.7%		23.0%	21.6%		22.5%
Gross margin, %	45.3%	43.3%		45.7%	44.4%		43.8%
EBITA	7.7	3.6	112.7	17.7	10.5	69.3	25.5
Adjusted EBITA	7.7	5.5	39.0	18.3	13.3	37.5	29.8
Adjusted EBITA margin, %	9.3%	8.1%		11.0%	9.6%		10.5%
Operating profit	6.1	2.1	183.1	14.5	7.5	92.5	19.6
Operating profit margin, %	7.4%	3.1%		8.7%	5.4%		6.9%
Profit/loss for the period	3.8	-2.7	n.m.	11.6	1.0	1075.5	11.8
Earnings per share, basic, EUR	0.11	-0.09		0.35	0.03		0.37
Net cash flow from operating activities *)	14.0	4.7	196.4	29.9	19.3	54.6	41.9
Investments in tangible and intangible assets	3.1	2.4	27.5	6.2	4.9	27.4	8.9
Net debt / LTM adjusted EBITDA	1.9	2.3	-17.0	1.9	2.3	-17.0	2.0
Number of loyal customers, thousands	1,222	1,076	13.6	1,222	1,076	13.6	1,151
Number of stores at the end of the period	301	287	4.9	301	287	4.9	293
of which directly operated	247	218	13.3	247	218	13.3	231

*) Interest and other finance income received has been reclassified from net cash flow operating activities to net cash flow from financing activities.

CEO's comments

As Nordic societies are slowly starting to reopen and adapt to a time after the pandemic, we couldn't be better positioned for it. Pet adoption surged in 2020 and that surge continues as people seek for companionship and joy of pet parenthood. The number of pet-owning households is clearly increasing leading to an expanding market opportunity for Musti Group for many years to come. We are excited about this, as it leads to a long-lasting relationship with our new customers for years to come. Understanding and anticipating our customers' needs helps us create sustainable advantages to strengthen our position further.

Looking back to recent development, I am very pleased to report our second quarter results today:

- Group net sales increased by 20.5% to EUR 82.4 million (EUR 68.4 million). The increase was largely due to like-for-like growth in all countries and the increasing number of new customers and an increased number of directly operated stores. Like-for-like growth amounted to 11.6% (14.8%).
- Store sales increased by 21.5% to EUR 59.3 million (EUR 48.8 million), driven by an increased number of stores and strong like-for-like store sales growth especially in Sweden and Norway. Like-for-like store sales growth amounted to 8.6% (10.0%).
- Online sales increased by 24.1% to EUR 20.1 million (EUR 16.2 million). Online sales accounted for 24.4% (23.7%) of total net sales. Online sales growth was strong in Finland and Norway. In Sweden, the growth was slower due to a short-term negative impact related to the platform change, warehouse consolidation and meeting strong channel shift caused by the COVID-19 pandemic during the corresponding quarter previous year.
- Net cash flow from operating activities was strong and totaled EUR 14.0 million (EUR 4.7 million).
- Musti Group's underlying growth has continued strong after the second quarter.

The puppy registrations have continued to be on a high level with 31% growth in registrations in Sweden in March 2021. Compared to the corresponding quarter previous year, the number of Musti Group's new puppy customers increased by 44% during the second quarter and we are clearly getting more than our share of the new puppies. What is exciting is that we can clearly see that puppies joining the Musti system being more active and loyal and spending more. Thus, the inflow of new customers we are getting will bring a predictable and recurring sales stream for many years to come. Growing the share of wallet of our customers is a key part of our growth strategy. The customer groups we acquired in the last four quarters were the best in Musti Group's history: bigger in number, and highly engaged displaying stronger repurchase behavior compared to any customers groups before.

Profitable growth continued in the second quarter as Musti Group's adjusted EBITA increased by 39.0% to EUR 7.7 million from the corresponding quarter previous year. Adjusted EBITA margin was 9.3% (8.1%). Adjusted EBITA growth was partly offset by EUR 0.8 million additional costs due to low efficiency in Eskilstuna central warehouse as a result of the warehouse consolidation project. This is non-recurring by nature and the efficiency is expected to normalize during the second half of the financial year. Excluding these costs adjusted EBITA increased by 53.0% to 8.5 million. Gross margin increased to 45.3% (43.3%) due to more efficient marketing campaigns, favourable product mix and efficient supply chain management. Operating profit increased by 183.1% to EUR 6.1 million (EUR 2.1 million).

Adjusted EBITA margin increased to 12.5% in Sweden and was on the previous year's level in Finland at 22.8%. In Norway, the overall growth and profitability trend has been exceeding our expectations. The latest opened stores and won new customers have turned out even more profitable than earlier as our brand awareness is growing nationwide and we have finetuned our location strategy. In the second quarter, the adjusted EBITA margin increased to 16.0% in Norway.

The board has reviewed the long-term financial targets as published earlier today. We are well on track and committed on delivering on our plan and the updated long-term financial targets. We continue to focus on our priorities: growing profitably, winning new customers, and systematically growing the share of wallet with our customers, supported by the expanding selection of products and services in our continuously developing Musti Group ecosystem. In doing so, we will strengthen our position as the market leader as we move towards time after the pandemic – and beyond. We look forward to a future marked by ongoing innovation, winning customer hearts and minds and growing market share.

David Rönnberg,
CEO

Financial targets

The long-term financial targets updated by the Board of Directors on 3 May 2021 are:

Growth	**Net sales to reach at least EUR 500 million** by the financial year 2024 **by continuation of strong customer acquisition momentum and increasing share of wallet.**
Profitability	Mid- to long-term **adjusted EBITA margin of at least 13 per cent** with **steadily improving profile.** Margin increase is expected to be realised through steady gross margin and improving operating leverage.
Capital structure	**Maintain net debt in relation to adjusted EBITDA below 2.5x** in the long term.
Dividend policy	**To pay a dividend corresponding to 60-80 per cent of net profit.** Any potential dividend shall take into account acquisitions, the company's financial position, cash flow and future growth opportunities.

The financial targets are forward-looking statements and are not guarantees of future financial performance.

Market outlook

Musti Group operates in the Nordic pet care market, broadly defined as the sale of pet food, treats, products, services and veterinary care across Finland, Sweden and Norway. The market was estimated to be worth approximately EUR 2.9 billion (in 2019), with Sweden as the largest market, accounting for approximately EUR 1.2 billion, and Finland and Norway estimated to be similar in size, at approximately EUR 0.9 billion and approximately EUR 0.8 billion, respectively.

"Pet Parenting" refers to the tendency of people to treat their pets like family members. As a result of this trend, people are spending more on higher quality and more premium food, as well as a more diverse range of products and services. This underlying trend that drives the long-term structural growth of the pet care market remains robust, shifting spend towards higher quality nutrition, a more diverse range of accessories and wider adoption of services. The COVID-19 pandemic has affected market dynamics since spring 2020 mainly through an increased number of puppies and kittens, in line with historical evidence of developments during economic downturns, and increased demand in online channels.

The pet care market is resilient, underpinned by non-discretionary purchasing behaviour. Non-discretionary categories such as food, cat litter and veterinary services make up approximately 75% of total market spend and are characterised by repeat purchasing behaviour that is consistent through the cycle. Consumers display willingness to sustain spending on non-discretionary pet care purchases even while expenditure on alternative categories has been affected.

Group performance

Net sales

EUR million	1-3/2021	1-3/2020	Change %	10/2020-3/2021	10/2019-3/2020	Change %	FY2020
Net sales							
Group	82.4	68.4	20.5	166.7	138.7	20.2	284.4
Finland	37.1	33.2	11.9	76.2	67.8	12.4	135.8
Sweden	35.6	29.8	19.6	71.3	59.7	19.5	123.2
Norway	9.7	5.5	77.6	19.2	11.3	70.7	25.4

January–March 2021

Group net sales increased by 20.5% to EUR 82.4 million (EUR 68.4 million). The increase was largely due to like-for-like growth in all countries and the increasing number of new customers and an increased number of directly operated stores. Like-for-like growth amounted to 11.6% (14.8%). Strengthened SEK exchange rate increased sales by EUR 1.6 million, whereas weakened NOK exchange rate decreased sales by EUR 0.1 million.

Store sales increased by 21.5% to EUR 59.3 million (EUR 48.8 million), driven by an increased number of stores and strong like-for-like store sales growth especially in Sweden and Norway. Like-for-like store sales growth amounted to 8.6% (10.0%). Online sales increased by 24.1% to EUR 20.1 million (EUR 16.2 million). Online sales accounted for 24.4% (23.7%) of total net sales. Online sales growth was strong in Finland and Norway and still positively impacted by the channel shift towards online sales due to the COVID-19 pandemic.

Net sales in Finland increased by 11.9% driven by like-for-like growth of 10.6% and growth from the new stores opened and acquired during the latest twelve months. During Q2, there were no changes to the store network in Finland. Net sales in Sweden increased by 19.6% driven by good like-for-like growth of 6.8%. In addition, the strengthened SEK rate compared to Q2 FY20 had a positive impact on the sales growth. During Q2, one directly operated store was opened and three franchise stores were acquired in Sweden. In addition, one directly opened store was closed and one franchise agreement was terminated. Net sales in Norway increased by 77.6% driven by strong like-for-like growth of 42.0% and the ramp-up of the stores opened during the latest twelve months. The weakened NOK rate compared to Q2 FY20 and closure of one store during FY20 had a slightly negative impact on growth. During Q2, two directly operated store were opened in Norway.

The number of loyal customers increased to 1,222 thousand during the reporting period (1,151 thousand on 30 September 2020). Rolling 12 months average spend per loyal customer increased to EUR 186.7 as per 31 March 2021 (EUR 174.3 as per 31 March 2020), driven by an increased average purchase value.

