



October 2021 –  
June 2022  
Interim Report  
Q3/2022

1 October 2021 –  
30 June 2022

## Interim Report 1 October 2021 – 30 June 2022

### Profitable growth on the way towards long-term targets

#### April – June 2022

- Group net sales totaled EUR 95.5 million (82.7 million), an increase of 15.5%.
- Like-for-like sales growth was 8.3%.
- Adjusted EBITDA was EUR 15.6 (12.9) million, up by 20.8%.
- Adjusted EBITDA margin was 16.3% (15.6%).
- Adjusted EBITA was EUR 8.3 (7.3) million, up by 14.0%.
- Adjusted EBITA margin was 8.7% (8.8%).
- Operating profit increased by 27.3 % to EUR 6.7 (5.3) million, representing 7.0% (6.4%) of net sales.
- Profit for the period totaled EUR 4.4 (4.1) million.
- Earnings per share, basic was EUR 0.13 (0.12).
- Number of stores grew to 329 (308).
- Number of loyal customers grew to 1,409 thousand (1,257 thousand).

#### October 2021 – June 2022

- Group net sales totaled EUR 289.3 million (249.4 million), an increase of 16.0%.
- Like-for-like sales growth was 7.4%.
- Adjusted EBITDA was EUR 49.3 (41.7) million, up by 18.4%.
- Adjusted EBITDA margin was 17.1% (16.7%).
- Adjusted EBITA was EUR 28.6 (25.6) million, up by 11.7%.
- Adjusted EBITA margin was 9.9% (10.3%).
- Operating profit increased by 12.9% to EUR 22.3 (19.8) million, representing 7.7% (7.9%) of net sales.
- Profit for the period totaled EUR 15.1 (15.7) million.
- Earnings per share, basic was EUR 0.45 (0.47).

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	4-6/2022	4-6/2021	Change %	10/2021-6/2022	10/2020-6/2021	Change %	FY2021
Net sales	95.5	82.7	15.5%	289.3	249.4	16.0%	340.9
Net sales growth, %	15.5%	20.2%		16.0%	20.2%		19.9%
LFL sales growth, %	8.3%	11.6%		7.4%	12.1%		11.8%
LFL store sales growth, %	6.3%	10.7%		4.8%	9.1%		8.8%
Online share, %	22.6%	24.1%		22.6%	23.4%		23.1%
Gross margin, %	46.4%	45.4%		46.8%	45.6%		45.7%
EBITDA	15.6	12.5	24.1%	47.9	40.7	17.6%	56.9
EBITDA margin, %	16.3%	15.2%		16.5%	16.3%		16.7%
Adjusted EBITDA	15.6	12.9	20.8%	49.3	41.7	18.4%	58.8
Adjusted EBITDA margin, %	16.3%	15.6%		17.1%	16.7%		17.3%
EBITA	8.3	6.9	19.7%	27.1	24.6	10.1%	34.9
EBITA margin, %	8.7%	8.4%		9.4%	9.9%		10.2%
Adjusted EBITA	8.3	7.3	14.0%	28.6	25.6	11.7%	36.8
Adjusted EBITA margin, %	8.7%	8.8%		9.9%	10.3%		10.8%
Operating profit	6.7	5.3	27.3%	22.3	19.8	12.9%	28.4
Operating profit margin, %	7.0%	6.4%		7.7%	7.9%		8.3%
Profit/loss for the period	4.4	4.1	7.1%	15.1	15.7	-4.1%	20.9
Earnings per share, basic, EUR	0.13	0.12	7.5%	0.45	0.47	-3.8%	0.62
Net cash flow from operating activities	14.0	10.1	39.6%	32.5	39.9	-18.5%	54.9
Investments in tangible and intangible assets	3.3	3.5	-4.3%	11.6	9.7	19.3%	12.9
Net debt / LTM adjusted EBITDA	2.1	2.0	4.8%	2.1	2.0	4.8%	1.9
Number of loyal customers, thousands	1,409	1,257	12.1%	1,409	1,257	12.1%	1,297
Number of stores at the end of the period	329	308	6.8%	329	308	6.8%	312
of which directly operated	312	257	21.4%	312	257	21.4%	280