October 2020 – March 2021

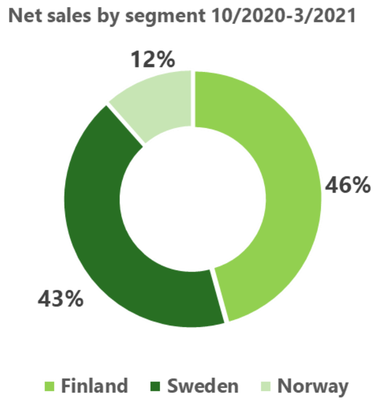
The Group's net sales increased by 20.2% to EUR 166.7 million (EUR 138.7 million). The increase was largely due to like-for-like growth in all countries and the increasing number of new customers and an increased number of directly operated stores. Like-for-like growth amounted to 12.3% (11.1%). Strengthened SEK exchange rate increased sales by EUR 3.3 million, whereas weakened NOK exchange rate decreased sales by EUR 0.2 million.

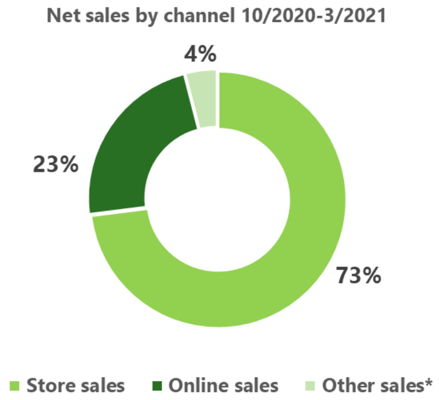
Store sales increased by 19.5% to EUR 121.7 million (EUR 101.8 million), driven by an increased number of stores and strong like-for-like store sales growth especially in Sweden and Norway. Like-for-like store sales growth amounted to 8.3% (8.5%). Online sales increased by 28.2% to EUR 38.3 million (EUR 29.9 million). Online sales accounted for 23.0% (21.6%) of total net sales. Online sales growth continued to be positively impacted by the channel shift towards online sales due to the COVID-19 pandemic and a focus on growth in all countries.

Net sales in Finland increased by 12.4% driven by like-for-like growth of 11.2% and growth from the new stores opened and acquired during the latest twelve months. During the reporting period, two directly operated stores were opened and one franchise store was acquired in Finland. Net sales in Sweden increased by 19.5% driven by good like-for-like growth of 8.1%. Online sales in Sweden were lower due to lower campaign activities in connection with the warehouse consolidation project. In addition, the strengthened SEK rate compared to the corresponding reporting period in FY20 had a positive impact on the sales growth. During the reporting period, two directly operated store was opened and six franchise stores were acquired in Sweden. In addition, one directly opened store was closed and one franchise agreement was terminated. Net sales in

Norway increased by 70.7% driven by strong like-for-like growth of 41.2% and the ramp-up of the stores opened during the latest twelve months. The weakened NOK rate compared to the corresponding reporting period in FY20 and closure of one store during FY20 had a negative impact on growth. During the reporting period, six directly operated store were opened in Norway.

The number of loyal customers increased to 1,222 thousand during the reporting period (1,151 thousand on 30 September 2020). Rolling 12 months average spend per loyal customer increased to EUR 186.7 as per 31 March 2021 (EUR 174.3 as per 31 March 2020), driven by an increased average purchase value.





*Other sales include franchise fees and wholesale.

Result

January – March 2021

The Group's adjusted EBITA increased by 39.0% to EUR 7.7 million (EUR 5.5 million). Adjusted EBITA margin was 9.3% (8.1%). The improvement was mainly due to an increase in sales combined with operating leverage.

To improve efficiency, the warehouses in Sweden were consolidated to the central warehouse in Eskilstuna during Q1 FY21. Adjusted EBITA improvement in Q2 was partly offset by EUR 0.8 million additional personnel costs due to low efficiency in Eskilstuna due to increased headcount and new logistics processes as a result of the warehouse consolidation project. The efficiency in Eskilstuna has improved compared to Q1 FY21 and is expected the normalize during the second half of FY21 as the warehouse processes are further developed.

Gross margin increased to 45.3% (43.3%) due to more efficient marketing campaigns, favourable product mix and efficient supply chain management, partly offset by higher share of online sales. Share of sales of own and exclusive brands increased to 50.3% (49.8%). The share of employee benefit and other operating expenses as percentage of sales decreased to 30.1% (31.9%) driven by operating leverage and efficient store operations, partly offset by lower efficiency in the central warehouse in Eskilstuna due to warehouse consolidation project that was completed in Q1.

Depreciation amounted to EUR 5.4 million (EUR 4.4 million) and amortisation amounted to EUR 1.6 million (EUR 1.5 million).

There were no adjustments to EBITA in Q2 FY21 (EUR 1.9 million in Q2 FY20).

Operating profit increased by 183.1% to EUR 6.1 million (EUR 2.1 million).

Profit before taxes increased to EUR 4.9 million (EUR -3.4 million). The positive impact of financial income and expenses (net) on profit before taxes was EUR 61 million (EUR 4.3 million), mainly due to lower impact on foreign exchange gains and losses and lower interest expenses due to the refinancing in connection with the IPO.

Profit for the period was EUR 3.8 million (EUR -2.7 million) and basic earnings per share was 0.11 (-0.09). The effective tax rate was 21.9%.

October 2020 – March 2021

The Group's adjusted EBITA increased by 37.5% to EUR 18.3 million (EUR 13.3 million). Adjusted EBITA margin was 11.0% (9.6%). The improvement was mainly due to an increase in sales combined with operating leverage. Gross margin increased to 45.7% (44.4%) due to more efficient marketing campaigns, favourable product mix and efficient supply chain management, partly offset by higher share of online sales. Share of sales of own and exclusive brands increased to 51.4% (51.1%). The share of employee benefit and other operating expenses as percentage of sales decreased to 29.4% (30.9%)

driven by operating leverage and efficient store operations, partly offset by lower efficiency in the central warehouse in Eskilstuna due to warehouse consolidation project that was completed in Q1.

Depreciation amounted to EUR 10.5 million (EUR 8.6 million) and amortisation amounted to EUR 3.2 million (EUR 2.9 million).

Adjustments to EBITA were EUR 0.6 million (EUR 2.9 million). The adjustments related to the warehouse consolidation project, which was finalized during Q1.

Operating profit increased by 92.5% to EUR 14.5 million (EUR 7.5 million).

Profit before taxes increased to EUR 14.4 million (EUR 1.2 million). The positive impact of financial income and expenses (net) on profit before taxes was EUR 4.4 million (EUR -3.3 million), mainly due to lower impact on foreign exchange gains and losses and lower interest expenses due to the refinancing in connection with the IPO.

Profit for the period was EUR 11.6 million (EUR 1.0 million) and basic earnings per share was 0.35 (0.03). The effective tax rate was 19.4%.

Financial position and cash flow

In January-March, net cash flow from operating activities totalled EUR 14.0 million (EUR 4.7 million). During the quarter, net working capital decreased by EUR 1.5 million due to higher trade and other payables, partly offset by higher inventory. Cash and cash equivalents at the end of the period amounted to EUR 17.6 million (30 September 2020: EUR 21.6 million). Total consolidated assets amounted to EUR 327.4 million (30 September 2020: EUR 312.3 million). The increase was due to increased inventories in stores and the central warehouse, increased goodwill driven by business combinations and stronger SEK exchange rate and increased right-of-use assets due to increased number of stores.

Equity attributable to owners of the parent company totalled EUR 150.3 million (30 September 2020: EUR 153.1 million). The decrease was due to the payment of the capital return of EUR 0.38 per share, partly offset by the profit for the period. During the reporting period Musti Group acquired 61.000 own shares totalling EUR 1.7 million which decreased equity.

Gearing at the end of the reporting period was 70.7% (30 September 2020: 61.8%) and net debt amounted to EUR 106.3 million (30 September 2020: EUR 94.7 million). The increase was mainly due to the payment of the capital return and increased lease liability. At the end of the period, the lease liabilities included in net debt amounted to EUR 73.8 million (30 September 2020: EUR 66.5 million).

In connection with the IPO in February 2020, Musti Group refinanced its existing loans with the share issue of EUR 45 million and a new loan agreement of EUR 60 million, consisting of a EUR 50 million term loan and a EUR 10 million revolving credit facility. The bullet repayment date of the facilities is in January 2023. The loan agreement contains two financial covenants: leverage and gearing. The EUR 50 million term loan was drawn to refinance the existing loans. The revolving credit facility has not yet been drawn.

Musti Group focuses on maintaining sufficient liquidity in the group. In addition to the cash and cash equivalents of EUR 17.6 million at the end of the period, Musti Group has an unutilized EUR 4.0 million credit limit and an undrawn EUR 10.0 million revolving credit facility.

Investments

In January-March investments in tangible and intangible assets amounted to EUR 3.0 million (EUR 2.4 million). The investments were mainly related to new and relocated stores, as well as IT and digital platform development projects. In addition, EUR 1.2 million relates to acquisitions of franchise stores and acquisitions of 100% of the shares of Calida AB and Lomiwa AB, which operate two franchise stores in Sweden.

Business segment performance

Musti Group's reporting segments are based on geographical regions, and they are Finland, Sweden and Norway. The segment structure is based on geographical division where Finland, Sweden and Norway are separated to individual operating segments based on how the chief operating decision-maker monitors the business operations. In other items, Musti Group reports the Group functions, including the operations of the headquarters and the central warehouse.

Finland

Finland is Musti Group's most mature country. Musti Group held 30% of the total pet food and products market share in 2019. Regardless of the strong market presence in Finland, the company's management continues to see opportunities to expand the store network in selected locations, such as high traffic hypermarkets. Musti's brands in Finland include Musti ja Mirri (store and omnichannel) and Peten Koiratarvike (online).

In Finland, Musti Group will continue to focus on serving existing customers better in order to increase share of wallet and winning new customers, both of which will support positive like-for-like development.

EUR million or as indicated	1-3/2021	1-3/2020	Change %	10/2020-3/2021	10/2019-3/2020	Change %	FY2020
Net sales	37.1	33.2	11.9	76.2	67.8	12.4	135.8
Net sales growth, %	11.9%	13.3%		12.4%	10.4%		10.6%
LFL segment sales growth, %	10.6%	9.7%		11.2%	6.7%		7.4%
EBITA	8.4	7.6	11.1	18.4	16.3	13.2	32.8
EBITA margin, %	22.8%	22.9%		24.2%	24.0%		24.2%
Adjusted EBITA	8.4	7.6	11.1	18.4	16.3	13.3	33.0
Adjusted EBITA margin, %	22.8%	22.9%		24.2%	24.0%		24.3%
Number of stores	131	128	2.3	131	128	2.3	129
of which directly operated	115	110	4.5	115	110	4.5	112

January – March 2021

Net sales in Finland increased by 11.9% to EUR 37.1 million (EUR 33.2 million) driven by like-for-like growth of 10.6% and growth from the stores opened or acquired during the latest twelve months.

EBITA increased by 11.1% to EUR 8.4 million (EUR 7.6 million). Adjusted EBITA increased by 11.1% to EUR 8.4 million (EUR 7.6 million). This was due to operating leverage, more efficient marketing campaigns and supply chain management, offset by the increased share of online sales. Store efficiency continued to be on a high level. Adjusted EBITA margin was 22.8% (22.9%).

There were no changes to the store network in Finland during the second quarter.

October 2020 – March 2021

Net sales in Finland increased by 12.4% to EUR 76.2 million (EUR 67.8 million) driven by like-for-like growth of 11.2% and growth from the stores opened or acquired during the latest twelve months.

EBITA increased by 13.2% to EUR 18.4 million (EUR 16.3 million). Adjusted EBITA increased by 13.3% to EUR 18.4 million (EUR 16.3 million). This was due to operating leverage, more efficient marketing campaigns and supply chain management, offset by the increased share of online sales. Store efficiency continued to be on a high level. Adjusted EBITA margin was 24.2% (24.0%).

During the reporting period, two directly operated stores were opened and one franchise store was acquired in Finland.

Sweden

In Sweden, Musti Group's focus is on further expansion and convergence in efficiency towards Finnish levels. Musti, through its multiple brands, is the overall market leader with a combined 29% market share (2019). Through VetZoo and Animail, Musti Group has a strong online presence in Sweden with approximately 50% market share in online sales. Musti Group's store and omnichannel brands in Sweden are Arken Zoo and Djurmagazinet.

Musti's goal in Sweden is to continue strong like-for-like growth across all channels, store network expansion and strong margin improvement development. Regarding the store network expansion, focus will be turned towards store roll-out especially in big cities, where Musti is currently under-represented. Key growth and margin drivers in Sweden include increasing own and exclusive brands' share of sales towards Finnish levels through staff promotion and educational marketing, converging store cost-efficiency towards Finnish levels through store personnel efficiency measures and being selective in network expansion while acquiring selected franchised stores.

EUR million or as indicated	1-3/2021	1-3/2020	Change %	10/2020-3/2021	10/2019-3/2020	Change %	FY2020
Net sales	35.6	29.8	19.6	71.3	59.7	19.5	123.2
Net sales growth, %	19.6%	14.8%		19.5%	10.3%		14.7%
LFL segment sales growth, %	6.8%	19.0%		8.1%	14.6%		13.4%
EBITA	4.5	2.9	53.1	9.7	6.8	43.1	14.5
EBITA margin, %	12.5%	9.8%		13.6%	11.3%		11.7%
Adjusted EBITA	4.5	2.9	53.1	10.0	6.8	48.3	14.9
Adjusted EBITA margin, %	12.5%	9.8%		14.1%	11.3%		12.1%
Number of stores	125	124	0.8	125	124	0.8	125
of which directly operated	87	73	19.2	87	73	19.2	80

January – March 2021

Net sales in Sweden increased by 19.6% to EUR 35.6 million (EUR 29.8 million) driven by like-for-like growth of 6.8%. The average SEK rate strengthend in Q2 FY21 compared to Q2 FY20. This had a EUR 1.6 million positive impact on net sales. The sales growth was strong in both stores and online, driven by the increased number of customers.

EBITA increased by 53.1% to EUR 4.5 million (EUR 2.9 million). Adjusted EBITA increased by 53.1% to EUR 4.5 million (EUR 2.9 million). This was due to operating leverage and more efficient marketing campaigns, partly offset by the increased share of online sales. Store efficiency continued to be on a high level. Adjusted EBITA margin was 12.5% (9.8%).

During the second quarter, one directly operated store was opened and three franchise stores were acquired in Sweden. In addition, one directly opened store was closed and one franchise agreement was terminated.

October 2020 – March 2021

Net sales in Sweden increased by 19.5% to EUR 71.3 million (EUR 59.7 million) driven by like-for-like growth of 8.1%. The average SEK rate strengthend compared to the corresponding reporting period in FY20. This had a EUR 3.3 million positive impact on net sales. The sales growth was strong in both stores and online, driven by the increased number of customers. Online sales were lower due to lower campaign activities in connection with the warehouse consolidation project.

EBITA increased by 43.1% to EUR 9.7 million (EUR 6.8 million). Adjusted EBITA increased by 48.3% to EUR 10.0 million (EUR 6.8 million). This was due to operating leverage and more efficient marketing campaigns, partly offset by the increased share of online sales. Store efficiency continued to be on a high level. Adjusted EBITA margin was 14.1 (11.3%).

During the reporting period, two directly operated stores were opened and six franchise stores were acquired in Sweden. In addition, one directly opened store was closed and one franchise agreement was terminated.

Norway

In Norway, Musti Group's focus is on store roll-out and on increasing country profitability. Unlike in Finland and Sweden, there are no clear dominant players within the pet specialty segment, with Musti covering for roughly 8% of the total pet food and products market in 2019. Musti Group's brands in Norway are Musti (store and omnichannel) and VetZoo (online).

In Norway, the focus is on continuing the expansion of the store network and store ramp-up in line with their historical development, as well as on the strong margin improvement development as most of the stores are still in ramp-up phase. Ramp-up of the Norwegian stores has progressed according to Musti Group's plans and the profitability development of new stores has followed similar patterns as observed e.g. in Finland.

EUR million or as indicated	1-3/2021	1-3/2020	Change %	10/2020-3/2021	10/2019-3/2020	Change %	FY2020
Net sales	9.7	5.5	77.6	19.2	11.3	70.7	25.4
Net sales growth, %	77.6%	43.7%		70.7%	47.0%		54.6%
LFL segment sales growth, %	42.0%	30.2%		41.2%	26.0%		33.3%
EBITA	1.6	0.1	1039.3	3.3	0.7	355.7	2.9
EBITA margin, %	16.0%	2.5%		17.4%	6.5%		11.4%
Adjusted EBITA	1.6	0.1	1039.3	3.4	0.7	359.2	2.9
Adjusted EBITA margin, %	16.0%	2.5%		17.5%	6.5%		11.5%
Number of stores	45	35	28.6	45	35	28.6	39
of which directly operated	45	35	28.6	45	35	28.6	39

January – March 2021

Net sales in Norway increased by 77.6% to EUR 9.7 million (EUR 5.5 million), driven by strong like-for-like growth of 42.0% and ramp-up of the stores opened during the latest twelve months. The weakened NOK exchange rate in FY21 compared to FY20 had a EUR 0.1 million negative impact on net sales.

EBITA and adjusted EBITA amounted to EUR 1.6 million (EUR 0.1 million). This was driven by operating leverage and increased store efficiency, as more stores are reaching the mature phase or the end of the ramp-up curve. Store efficiency continued to be on a high level. Adjusted EBITA margin was 16.0% (2.5%).

During the second quarter, two directly operated store were opened in Norway.

October 2020 – March 2021

Net sales in Norway increased by 70.7% to EUR 19.2 million (EUR 11.3 million), driven by strong like-for-like growth of 41.2% and ramp-up of the stores opened during the latest twelve months. The weakened NOK exchange rate in FY21 compared to FY20 had a EUR 0.2 million negative impact on net sales.

EBITA amounted to EUR 3.3 million (EUR 0.7 million). Adjusted EBITA amounted to EUR 3.4 million (EUR 0.7 million). This was driven by operating leverage and increased store efficiency, as more stores are reaching the mature phase or the end of the ramp-up curve. Store efficiency continued to be on a high level. Adjusted EBITA margin was 17.5% (6.5%).

During the reporting period, six directly operated store were opened in Norway.

Group functions

January – March 2021

The EBITA impact of Group functions was EUR -6.8 million (EUR -7.0 million). Adjusted EBITA was EUR -6.8 million (EUR -5.1 million). The decrease was mainly due to increased headcount in the head office, and, higher costs in the central warehouse driven by higher volumes. In addition, lower efficiency increased personnel and other costs in Eskilstuna due to the warehouse consolidation project. Adjusted EBITA margin was -8.2% (-7.5%).

October 2020 – March 2021

The EBITA impact of Group functions was EUR -13.5 million (EUR -13.3 million). Adjusted EBITA was EUR -13.5 million (EUR -10.5 million). The decrease was mainly due to increased headcount in the head office, and, higher costs in the central warehouse driven by higher volumes. In addition, lower efficiency increased personnel and other costs in Eskilstuna due to the warehouse consolidation project. Adjusted EBITA margin was -8.1% (-7.5%).

Personnel

At the end of March 2021, the number of personnel was 1,257 (1,162), of whom 573 (608) were employed in Finland and 684 (555) outside Finland.

Changes in Group composition

On 1 January 2021, Musti Group acquired Calida AB and Lomiwa AB, which operate two franchise stores in Sweden. The acquisitions complements Musti Group's existing Arken Zoo chain in Sweden.

Changes in Group management

There were no changes in the Group management during October 2020 – March 2021.

On 16 April Musti Group announced, that Robert Berglund, CFO and member of the Management Team of Musti Group, has announced that he will resign from the company. The resignation will take effect in October 2021.

Governance

Annual General Meeting

Musti Group plc's Annual General Meeting was held on 21 January 2021 at Musti Group headquarters in Helsinki, Finland. Shareholders and their proxy representatives could participate in the Annual General Meeting and exercise their rights only by voting in advance and by making counterproposals and presenting questions in advance. It was not possible to participate at the meeting venue in person. The Annual General Meeting was arranged in accordance with an exceptional meeting procedure based on the temporary legislation to limit the spread of the COVID-19 pandemic approved by the Finnish Parliament.

The Annual General Meeting adopted the financial statements for the financial year 1 October 2019 – 30 September 2020, discharged the Company's management from liability and resolved to support the remuneration policy for governing bodies.