## CEO's comments

We maintained our strong business momentum in April-June despite the historically challenging economic environment affecting the overall retail market heavily by rising prices and weakened consumer confidence. The pet space has proven to be very resilient in economic downturns. We kept improving both sales and profitability with strong double-digit growth figures and presented a 40% increase in operative cash flow compared to previous year. In addition, we have continuously grown our relative share of new puppies, which have proven to be more valuable customers than the earlier vintages. I am more confident than ever with our strong business model. I want to express my sincere thanks to all our staff for the great commitment.

Group net sales increased by 16% to EUR 95.5 million in the third quarter supported by the continuously increasing number of customers, successful price increases through high loyalty of our customers and the increased number of stores. We added a net 9 directly operated stores during the quarter and altogether 55 directly operated stores during the last 12 months. Both store and online sales showed convincing development - store sales increased by 22.3% to EUR 73.2 million and online sales by 8.6% to EUR 21.6 million.

Gross margin continued the healthy growth increasing to 46.4% from 45.4% a year earlier supported by the increased number of directly operated stores and successful campaign pressure with higher share of own and exclusive products and mitigating inflation with price increases. Adjusted EBITDA increased 21% to EUR 15.6 million in the third quarter as a result of the improved gross margin, growing the network and tighter cost and price control across the business. Adjusted EBITDA margin increased to 16.3% from 15.6% a year earlier.

Overall, Musti Group performed extremely well in the third quarter. We expect to benefit from the strength and breadth of our footprint in our markets with our unique multibrand omnichannel network. I am confident with the strong future performance when the new stores are running with all cylinders.

We are progressing as planned in executing our long-term financial targets for the financial year 2024 and are well placed to withstand continuing challenges in economic environment to support our customers. That is the Musti way forward – to be the trusted partner for pets and their parents. In both favourable and challenging times.

David Rönnerberg,  
CEO



## Financial targets

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

<b>Growth</b>	<b>Net sales to reach at least EUR 500 million</b> by the financial year 2024 <b>by continuation of strong customer acquisition momentum and increasing share of wallet.</b>
<b>Profitability</b>	Mid- to long-term <b>adjusted EBITA margin of at least 13 per cent</b> with <b>steadily improving profile.</b> Margin increase is expected to be realised through steady gross margin and improving operating leverage.
<b>Capital structure</b>	<b>Maintain net debt in relation to adjusted EBITDA below 2.5x</b> in the long term.
<b>Dividend policy</b>	<b>To pay a dividend corresponding to 60-80 per cent of net profit.</b> 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 3.1 billion (in 2020), with Sweden as the largest market, accounting for approximately EUR 1.3 billion, Finland approximately EUR 1.0 billion and Norway approximately EUR 0.9 billion.

"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 behavior. Non-discretionary categories such as food, cat litter and veterinary services make up approximately 75% of total market spend and are characterized by repeat purchasing behavior 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	4-6/2022	4-6/2021	Change %	10/2021-6/2022	10/2020-6/2021	Change %	FY2021
Net sales							
Group	95.5	82.7	15.5%	289.3	249.4	16.0%	340.9
Finland	41.1	36.2	13.3%	125.4	112.4	11.5%	152.6
Sweden	40.6	36.4	11.7%	122.4	107.7	13.7%	147.5
Norway	13.8	10.0	37.6%	41.5	29.3	41.8%	40.7

### April – June 2022

Group net sales increased by 15.5% to EUR 95.5 million (EUR 82.7 million). The increase was largely due to the increasing number of customers together with an increased number of directly operated stores. Like-for-like growth amounted to 8.3% (11.6%). Like-for-like growth was affected by the high number of new directly operated stores. New stores are calculated in the like-for-like growth after they have been operating for 12 months. Weakened SEK exchange rate decreased sales by EUR 0.8 million, whereas strengthened NOK exchange rate increased sales by EUR 0.5 million.

Store sales increased by 22.3% to EUR 73.2 million (EUR 59.9 million), driven by an increased number of stores as we added a net 9 directly operated stores during the quarter to our network and continued like-for-like store sales growth amounting to 6.3% (10.7%). Online sales increased by 8.6% to EUR 21.6 million (EUR 19.9 million). Online sales accounted for 22.6% (24.1%) of total net sales.

Net sales in Finland increased by 13.3% with like-for-like growth of 4.5%. Net sales in Sweden increased by 11.7% with like-for-like growth of 10.3% having a slight handbrake from weakening SEK. During Q3, one directly operated store was opened and five franchise stores were acquired in Sweden. One directly operated store was closed. Net sales in Norway increased by 37.6% with strong like-for-like growth of 15.7% and the ramp-up of the stores opened during the latest twelve months. The strengthened NOK rate compared to Q3 FY21 had a positive impact on growth. During Q3, five directly operated stores were opened in Norway.

The number of loyal customers increased by 12.1% to 1,409 thousand (1,257 thousand on 30 June 2021). Rolling 12 months average spend per loyal customer was EUR 183.3 as per 30 June 2022 (EUR 188.6 as per 30 June 2021).

### October 2021 – June 2022

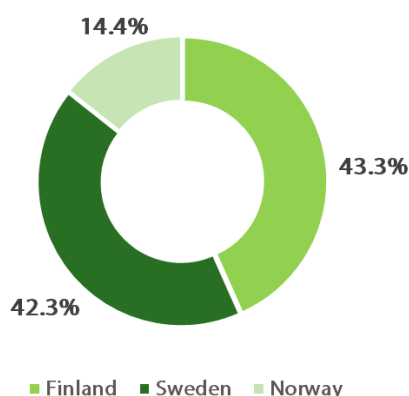
Group net sales increased by 16.0% to EUR 289.3 million (EUR 249.4 million). The increase was largely due to the increasing number of customers together with an increased number of directly operated stores. Like-for-like growth amounted to 7.4% (12.1%). Like-for-like growth was affected by the high number of new directly operated stores. New stores are calculated in the like-for-like growth after they have been operating for 12 months. The weakened SEK exchange rate decreased sales by EUR 2.5 million, whereas the strengthened NOK exchange rate increased sales by EUR 1.6 million.

Store sales increased by 21.6% to EUR 220.8 million (EUR 181.5 million), driven by an increased number of stores as we added net 32 directly operated stores year to date to our network and continued like-for-like store sales growth amounting to 4.8% (9.1%). Online sales increased by 12.1% to EUR 65.3 million (EUR 58.3 million). Online sales accounted for 22.6% (23.4%) of total net sales.

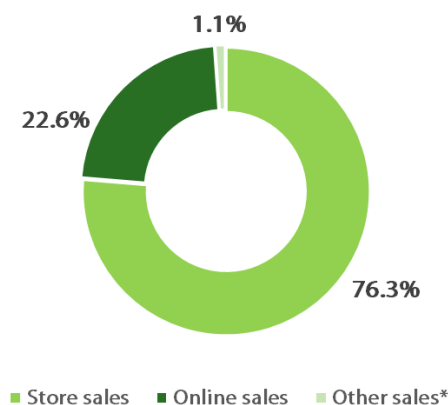
Net sales in Finland increased by 11.5% with like-for-like growth of 3.0%. During the reporting period, six directly operated stores were opened. Net sales in Sweden increased by 13.7% with strong like-for-like growth of 9.9% considering headwind from weakening SEK. During the reporting period, four directly operated stores were opened and 14 franchise stores were acquired in Sweden. Two directly operated stores were closed and one franchise store left the chain. Net sales in Norway increased by 41.8% with very strong like-for-like growth of 15.6% and the ramp-up of the stores opened during the latest twelve months. The strengthened NOK rate compared to FY21 had a positive impact on growth. During the reporting period, eleven directly operated stores were opened in Norway.