The Annual General Meeting decided in accordance with the proposal of the Board of Directors that shareholders be paid a capital return of EUR 0.38 per share to be distributed from the invested unrestricted equity reserve. The capital return was paid to the shareholders who were registered in the shareholders' register of Musti Group maintained by Euroclear Finland Ltd. on the capital return record date of 25 January 2021. The capital return payment date was 2 February 2021.

The Annual General Meeting decided in accordance with the proposal of the Board of Directors that the members of the Board of Directors be paid the following annual remuneration:

- Chairman of the Board: EUR 60,000;
- Vice-Chairman of the Board: EUR 35,000; and
- Other members of the Board of Directors: EUR 30,000.

In addition, members of the Audit Committee and the Remuneration Committee of Board of Directors will be paid the following annual remuneration:

- Chairman of the Committee: EUR 5,000; and
- Other Committee members: EUR 2,500.

The Annual General Meeting decided that the number of members of the Board of Directors shall be four. Jeffrey David, Ingrid Jonasson Blank and Juho Frilander were re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting. Further, Ilkka Laurila was elected as the new member of the Board of Directors for a corresponding term of office.

Ernst & Young Oy, Authorized Public Accountants, was re-elected auditor of the company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Oy has notified that Johanna Winqvist-Ilkka, Authorized Public Accountant, will act as responsible auditor. It was decided that the remuneration to the auditor shall be paid against a reasonable invoice approved by the Audit Committee.

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Musti Group's own shares and/or on the acceptance as pledge of the company's own shares. The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in Musti Group. The authorization is effective until the next Annual General Meeting, however, no longer than until 21 July 2022.

The Annual General Meeting also authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows. The amount of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately

9.5 per cent of all of the shares in Musti Group. The authorization covers both the issuance of new shares as well as the transfer of own shares held by the company. The authorization cancels previous unused authorizations to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. The authorization is effective until the next Annual General Meeting, however, no longer than until 21 July 2022.

Shares and shareholders

Share capital

At the end of the reporting period on 31 March 2021, Musti Group's share capital was EUR 11,001,853.68 and total number of shares outstanding was 33,535,453. The company has one share class. Each share carries one vote and entitles to the same dividend.

Trading of shares

Trading of Musti Group's share commenced on the Prelist of Nasdaq Helsinki Ltd on 13 February 2020 and on the Official List on 17 February 2020.

The opening price of the share was EUR 24.60 on the first trading day of the second quarter on 4 January 2021. The closing price of the share on the last trading day of the reporting period on 31 March 2021 was EUR 27.52. The highest price of the share during January – March 2021 was EUR 28.92, the lowest EUR 23.96 and the average closing price was EUR 26.43. Share turnover on Nasdaq Helsinki during January – March 2021 was approximately 6.07 million shares.

Musti Group's market capitalization was EUR 923 million on 31 March 2021.

Own shares

On 31 March 2021 Musti Group held 122,000 (0) own shares representing 0.36% (0.00%) of the total number of shares and votes. During the reporting period Musti Group excercised the authorisation granted by the AGM on 21 January 2021 to the Board of Directors to acquire own shares and acquired in total 61 000 own shares.

Authorizations of the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Musti Group's own shares and/or on the acceptance as pledge of the company's own shares. The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in Musti Group. However, the company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares.

Own shares can be repurchased only using the unrestricted equity of the company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). This authorization cancels previous unused authorizations to repurchase the Company's own shares and/or to accept the Company's own shares as pledge. The authorization is effective until the next Annual General Meeting, however, no longer than until 21 July 2022.

The Annual General Meeting also authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows. The amount of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 per cent of all of the shares in Musti Group.

The authorization covers both the issuance of new shares as well as the transfer of own shares held by the company. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). This authorization cancels previous unused authorizations to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. The authorization is effective until the next Annual General Meeting, however, no longer than until 21 July 2022.

Shareholders and flagging notifications

At the end of the reporting period, the number of registered shareholders was 9,650. The proportion of nominee-registered and foreign shareholders was 69.68% of the company's shares. The 20 largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 21.00% of Musti Group's shares and votes at the end of the reporting period.

During October 2020-March 2021, Musti Group received the following announcement under Chapter 9, Section 5 of the Securities Markets Act:

- On 16 November 2020 Musti Group plc received a notification according to which Millan Holding S.à.r.l., a company ultimately owned by EQT and its co-investors, had sold a total number of 1,878,862 company's shares. As a result of the share sale, EQT's indirect holding of the shares and votes of the Musti Group decreased below 5 percent and totalled to 0 shares and votes in the company.

A list of the largest shareholders is available on the company's website at www.mustigroup.com/investors

Managers' transactions

Musti Group's managers' transactions as of the listing have been published as stock exchange releases, and they are available on the company's website at www.mustigroup.com

Remuneration schemes

The Board of Directors decides on Musti Group's remuneration schemes and plans, such as short- and long-term incentive schemes as well as pension arrangements, upon the recommendation of the Remuneration Committee and in accordance with the company's effective remuneration policy. Musti Group will present a remuneration policy for approval to the shareholders for the first time at the Annual General Meeting 2021.

Bonus scheme

The company operates a bonus scheme, which is determined by the Board of Directors of the company upon the recommendation of the Remuneration Committee and in accordance with the company's effective remuneration policy. The CEO and the members of the management team are eligible to participate in the bonus scheme in accordance with the company's bonus policy. The payment of annual bonuses is conditional upon attainment of key performance targets of the company.

The bonuses of the CEO and the management team are based on personal targets and certain profitability targets set for the financial year. The maximum performance bonus is equivalent to an eight months' full salary for the CEO and a four months' full salary for the members of the management team.

Long-term incentives

In May 2020, Musti Group plc's Board decided on two new share-based long-term incentive plans for the management team and key employees. The plans consist of a performance share plan (PSP) as the main structure, and of a restricted share plan (RSP), which is a complementary share plan for special situations. The new share-based compensation schemes were communicated in a stock exchange release on 7 May 2020. The plans will form a part of Musti Group plc's remuneration programs for its key employees, and the aim of the PSP is to align the objectives of the shareholders and key employees for increasing the value of the Company in the long-term, to commit the key employees to the Company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

The performance share plan consists of three performance periods of three years each 2020-2022, 2021-2023 and 2022-2024. The Board of Directors will decide separately for each performance period the plan participants, performance criteria, and the related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment.

The Restricted Share Plan (RSP) consists of plans on which the vesting period is 12-36 months based on decisions made by the Board of Musti Group plc. The possible rewards are paid partly in Musti Group plc's shares and partly in cash. As of 31 March 2021, there were no participants added to the RSP plan.

In the performance period FY2020-2022, the plan has 11 participants at most and the targets for the performance period relates to company´s total shareholder return (TSR) and adjusted EBITA. The maximum number of shares to be paid based on the performance period FY2020-2022 is approximately 250.000 Musti Group plc´s shares. The number of shares represents gross earning, from which the withholding of tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period FY2020-2022 will be paid out during autumn of 2022.

In the performance period FY2021-2023, the plan has 29 participants at most and the targets for the performance period relates to company´s total shareholder return (TSR) and adjusted EBITA. The maximum number of shares to be paid based on the performance period FY2021-2023 is approximately 130,000 Musti Group plc´s shares. The number of shares represents gross earning, from which the withholding of tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period FY2021-2023 will be paid out during autumn of 2023.

Responsibility

Musti Group is committed to developing its responsibility policies and best practices on a long-term basis, and it is committed to being a responsible forerunner in its industry. Musti Group is the only pet specialty company to have committed to the United Nations Global Compact. The company is in the process of building a robust responsibility foundation and setting targets and key performance indicators to measure the results.

Conducting operations in a sustainable, responsible and environmentally friendly way requires focused and purposeful actions at all levels of the organization. The basis of all Musti Group's social responsibility is a responsible supply chain, diminishing environmental impact as well as good governance and high ethics. In addition, the company has identified three particular focus areas in order to communicate with its stakeholders: pets and their parents, employees and communities. The most important themes under pets and their parents are high-quality and safe products and services as well as satisfied and loyal customers. Under employees, the most important themes are thriving experts and well-being at work, and under communities, working for the common good and openness for new inventions.

Musti Group sets high standards for quality, safety and expertise, putting the welfare of pets, people and the environment first. The company has already taken concrete actions to this end, having been a member of amfori Business Social Compliance Initiative (amfori BSCI) since 2017. The company also expects its suppliers to commit to Musti's requirements on responsible business practices. Following the Musti Group Supplier Code of Conduct and all national laws and regulations is imperative. The company's dedicated employee team visits the supplier sites in Europe, and also the BSCI also visits the company's supplier sites. Furthermore, the company has a third-party partner in China who visits and audits the sites in Asia. The company has initiated more systematic processes for supply chain sustainability especially in high-risk countries and set the target of having all tier one suppliers in high-risk countries audited.

Musti Group's first Non-Financial Information Report was published on 18 December 2020 and is available at https://www.mustigroup.com/investors/reports-and-presentations/.

Risks and uncertainties

Musti Group's risk profile follows the general risk level of the retail and grocery trade. The industry is not particularly cyclical and not subject to rapid changes. The company regularly monitors changes in the risks and their impact on the business. The company implements risk management continuously and systematically according to a scheduled process. The risk management process ensures that risks related to the Group are identified, estimated and controlled in a proactive way and the management of risks is monitored. The company's risk management includes, among others: identification and review of risks, risk assessment, determining and implementing control measures for the identified risks, and monitoring and reporting of risks.

Musti Group's risk management and risks related to the company's operations are described in more detail in the Board of Directors' Report and Annual Financial Statements published on 18 December 2020 which is available at https://www.mustigroup.com/investors/reports-and-presentations/.

Seasonality

Musti Group's business is characterised by a generally limited seasonality effect, with the high share of recurring food and stable products of net sales translating into low seasonality within years. However, there are certain intra-year fluctuations that affect cash flows, sales and profitability, which are made evident by Musti Group's financial year being from 1 October to 30 September. Usually, the period between July to December has higher sales and profitability margins compared to January to June, driven by higher sales of accessories and other seasonal products.

The volumes and timing of Musti Group's sales may somewhat vary somewhat due to weather conditions, with sales of pet clothing being primarily impacted. Cold winters and rainy weather generally result in higher sales of coats and shoes for pets.

Significant events after the reporting period

There were no significicat events after the reporting period.