The number of loyal customers increased by 12.1% to 1,409 thousand (1,257 thousand on 30 June 2021). Rolling 12 months average spend per loyal customer was EUR 183.3 as per 30 June 2022 (EUR 188.6 as per 30 June 2021).

Net sales by segment 10/2021-6/2022



Net sales by channel 10/2021-6/2022



\*Other sales include franchise fees and wholesale.

## Result

### April – June 2022

Group adjusted EBITA increased by 14.0% to EUR 8.3 million (EUR 7.3 million). Adjusted EBITA improved mainly due to growing our network, improving gross margin and tighter cost and price control. Adjusted EBITA margin was 8.7% (8.8%).

Gross margin increased to 46.4% (45.4%) mainly due to the increased number of directly operated stores and successful campaigning with higher share of own and exclusive products and mitigating inflation with some price increases. The positive development was slightly burdened by increased outbound freight costs. The share of sales of own and exclusive brands increased to 51.9% (49.9%). The share of employee benefit and other operating expenses as percentage of sales remained at 30.9% (30.9%).

Depreciation amounted to EUR 7.3 million (EUR 5.6 million) and amortization amounted to EUR 1.6 million (EUR 1.7 million). Main driver is the growing store network via IFRS 16 impact.

There were no adjustments to EBITA in the reporting period (EUR 0.3 million in the comparison period related to the reorganization of customer services).

Operating profit increased by 27.3% to EUR 6.7 million (EUR 5.3 million) in line with the improved EBITA.

Profit before taxes increased to EUR 6.2 million (EUR 4.9 million). The impact of financial income and expenses (net) on profit before taxes was EUR 0.5 million negative (EUR 0.4 million negative), mainly due to interest expenses on leases. Profit for the period was EUR 4.4 million (EUR 4.1 million) and basic earnings per share was 0.13 (0.12).

### October 2021 – June 2022

Group adjusted EBITA increased by 11.7% to EUR 28.6 million (EUR 25.6 million). The increase was due to strong seasonal sales growth and improved gross margin. Adjusted EBITA margin was 9.9% (10.3%).

Gross margin increased to 46.8% (45.6%) mainly due to increased number of directly operated stores and favorable product mix. The positive development was slightly burdened by increasing freight costs, especially from Asia and outbound freights. The share of sales of own and exclusive brands increased to 52.6% (50.9%). The share of employee benefit and other operating expenses as percentage of sales increased to 31.0% (29.9%) driven by focus on topline growth due to favorable market conditions and still lower efficiency in the central warehouse in Eskilstuna that was driven by both internal and external factors, like congestion in global supply chain and filling up our inventory levels to maintain high availability. During third quarter cost and price development was more favorable.

Depreciation amounted to EUR 20.8 million (EUR 16.0 million) and amortization amounted to EUR 4.8 million (EUR 4.9 million). Main driver is the growing store network via IFRS 16 impact.

Adjustments to EBITA were EUR 1.5 million (EUR 0.9 million). These were mainly related to our end-to-end supply chain development project together with other non-recurring structural changes related costs.

Operating profit increased by 12.9% to EUR 22.3 million (EUR 19.8 million).

Profit before taxes was EUR 19.8 million (EUR 19.3 million). The impact of financial income and expenses (net) on profit before taxes was EUR 2.5 million negative (EUR 0.5 million negative), mainly due to interest expenses on leases. Profit for the period was EUR 15.1 million (EUR 15.7 million) and basic earnings per share was 0.45 (0.47).

Musti Group has been subject to a tax audit of Musti Group Oyj, Musti Group Finland Oy and Musti Group Nordic Oy regarding financial years 2018-2020. Musti Group Oyj has in October 2021 received a tax audit report from the Finnish tax authorities. The tax audit report included subsequent taxes and tax increases amounting to a total of EUR 0.9 million, relating to the VAT deductibility of IPO related costs. Tax and increases of EUR 0.9 million were booked as receivable and paid in November 2021. The company disagrees with the interpretation made in the tax audit. The company has been reassessed in accordance with the interpretations set out in the tax audit report but, the company has filed a claim for adjustment to the Finnish Tax Administration's Assessment Adjustment Board. There were no repercussions of the tax audit for the financial years 2018-2020 of Musti Group Finland Oy's and Musti Group Nordic Oy's.