Financial calendar

Musti Group's Interim Report for October 2020-June 2021 will be pubished on 10 August 2021.

Webcast for analysts and media

A live webcast for analysts and media will be arranged on 4 May 2021 at 14:00 EEST. The event will be held in English. The report will be presented by CEO David Rönnberg and CFO Robert Berglund.

The webcast can be followed at https://mustigroup.videosync.fi/2021-q2-results.

A recording of the webcast will be available later at the company's website at www.mustigroup.com/investors/reports-and-presentations/.

You can participate in the telephone conference by calling:

Finland: +358 981710310
Sweden: +46 856642651
United Kingdom: +44 3333000804
United States: +1 6319131422

The participants will be asked to provide the following PIN code: 16121928#

Helsinki, 4 May 2021

Board of Directors

The information in this Half-Year Financial Report is unaudited.

Further information:

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Distribution:

Nasdaq Helsinki
Main media
www.mustigroup.com

Condensed financial information

Condensed consolidated statement of income

EUR thousand	1–3/2021	1–3/2020	10/2020-3/2021	10/2019-3/2020	10/2019–9/2020
Net sales	**82,438**	**68,409**	**166,738**	**138,728**	**284,397**
Other operating income	546	196	964	393	1,283
Share of profit of a joint venture	0	0	0	0	117
Materials and services	-45,099	-38,762	-90,498	-77,170	-159,717
Employee benefit expenses	-15,304	-12,190	-30,208	-24,726	-48,364
Other operating expenses	-9,484	-9,649	-18,828	-18,166	-33,924
Depreciation, amortisation and impairment	-7,015	-5,856	-13,669	-11,526	-24,238
Operating profit	**6,082**	**2,148**	**14,499**	**7,533**	**19,554**
Financial income and expenses, net	-1,199	-5,576	-148	-6,285	-5,894
Profit before taxes	**4,883**	**-3,427**	**14,351**	**1,248**	**13,661**
Income tax expense	-1,067	744	-2,779	-263	-1,907
Profit/loss for the period	**3,816**	**-2,683**	**11,572**	**984**	**11,754**
Attributable to:					
Owners of the parent	3,806	-2,687	11,561	970	11,712
Non-controlling interest	10	4	11	14	42
Earnings per share (EUR) for profit attributable to owners of the parent					
Basic EPS (EUR)	0.11	-0.09	0.35	0.03	0.37
Diluted EPS (EUR)	0.11	-0.09	0.34	0.03	0.37

Consolidated statement of comprehensive income

EUR thousand	1–3/2021	1–3/2020	10/2020-3/2021	10/2019-3/2020	10/2019–9/2020
Profit/loss for the period	3,816	-2,683	11,572	984	11,754
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences	-565	-479	962	-475	-76
Other comprehensive income, net of tax	-565	-479	962	-475	-76
Total comprehensive income	**3,251**	**-3,162**	**12,535**	**510**	**11,678**
Attributable to:					
Owners of the parent	3,241	-3167	12,523	496	11,635
Non-controlling interest	10	4	11	14	42

Consolidated statement of financial position

EUR thousand	31 Mar 2021	31 Mar 2020	30 Sep 2020
ASSETS			
Non-current assets			
Goodwill	149,360	142,836	145,434
Other intangible assets	19,792	21,192	20,480
Right-of-use assets	69,085	56,875	62,014
Property, plant and equipment	13,723	10,456	11,304
Investments in joint ventures	960	320	960
Deferred tax assets	6,901	8,274	5,914
Other non-current receivables	128	256	345
Total non-current assets	**259,950**	**240,207**	**246,452**
Current assets			
Inventories	41,812	35,167	36,376
Trade and other receivables	7,213	6,259	6,466
Loan receivables	2	16	15
Derivative financial instruments	529	271	0
Income tax receivables	297	3,518	1,378
Cash and cash equivalents	17,604	14,463	21,606
Total current assets	**67,457**	**59,695**	**65,840**
TOTAL ASSETS	**327,407**	**299,902**	**312,292**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11,002	11,002	11,002
Other reserves	154,691	167,412	167,412
Own shares	-3,046	0	0
Translation differences	803	-558	- 159
Retained earnings	-13,124	-36,181	-25,132
Total equity attributable to owners of the parent	**150,326**	**141,674**	**153,122**
Equity attributable to non-controlling interest	99	125	157
Total equity	**150,425**	**141,800**	**153,279**
Non-current liabilities			
Loans from credit institutions	49,826	49,735	49,781
Lease liability	56,407	46,634	50,538
Deferred tax liabilities	2,146	3,455	2,168
Other liabilities	41	0	0
Total non-current liabilities	**108,420**	**99,825**	**102,486**
Current liabilities			
Lease liability	17,430	14,487	15,957
Trade and other payables	46,842	40,946	40,264
Derivative financial instruments	717	77	53
Income tax liabilities	3,573	2,748	233
Provisions	0	20	20
Total current liabilities	**68,563**	**58,278**	**56,527**
Total liabilities	**176,982**	**158,103**	**159,013**
TOTAL EQUITY AND LIABILITIES	**327,407**	**299,902**	**312,292**

Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent							
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 1 Oct 2020	**11,002**	**167,412**	**0**	**-159**	**-25,132**	**153,122**	**157**	**153,279**
Profit/loss for the period					11,561	11,561	11	11,572
Translation differences				962		962	4	966
Total comprehensive income	**0**	**0**	**0**	**962**	**11,561**	**12,523**	**15**	**12,538**
Capital returns		-12,720				-12,720		-12,720
Dividends							-74	-74
Acquisition of own shares			-3,046			-3,046		-3,046
Share-based incentive plan					448	448		448
Equity at 31 Mar 2021	**11,002**	**154,691**	**-3,046**	**803**	**-13,123**	**150,326**	**99**	**150,425**

EUR thousand	Attributable to owners of the parent							
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 1 Oct 2019	**11,002**	**122,412**	**0**	**-83**	**-35,012**	**98,319**	**101**	**98,420**
Other changes					-12	-12	12	0
Profit/loss for the period					970	970	14	984
Translation differences				-475		-475	-3	-477
Total comprehensive income	**0**	**0**	**0**	**-475**	**970**	**496**	**14**	**510**
Share issue		45,000				45,000		45,000
Expenses related to the share issue					-2,275	-2,275		-2,275
Discount related to the personnel					147	147		147
Equity at 31 Mar 2020	**11,002**	**167,412**	**0**	**-558**	**-36,181**	**141,675**	**125**	**141,800**

Consolidated statement of cash flows

EUR thousand	1–3/2021	1–3/2020	10/2020–3/2021	10/2019–3/2020	30 Sep 2020
Cash flows from operating activities					
Profit before taxes	4,883	-3,427	14,351	1,248	13,661
Adjustments					
Depreciation, amortisation and impairment	7,015	5,856	13,669	11,526	24,238
Financial income and expenses, net	1,199	5,576	148	6,285	5,894
Other adjustments	-545	-66	8	230	-300
Cash flows before changes in working capital	12,552	7,938	28,176	19,290	43,493
Change in working capital					
Increase (-) / decrease (+) in trade and other receivables	-189	-54	-655	-526	-693
Increase (-) / decrease (+) in inventories	-4,052	-1,415	-5,107	-1,936	-3,659
Increase (+) / decrease (-) in trade and other payables	5,784	-1,337	6,541	2,387	3,486
Cash flows from operating activities before financial items and taxes	14,095	5,132	28,955	19,215	42,627
Income taxes paid	-103	-411	934	119	-762
Net cash flow from operating activities	**13,992**	**4,722**	**29,889**	**19,335**	**41,864**
Cash flows from investing activities					
Investments in tangible and intangible assets	-3,056	-2,397	-6,202	-4,869	-8,914
Acquisition of subsidiaries and business acquisitions, net of cash acquired	-1,154	10	-2,431	-178	-1,361
Investments in joint ventures	0	0	0	0	-600
Decrease (+) / increase (-) in non-current receivables	40	0	222	0	-97
Decrease (+) / increase (-) in loan receivables	8	0	10	0	0
Net cash flow from investing activities	**-4,161**	**-2,387**	**-8,402**	**-5,047**	**-10,972**
Cash flows from financing activities					
Proceeds from share issues	0	45,000	0	45,000	45,000
Capital returns paid	-12,720	0	-12,720	0	0
Dividends paid	-75	0	-75	0	0
Costs from share issue recognised in equity	0	-2,696	0	-2,696	-2,844
Acquisition of own shares	-1,720	0	-3,046	0	0
Proceeds from non-current loans	0	50,000	0	50,000	50,000
Repayments of non-current loans	0	-84,630	0	-84,630	-84,879
Repayments of current loans	0	-2,420	0	-4,880	-5,031
Repayments of lease liabilities	-4,217	-3,720	-8,174	-7,287	-14,819
Interest and other financial expenses paid	-1,215	-2,430	-2,770	-4,075	-5,788
Interest and other finance income received *)	219	65	1,297	115	445
Net cash flow from financing activities	**-19,728**	**-831**	**-25,489**	**-8,453**	**-17,915**
Net change in cash and cash equivalents	**-9,897**	**1,503**	**-4,001**	**5,835**	**12,977**
Cash and cash equivalents at start of period	27,502	12,960	21,606	8,629	8,629
Cash and cash equivalents at end of period	**17,604**	**14,463**	**17,604**	**14,463**	**21,606**

*) Interest and other finance income received has been reclassified from net cash flow operating activities to net cash flow from financing activities.

Basis of preparation and accounting policies

The Group's consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as implemented within the EU.

The interim report of 1 October 2020 – 31 March 2021 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and the accounting principles applied in the interim report are the same as in the financial statement of 2020.

The figures of the interim report have not been audited.

The Group's consolidated financial statements are prepared in euros, which is the company's operating currency and the company's and the Group's reporting currency. The interim report is presented in thousand euros unless otherwise stated.

Critical accounting estimates and judgments

An IFRS-compliant interim report requires the Group's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the interim report.

There have not been any major changes regarding the uncertainty requiring the Group's management to exercise judgment and make estimates and assumptions compared to the financial statement of 2020.

Key accounting considerations related to COVID-19

During the reporting period Musti Group received but didn't apply for any financial assistance under governmental scheme. However, the amount of the assistance was not material from a Group perspective. The group also negotiated some rent reductions during the reporting period for which the group has not applied the IFRS 16 Covid-19 amendment. The Group's management has assessed COVID-19 impacts by reviewing the carrying values of the balance sheet items, the review did not indicate need for asset impairments.

Events after the reporting period

No significant events after the reporting period.

Segments

EUR thousand	Finland	Sweden	Norway	Group functions	Group
1/2021–3/2021					
Net sales *	37,121	35,630	9,688	0	82,438
% split of net sales between segments	45%	43%	12%	0%	100%
EBITDA	**10,483**	**6,481**	**2,326**	**-6,193**	**13,097**
Adjustments	0	0	0	0	0
Adjusted EBITDA	**10,483**	**6,481**	**2,326**	**-6,193**	**13,097**
Depreciation and impairment of right-of-use assets and tangible assets	-2,035	-2,026	-773	-567	-5,401
EBITA	**8,448**	**4,455**	**1,553**	**-6,759**	**7,696**
Adjustments	0	0	0	0	0
Adjusted EBITA	**8,448**	**4,455**	**1,553**	**-6,759**	**7,696**
Amortisation and impairment of intangible assets					-1,614
Operating profit					**6,082**
Financial income and expenses, net					-1,199
Profit before taxes					**4,883**
Income tax expense					-1,067
Profit/loss for the period					**3,816**

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

EUR thousand	Finland	Sweden	Norway	Group functions	Group
1/2020–3/2020					
Net sales *	33,176	29,779	5,454	0	68,409
% split of net sales between segments	48%	44%	8%	0%	100%
EBITDA	**9,473**	**4,452**	**724**	**-6,644**	**8,004**
Adjustments	-1	0	0	1,919	1,918
Adjusted EBITDA	**9,472**	**4,452**	**724**	**-4,726**	**9,922**
Depreciation and impairment of right-of-use assets and tangible assets	-1,870	-1,543	-587	-386	-4,386
EBITA	**7,603**	**2,909**	**136**	**-7,030**	**3,618**
Adjustments	-1	0	0	1,919	1,918
Adjusted EBITA	**7,602**	**2,909**	**136**	**-5,111**	**5,536**
Amortisation and impairment of intangible assets					-1,470
Operating profit					**2,148**
Financial income and expenses, net					-5,576
Profit before taxes					**-3,427**
Income tax expense					744
Profit/loss for the period					**-2 683**

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

EUR thousand	Finland	Sweden	Norway	Group functions	Group
10/2020–3/2021					
Net sales *	76,194	71,299	19,245	0	166,738
% split of net sales between segments	46%	43%	12%	0%	100%
EBITDA	**22,485**	**13,593**	**4,838**	**-12,747**	**28,168**
Adjustments	0	355	26	225	607
Adjusted EBITDA	**22,485**	**13,948**	**4,864**	**-12,522**	**28,775**
Depreciation and impairment of right-of-use assets and tangible assets	-4,053	-3,911	-1,489	-1,013	-10,465
EBITA	**18,432**	**9,682**	**3,349**	**-13,760**	**17,703**
Adjustments	0	355	26	225	607
Adjusted EBITA	**18,432**	**10,037**	**3,375**	**-13,535**	**18,310**
Amortisation and impairment of intangible assets					-3,204
Operating profit					**14,499**
Financial income and expenses, net					-148
Profit before taxes					**14,351**
Income tax expense					-2,779
Profit/loss for the period					**11,572**

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

EUR thousand	Finland	Sweden	Norway	Group functions	Group
10/2019–3/2020					
Net sales *	67,782	59,670	11,275	0	138,728
% split of net sales between segments	49%	43%	8%	0%	100%
EBITDA	**19,971**	**9,799**	**1,860**	**-12,571**	**19,059**
Adjustments	-1	0	0	2,861	2,860
Adjusted EBITDA	**19,970**	**9,799**	**1,860**	**-9,710**	**21,919**
Depreciation and impairment of right-of-use assets and tangible assets	-3,695	-3,033	-1,125	-750	-8,603
EBITA	**16,276**	**6,766**	**735**	**-13,321**	**10,456**
Adjustments	-1	0	0	2,861	2,860
Adjusted EBITA	**16,275**	**6,766**	**735**	**-10,460**	**13,316**
Amortisation and impairment of intangible assets					-2,923
Operating profit					**7,533**
Financial income and expenses, net					-6,285
Profit before taxes					**1,248**
Income tax expense					-263
Profit/loss for the period					**984**

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

EUR thousand	Finland	Sweden	Norway	Group functions	Group
10/2019–9/2020					
Net sales *	135,795	123,244	25,358	0	**284,397**
% split of net sales between segments	48%	43%	9%	0%	100%
EBITDA	**40,472**	**21,181**	**5,301**	**-23,161**	**43,792**
Adjustments	162	419	29	3,656	4,266
Adjusted EBITDA	**40,633**	**21,600**	**5,329**	**-19,505**	**48,058**
Depreciation and impairment of right-of-use assets and tangible assets	-7,677	-6,716	-2,403	-1,448	-18,244
EBITA	**32,795**	**14,465**	**2,898**	**-24,610**	**25,548**
Adjustments	162	419	29	3,656	4,266
Adjusted EBITA	**32,957**	**14,884**	**2,927**	**-20,953**	**29,814**
Amortisation and impairment of intangible assets					-5,994
Operating profit					**19,554**
Financial income and expenses, net					-5,894
Profit before taxes					**13,661**
Income tax expense					-1,907
Profit/loss for the period					**11,754**

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

Business combinations and changes in Group composition

Musti Group's subsidiary Arken Zoo Nord AB acquired the entire capital stock of Calida AB and Lomiwa AB, which operate two franchise stores in Sweden, on 1 January 2021. The acquisitions complements Musti Group's existing Arken Zoo chain in Sweden. The preliminary consideration paid was EUR 0.9 million in cash, and the amount of cash and cash equivalents obtained was EUR 0.2 million. According to the preliminary acquisition cost calculation the assets acquired amounted to EUR 0.4 million, liabilities amounted to EUR 0.3 million and goodwill amounted to EUR 0.8 million. The acquisition cost calculations will be updated during the rest of the financial year.

The acquisitions of Calida AB and Lomiwa AB increased the Group's net sales by EUR 0.4 million and increased operating profit by EUR 0.0 million for the period 1 January 2021 – 31 March 2021. The effect on the Group's net sales would have been approximately EUR 0.9 million and on the operating profit EUR 0.0 million for the period ended 31 March 2021 if the acquisitions had been consolidated from the beginning of the financial year.

During the period 1 October 2020 – 31 March 2021 Musti Group acquired pet stores, one in Finland and four in Sweden as business acquisitions. The total purchase price of the stores was approximately EUR 1.7 million and the resulting goodwill EUR 1.7 million. Goodwill is based on synergies from the acquisitions. The resulting goodwill is deductible in taxation. The store acquisitions increased the Group's net sales by EUR 0.9 million and increased operating profit by EUR 0.2 million for the period 1 October 2020 – 31 March 2021. The effect on the Group's net sales would have been approximately EUR 1.5 million and on the operating profit EUR 0.3 million for the period ended 31 March 2021 if the acquisitions had been consolidated from the beginning of the financial year.

Personnel on average and at the end of the reporting period

Personnel	31 Mar 2021	31 Mar 2020	30 Sep 2020
Personnel on average	1,241	1,129	1,145
Personnel at the end of period	1,257	1,162	1,162

Goodwill, intangible assets and property, plant and equipment

EUR thousand	31 Mar 2021	31 Mar 2020	30 Sep 2020
Acquisition cost at beginning of reporting period	177,218	176,272	176,272
Amortisation and depreciation	-5,247	-4,441	-9,323
Additions	9,197	4,869	10,348
Disposals and closing of stores	0	-172	-183
Exchange differences	1,707	-2,045	105
Acquisition cost at end of reporting period	**182,876**	**174,483**	**177,218**

Leases

Right-of-use assets

EUR thousand	Buildings and structures	Machinery and equipment	Total
31 Mar 2021			
Net book value at 1 Oct 2020	**61,516**	**498**	**62,014**
New contracts	3,667	191	3,858
Contracts terminated prematurely	-1,030	-2	-1,031
Revaluations and modifications	10,804	13	10,817
Exchange rate differences	1,834	15	1,849
Depreciation	-8,306	-117	-8,422
Net book value at 31 Mar 2021	**68,485**	**599**	**69,085**
31 Mar 2020			
Net book value at 1 Oct 2019	**46,816**	**481**	**47,296**
New contracts	5,643	138	5,781
Contracts terminated prematurely	-727	-14	-741
Revaluations and modifications	13,587	10	13,598
Exchange rate differences	-1,958	-16	-1,974
Depreciation	-7,001	-84	-7,085
Net book value at 31 Mar 2020	**56,360**	**515**	**56,875**
30 Sep 2020			
Net book value at 1 Oct 2019	**46,816**	**481**	**47,296**
New contracts	13,329	194	13,522
Contracts terminated prematurely	-1,601	-25	-1,625
Revaluations and modifications	18,245	16	18,260
Exchange rate differences	-529	5	-524
Depreciation	-14,743	-173	-14,915
Net book value at 30 Sep 2020	**61,516**	**498**	**62,014**

Lease liability

EUR thousand	31 Mar 2021	31 Mar 2020	30 Sep 2020
Lease liability at beginning of reporting period	**66,494**	**51,982**	**51,982**
Net increases	15,602	10,757	29,354
Rent expenses	-9,385	-12,763	-17,237
Interest expense	1,125	1,224	2,395
Lease liability at end of reporting period	**73,837**	**51,200**	**66,494**
Non-current lease liability	56,407	46,634	50,538
Current lease liability	17,430	14,487	15,957
Total	**73,837**	**51,200**	**66,494**

Lease contracts in the income statement

EUR thousand	10/2020-3/2021	10/2020-3/2020	10/2019-9/2020
Expenses from short-term rental agreements, leasing agreements with minor value and variable rental costs, that are not included in the lease liability	-811	-788	-1,697
Depreciation of right-of-use assets	-8,422	-7,085	-14,915
Interest expenses from lease liability	-1,125	-1,224	-2,395
Total	**-10,359**	**-9,097**	**-19,008**