## Financial position and cash flow

In April-June, net cash flow from operating activities totaled EUR 14.0 million (EUR 10.1 million). Decreased inventories contributed to the cash flow positively. Cash flow used in investing activities amounted to EUR 8.9 million (EUR 7.3 million). Cash and cash equivalents at the end of the period amounted to EUR 2.2 million (30 September 2021: EUR 13.0 million). Total consolidated assets amounted to EUR 356.6 million (30 September 2021: EUR 337.6 million). The increase was due to increased right-of-use assets and property, plant and equipment due to the increased number of stores and increased goodwill driven by business combinations, as well as inventories in stores and the central warehouse.

Equity attributable to owners of the parent company totaled EUR 153.7 million (30 September 2021: EUR 156.9 million). Equity decreased due to capital return to the shareholders. During the third quarter Musti Group acquired no own shares.

Gearing at the end of the reporting period was 90.2% (30 September 2021: 72.2%) and net debt amounted to EUR 138.8 million (30 September 2021: EUR 113.3 million). At the end of the period, the interest-bearing loans included in net debt amounted to EUR 59.9 million (30 September 2021: EUR 49.9 million) and lease liabilities EUR 82.2 million (30 September 2021: EUR 76.5 million).

Musti Group focuses on maintaining sufficient liquidity in the group. In addition to the cash and cash equivalents of EUR 2.2 million at the end of the period, Musti Group had an unutilized EUR 10.0 million credit limit and an undrawn EUR 10.0 million uncommitted revolving credit facility.

During the first quarter of the financial year, Musti Group re-arranged its long-term financing into a new bilateral term loan, full year impact on loan margin savings is approximately EUR 0.5 million.

After the reporting period on 15 July 2022, Musti Group announced it will diversify and strengthen its financing base by establishing a EUR 50 million domestic commercial paper program and signing a new EUR 20 million revolving credit facility.

## Investments

In April-June investments in tangible and intangible assets amounted to EUR 3.3 million (EUR 3.5 million). Investments were mainly related to new and relocated stores, as well as IT and digital platform development projects and warehouse development and maintenance investments. In addition, EUR 5.6 million related to business acquisitions of 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 31% of the total pet food and products market share in 2020. 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 and stores).

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	4-6/2022	4-6/2021	Change %	10/2021-6/2022	10/2020-6/2021	Change %	FY2021
Net sales	41.1	36.2	13.3%	125.4	112.4	11.5%	152.6
Net sales growth, %	13.3%	13.2%		11.5%	12.6%		12.4%
LFL segment sales growth, %	4.5%	10.7%		3.0%	11.1%		10.6%
EBITDA	10.1	10.0	1.2%	32.7	32.5	0.8%	44.4
EBITDA margin, %	24.6%	27.5%		26.1%	28.9%		29.1%
Adjusted EBITDA	10.1	10.0	1.2%	32.8	32.5	0.9%	44.4
Adjusted EBITDA margin, %	24.6%	27.5%		26.1%	28.9%		29.1%
EBITA	7.5	7.9	-5.3%	25.1	26.3	-4.5%	36.0
EBITA margin, %	18.2%	21.8%		20.0%	23.4%		23.6%
Adjusted EBITA	7.5	7.9	-5.3%	25.2	26.3	-4.4%	36.1
Adjusted EBITA margin, %	18.2%	21.8%		20.1%	23.4%		23.7%
Number of stores	140	133	5.3%	140	133	5.3%	134
of which directly operated	140	117	19.7%	140	117	19.7%	134

### April – June 2022

Net sales in Finland increased by 13.3% to EUR 41.1 million (EUR 36.2 million). Sales growth was supported by the stores opened or acquired during the latest 12 months underpinned by healthy inflow of new customers, partly offset by increased uncertainty in the economic environment affecting the consumer behavior. Like-for-like growth was 4.5%. Like-for-like growth was affected by the high number of new directly operated stores. New stores are calculated in the like-for-like growth after they have been operating for 12 months. Building the multibrand omnichannel offering to best serve the customers in all customer groups also caused some overlapping sales.