Financial assets and liabilities and fair value hierarchy

Financial assets

EUR thousand	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Book value	Fair value	Fair value hierarchy
31 Mar 2021						
Non-current assets						
Other non-current assets			128	128	128	Level 2
Total			**128**	**128**	**128**	
Current assets						
Trade and other receivables *)			3,458	3,458	3,458	Level 2
Loan receivables			2	2	2	Level 2
Derivative financial instruments	529			529	529	Level 2
Cash and cash equivalents			17,604	17,604	17,604	Level 2
Total	**529**		**21,064**	**21,592**	**21,592**	
Financial assets, total	**529**		**21,192**	**21,721**	**21,721**	
31 Mar 2020						
Non-current assets						
Other non-current assets			256	256	256	Level 2
Total			**256**	**256**	**256**	
Current assets						
Trade and other receivables *)			3,038	3,038	3,038	Level 2
Loan receivables			16	16	16	Level 2
Derivative financial instruments	271			271	271	Level 2
Cash and cash equivalents			14,463	14,463	14,463	Level 2
Total	**271**		**17,518**	**17,788**	**17,788**	
Financial assets, total	**271**		**17,773**	**18,044**	**18,044**	
30 Sep 2020						
Non-current assets						
Other non-current assets			345	345	345	Level 2
Total			**345**	**345**	**345**	
Current assets						
Trade and other receivables *)			3,483	3,483	3,483	Level 2
Loan receivables			15	15	15	Level 2
Derivative financial instruments	0			0	0	Level 2
Cash and cash equivalents			21,606	21,606	21,606	Level 2
Total	**0**		**25,103**	**25,103**	**25,103**	
Financial assets, total	**0**		**25,449**	**25,449**	**25,499**	

Financial liabilities

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Financial liabilities at amortised cost	Book value	Fair value	Fair value hierarchy
31 Mar 2021						
Non-current liabilities						
Loans from credit institutions			49,826	49,826	49,826	Level 2
Lease liability			56,407	56,407	56,407	Level 2
Total			**106,233**	**106,233**	**106,233**	
Current liabilities						
Loans from credit institutions			0	0	0	Level 2
Lease liability			17,430	17,430	17,430	Level 2
Trade and other payables *)			24,517	24,517	24,517	Level 2
Derivative financial instruments	717			717	717	Level 2
Total	**717**		**41,948**	**42,664**	**42,664**	
Financial liabilities total	**717**		**148,181**	**148,897**	**148,897**	
31 Mar 2020						
Non-current liabilities						
Loans from credit institutions			49,735	49,735	49,735	Level 2
Lease liability			46,634	46,634	46,634	Level 2
Other non-current liabilities			0	0	0	Level 2
Total			96,369	96,369	96,369	
Current liabilities						
Loans from credit institutions			0	0	0	Level 2
Lease liability			14,487	14,487	14,487	Level 2
Trade and other payables *)			19,226	19,226	19,226	Level 2
Derivative financial instruments	77			77	77	Level 2
Total	**77**		**33,713**	**33,790**	**33,790**	
Financial liabilities total	**77**		**130,082**	**130,159**	**130,159**	
30 Sep 2020						
Non-current liabilities						
Loans from credit institutions			49,781	49,781	49,781	Level 2
Lease liability			50,538	50,538	50,538	Level 2
Other non-current liabilities			0	0	0	Level 2
Total			**100,318**	**100,318**	**100,318**	
Current liabilities						
Loans from credit institutions			0	0	0	Level 2
Lease liability			15,957	15,957	15,957	Level 2
Trade and other payables *)			20,730	20,730	20,730	Level 2
Derivative financial instruments	53			53	53	Level 2
Total	**53**		**36,687**	**36,740**	**36,740**	
Financial liabilities total	**53**		**137,005**	**137,058**	**137,058**	

*) Other receivables and other payables includes only items classified as financial assets or liabilities.

Level 1: Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include investments in funds classified as financial instruments at fair value through profit and loss. Musti Group does not have Level 1 financial instruments.

Level 2: The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Musti Group has classified derivatives at fair value according to the Level 2.

Level 3: A financial instrument is categorized into Level 3, if the calculation of the fair value cannot be based on observable market data. Musti Group has no such financial instruments.

During the reporting period there has not been any transfers between the levels of the fair value hierarchy.

Derivative financial instruments

EUR thousand	Nominal value	Receivables at fair value	Payables at fair value	Net fair value
31 Mar 2021				
Forward exchange contracts	17,308	529	-717	-188
Total	**17,308**	**529**	**-717**	**-188**
31 Mar 2020				
Forward exchange contracts	5,883	271	-77	194
Total	**5,883**	**271**	**-77**	**194**
30 Sep 2020				
Forward exchange contracts	889	0	-53	-53
Total	**889**	**0**	**-53**	**-53**

Group's commitments

EUR thousand	31 Mar 2021	31 Mar 2020	30 Sep 2020
Pledges given on behalf of Group companies and joint ventures			
Collateral relating to rental payments	0	136	0
Guarantees relating to rental payments	4,205	4,008	3,759
Other commitments	177	397	388
Total	**4,382**	**5,068**	**4,147**
Other commitments			
Other guarantees	3,000	0	2,000
Lease liabilities for leases not recognised in the balance sheet	6,103	4,038	2,009
Total	**9,103**	**4,038**	**4,009**

Lease liabilities not recognised in the balance sheet includes the nominal amount of low-value and short-term lease liabilities and the liability for agreements that will enter into force in the future.

Related party transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions. Musti Group's related parties include its subsidiaries, joint venture, Board of Directors and the members of the management team, including the CEO, as well as their family members. Until the IPO in February 2020 the related parties also included its owners EQT Mid Market Fund, Vaaka Partners, Braganza AB and Ludv. G Braathens Rederi AS as well as Musti Group Finland Oy's (previously named Musti Group Oy's) (operating) Board of Directors. After the IPO EQT Mid Market Fund's indirect holding was 24.1% and on 13 August 2020 the indirect holding decreased to 5.6%. EQT Mid Market Fund relinquished its ownership on 16 November 2020.

Other related party transactions

EUR thousand	31 Mar 2021	31 Mar 2020	30 Sep 2020
Purchases of goods and services	1,524	1,416	2,737
Receivables	76	0	76
Payables	127	614	145
Guarantees given on behalf of joint ventures	3,000	0	2,000

Related party transactions are executed with the arms-length principle, and their terms and conditions correspond to transactions carried out with independent parties. No loans have been granted to the management, and no other transactions have been conducted with the management.

Financial ratios and alternative performance measures

EUR million or as indicated	1–3/2021	1–3/2020	Change %	10/2020–3/2021	10/2019–3/2020	Change %	10/2019–9/2020
Net sales	82.4	68.4	20.5	166.7	138.7	20.2	284.4
Net sales growth, %	20.5%	15.9%		20.2%	12.7%		15.3%
LFL sales growth, %	11.6%	14.8%		12.3%	11.1%		11.5%
LFL store sales growth, %	8.6%	10.0%		8.3%	8.5%		7.3%
Online share of net sales, %	24.4%	23.7%		23.0%	21.6%		22.5%
Gross margin, %	45.3%	43.3%		45.7%	44.4%		43.8%
EBITDA	13.1	8.0	63.6	28.2	19.1	47.8	43.8
EBITDA margin	15.9%	11.7%		16.9%	13.7%		15.4%
Adjusted EBITDA	13.1	9.9	32.0	28.8	21.9	31.3	48.1
Adjusted EBITDA margin, %	15.9%	14.5%		17.3%	15.8%		16.9%
EBITA	7.7	3.6	112.7	17.7	10.5	69.3	25.5
EBITA margin	9.3%	5.3%		10.6%	7.5%		9.0%
Adjusted EBITA	7.7	5.5	39.0	18.3	13.3	37.5	29.8
Adjusted EBITA margin, %	9.3%	8.1%		11.0%	9.6%		10.5%
Operating profit	6.1	2.1	183.1	14.5	7.5	92.5	19.6
Operating profit margin, %	7.4%	3.1%		8.7%	5.4%		6.9%
Profit/loss for the period	3.8	-2.7	n.m.	11.6	1.0	1,075.5	11.8
Earnings per share, basic, EUR	0.11	-0.09		0.35	0.03		0.37
Earnings per share, diluted, EUR	0.11	-0.09		0.34	0.03		0.37
Cash flows from operating activities	14.0	4.7	196.4	29.9	19.3	54.6	41.9
Investments in tangible and intangible asstes	3.1	2.4	27.5	6.2	4.9	27.4	8.9
Net debt	106.3	96.2	10.5	106.3	96.2	10.5	94.7
Gearing, %	70.7%	67.8%		70.7%	67.8%		61.8%
Net debt / LTM Adjusted EBITDA	1.9	2.3	-17.0	1.9	2.3	-17.0	2.0
Equity ratio, %	46.0%	47.3%		46.0%	47.3%		49.1%
Number of loyal customers, thousands	1,222	1,076	13.6	1,222	1,076	13.6	1,151
Number of stores at end of period	301	287	4.9	301	287	7.1	293
of which directly operated	247	218	13.3	247	218	13.3	231
Own & Exclusive share, %	50.3%	49.8%		51.4%	51.1%		50.3%

EUR million or as indicated	1–3/2021	1–3/2020	Change %	10/2020–3/2021	10/2019–3/2020	Change %	10/2019–9/2020
Finland							
Net sales	37.1	33.2	11.9	76.2	67.8	12.4	135.8
Net sales growth, %	11.9%	13.3%		12.4%	10.4%		10.6%
LFL sales growth, %	10.6%	9.7%		11.2%	6.7%		7.4%
EBITDA	10.5	9.5	10.7	22.5	20.0	12.6	40.5
EBITDA margin, %	28.2%	28.6%		29.5%	29.5%		29.8%
Adjusted EBITDA	10.5	9.5	10.7	22.5	20.0	12.6	40.6
Adjusted EBITDA margin, %	28.2%	28.5%		29.5%	29.5%		29.9%
EBITA	8.4	7.6	11.1	18.4	16.3	13.2	32.8
EBITA margin, %	22.8%	22.9%		24.2%	24.0%		24.2%
Adjusted EBITA	8.4	7.6	11.1	18.4	16.3	13.3	33.0
Adjusted EBITA margin, %	22.8%	22.9%		24.2%	24.0%		24.3%
Number of stores at end of period	131	128	2.3	131	128	2.3	129
of which directly operated	115	110	4.5	115	110	4.5	112
Sweden							
Net sales	35.6	29.8	19.6	71.3	59.7	19.5	123.2
Net sales growth, %	19.6%	14.8%		19.5%	10.3%		14.7%
LFL sales growth, %	6.8%	19.0%		8.1%	14.6%		13.4%
EBITDA	6.5	4.5	45.6	13.6	9.8	38.7	21.2
EBITDA margin, %	18.2%	15.0%		19.1%	16.4%		17.2%
Adjusted EBITDA	6.5	4.5	45.6	13.9	9.8	42.3	21.6
Adjusted EBITDA margin, %	18.2%	15.0%		19.6%	16.4%		17.5%
EBITA	4.5	2.9	53.1	9.7	6.8	43.1	14.5
EBITA margin, %	12.5%	9.8%		13.6%	11.3%		11.7%
Adjusted EBITA	4.5	2.9	53.1	10.0	6.8	48.3	14.9
Adjusted EBITA margin, %	12.5%	9.8%		14.1%	11.3%		12.1%
Number of stores at end of period	125	124	0.8	125	124	0.8	125
of which directly operated	87	73	19.2	87	73	19.2	80
Norway							
Net sales	9.7	5.5	77.6	19.2	11.3	70.7	25.4
Net sales growth, %	77.6%	43.7%		70.7%	47.0%		54.6%
LFL sales growth, %	42.0%	30.2%		41.2%	26.0%		33.3%
EBITDA	2.3	0.7	221.4	4.8	1.9	160.1	5.3
EBITDA margin, %	24.0%	13.3%		25.1%	16.5%		20.9%
Adjusted EBITDA	2.3	0.7	221.4	4.9	1.9	161.5	5.3
Adjusted EBITDA margin, %	24.0%	13.3%		25.3%	16.5%		21.0%
EBITA	1.6	0.1	1039.3	3.3	0.7	355.7	2.9
EBITA margin, %	16.0%	2.5%		17.4%	6.5%		11.4%
Adjusted EBITA	1.6	0.1	1039.3	3.4	0.7	359.2	2.9
Adjusted EBITA margin, %	16.0%	2.5%		17.5%	6.5%		11.5%
Number of stores at end of period	45	35	28.6	45	35	28.6	39
of which directly operated	45	35	28.6	45	35	28.6	39

Calculation of financial ratios and alternative performance measures

Measure	Calculation
Gross profit	Net sales - Materials and services
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	Operating profit + Depreciation, amortisation and impairment
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)	Operating profit + Depreciation, amortisation and impairment +Adjustments
Earnings before interest, taxes and amortisation (EBITA)	Operating profit + Amortisation and impairment of intangible assets
Adjusted earnings before interest, taxes and amortisation (Adjusted EBITA)	Operating profit + Amortisation and impairment of intangible assets + Adjustments
Net Debt	Interest bearing liabilities - Loan receivables +/- Derivative financial instruments - Cash and cash equivalents
Gearing, %	Net debt / Equity
Net debt/LTM (last twelve months) Adjusted EBITDA	Net Debt / LTM adjusted EBITDA
Equity ratio, %	Total equity / Total assets - Advances received
LFL (Like-for-like) sales growth, %	Sales of online channels and stores that have been open more than 13 months / Sales from corresponding online channels and stores in the same time period in the previous reporting period
Own & Exclusive share, %	Sales of own and exclusive product sales / Product sales in own channels
Online share, %	Online sales / Net sales
Earnings per share, basic	Profit/loss for the period – Non-controlling interests / Average number of shares
Earnings per share, diluted	Profit/loss for the period – Non-controlling interests / Average diluted number of shares

Reconciliation of key performance indicators

EUR million or as indicated	1-3/2021	1-3/2020	10/2020-3/2021	10/2019-3/2020	10/2019–9/2020
Gross profit					
Net sales	82.4	68.4	166.7	138.7	284.4
Material and services	-45.1	-38.8	-90.5	-77.2	-159.7
Gross profit	**37.3**	**29.6**	**76.2**	**61.6**	**124.7**
Gross margin, %	**45.3%**	**43.3%**	**45.7%**	**44.4%**	**43.8%**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)					
Operating profit	6.1	2.1	14.5	7.5	19.6
Depreciation, amortisation and impairment	7.0	5.9	13.7	11.5	24.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**13.1**	**8.0**	**28.2**	**19.1**	**43.8**
EBITDA margin, %	**15.9%**	**11.7%**	**16.9%**	**13.7%**	**15.4%**
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)					
Operating profit	6.1	2.1	14.5	7.5	19.6
Depreciation, amortisation and impairment	7.0	5.9	13.7	11.5	24.2
Adjustments	0.0	1.9	0.6	2.9	4.3
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)	**13.1**	**9.9**	**28.8**	**21.9**	**48.1**
Adjusted EBITDA margin, %	**15.9%**	**14.5%**	**17.3%**	**15.8%**	**16.9%**
Adjustments (EBITDA)					
Restructuring related expenses	0.0	0.0	0.0	0.0	0.0
Acquisition/IPO related expenses	0.0	1.9	0.0	2.9	3.4
Other items affecting comparability	0.0	0.0	0.6	0.0	0.9
Adjustments (EBITDA)	**0.0**	**1.9**	**0.6**	**2.9**	**4.3**
Earnings before interest, taxes and amortisation (EBITA)					
Operating profit	6.1	2.1	14.5	7.5	19.6
Amortisation and impairment of intangible assets	1.6	1.5	3.2	2.9	6.0
Earnings before interest, taxes and amortisation (EBITA)	**7.7**	**3.6**	**17.7**	**10.5**	**25.5**
EBITA margin, %	**9.3%**	**5.3%**	**10.6%**	**7.5%**	**9.0%**
Adjusted earnings before interest, taxes and amortisation (Adjusted EBITA)					
Operating profit	6.1	2.1	14.5	7.5	19.6
Amortisation and impairment of intangible assets	1.6	1.5	3.2	2.9	6.0
Adjustments total	0.0	1.9	0.6	2.9	4.3
Adjusted earnings before interest, taxes and amortisation (Adjusted EBITA)	**7.7**	**5.5**	**18.3**	**13.3**	**29.8**
Adjusted EBITA margin, %	**9.3%**	**8.1%**	**11.0%**	**9.6%**	**10.5%**
Adjustments (Operating profit)					

Restructuring related expenses	0.0	0.0	0.0	0.0	0.0
Acquisition/IPO related expenses	0.0	1.9	0.0	2.9	3.4
Other items affecting comparability	0.0	0.0	0.6	0.0	0.9
Adjustments (Operating profit)	**0.0**	**1.9**	**0.6**	**2.9**	**4.3**
Net debt					
Interest bearing liabilities	123.7	110.9	123.7	110.9	116.3
Loan receivables	0.0	0.0	0.0	0.0	0.0
Derivative financial instruments	0.2	-0.2	0.2	-0.2	0.1
Cash and cash equivalents	17.6	14.5	17.6	14.5	21.6
Net debt	**106.3**	**96.2**	**106.3**	**96.2**	**94.7**
Gearing, %					
Net Debt	106.3	96.2	106.3	96.2	94.7
Equity	150.4	141.8	150.4	141.8	153.3
Gearing, %	**70.7%**	**67.8%**	**70.7%**	**67.8%**	**61.8%**
Net debt/LTM Adjusted EBITDA					
Net debt	106.3	96.2	106.3	96.2	94.7
LTM adjusted EBITDA	54.9	41.3	54.9	41.3	48.1
Net debt/LTM Adjusted EBITDA	**1.9**	**2.3**	**1.9**	**2.3**	**2.0**
Equity ratio, %					
Total equity	150.4	141.8	150.4	141.8	153.3
Total assets	327.4	299.9	327.4	299.4	312.3
Advances received	0.3	0.2	0.3	0.2	0.2
Equity ratio, %	**46.0%**	**47.3%**	**46.0%**	**47.3%**	**49.1%**
LFL sales growth, %					
Net sales	82.4	68.4	166.7	138.7	284.4
Net sales growth, %	20.5%	15.9%	20.2%	12.7%	15.3%
Other growth, %	8.9%	1.1%	7.9%	1.6%	3.8%
LFL sales growth, %	**11.6%**	**14.8%**	**12.3%**	**11.1%**	**11.5%**
LFL store sales growth, %					
Store sales	59.3	48.8	121.7	101.8	206.6
Store sales total growth, %	21.5%	13.1%	19.5%	11.7%	13.2%
Other growth, %	13.0%	3.0%	11.2%	3.1%	5.9%
LFL store sales growth, %	**8.6%**	**10.0%**	**8.3%**	**8.5%**	**7.3%**
Net sales					
Store sales	59.3	48.8	121.7	101.8	206.6
Online sales	20.1	16.2	38.3	29.9	64.1
Other sales	3.0	3.4	6.7	7.0	13.8
Net sales	**82.4**	**68.4**	**166.7**	**138.7**	**284.4**
Online share, %					
Net sales	82.4	68.4	166.7	138.7	284.4
Online sales	20.1	16.2	38.3	29.9	64.1
Online share, %	**24.4%**	**23.7%**	**23.0%**	**21.6%**	**22.5%**
Earnings per share, basic					
Profit/loss for the period	3.8	-2.7	11.6	1.0	11.8
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Average number of shares *)	33.4	31.2	33.5	29.1	31.7
Earnings per share. basic	**0.11**	**-0.09**	**0.35**	**0.03**	**0.37**
*) Number of shares before share issue of February 2020 was 28.375.781 and after share issue 33.535.453.					

Earnings per share, diluted					
Profit/loss for the period	3.8	-2.7	11.6	1.0	11.8
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Average number of shares *)	33.7	31.2	33.7	29.1	31.8
Earnings per share. diluted	**0.11**	**-0.09**	**0.34**	**0.03**	**0.37**
*) Includes shares from Restricted Share Plan (PSP).					