EBITA decreased by 5.3% to EUR 7.5 million (EUR 7.9 million). Adjusted EBITA decreased by 5.3% to EUR 7.5 million (EUR 7.9 million). Adjusted EBITA margin was 18.2% (21.8%). The decrease in profitability was mainly due to increased personnel and premise costs, weakened store efficiency and some overlapping sales effect from new stores opened.

During Q3, no directly operated stores were opened.

### October 2021 – June 2022

Net sales in Finland increased by 11.5% to EUR 125.4 million (EUR 112.4 million). Sales growth was supported by the stores opened or acquired during the latest 12 months underpinned by healthy inflow of new customers, partly offset by increased uncertainty in the economic environment affecting the consumer behavior in Q2 and Q3. Like-for-like growth was 3.0%. Like-for-like growth was affected by the high number of new directly operated stores. New stores are calculated in the like-for-like growth after they have been operating for 12 months. Building the multibrand omnichannel offering to best serve the customers in all customer groups also caused some overlapping sales.

EBITA decreased by 4.5% to EUR 25.1 million (EUR 26.3 million). Adjusted EBITA decreased by 4.4% to EUR 25.2 million (EUR 26.3 million). Adjusted EBITA margin was 20.1% (23.4%). The decrease in profitability was mainly due to increased personnel costs and weakened store efficiency.

During the reporting period, six directly operated stores were opened.

### Sweden

In Sweden, Musti Group's focus is on further expansion and increasing efficiency. Musti, through its multiple brands, is the overall market leader with a combined 31% market share (2020). Through VetZoo Musti Group has a strong online presence in Sweden. 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, the focus is on enhancing the presence in big cities. 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	4-6/2022	4-6/2021	Change %	10/2021-6/2022	10/2020-6/2021	Change %	FY2021
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Net sales	40.6	36.4	11.7%	122.4	107.7	13.7%	147.5
Net sales growth, %	11.7%	20.7%		13.7%	19.9%		19.7%
LFL segment sales growth, %	10.3%	10.2%		9.9%	8.8%		9.2%
EBITDA	9.0	6.7	33.8%	28.1	20.3	38.0%	29.7
EBITDA margin, %	22.2%	18.6%		22.9%	18.9%		20.2%
Adjusted EBITDA	9.0	6.8	33.2%	28.1	20.7	35.4%	30.1
Adjusted EBITDA margin, %	22.2%	18.7%		22.9%	19.3%		20.4%
EBITA	6.3	4.5	41.5%	20.4	14.2	44.3%	21.4
EBITA margin, %	15.6%	12.3%		16.7%	13.2%		14.5%
Adjusted EBITA	6.3	4.5	40.4%	20.4	14.6	40.4%	21.7
Adjusted EBITA margin, %	15.6%	12.4%		16.7%	13.5%		14.7%
Number of stores	128	127	0.8%	128	127	0.8%	128
of which directly operated	111	92	20.7%	111	92	20.7%	96

### April – June 2022

Net sales in Sweden increased by 11.7% to EUR 40.6 million (EUR 36.4 million) driven by improved like-for-like growth of 10.3% and new stores opened or acquired. Store sales were strong in Q3. The weakened SEK exchange rate decreased sales by EUR 0.8 million in Q3, whereas in the comparison period the impact of SEK exchange rate was positive.

EBITA increased by 41.5% to EUR 6.3 million (EUR 4.5 million). Adjusted EBITA increased by 40.4% to EUR 6.3 million (EUR 4.5 million). The increase was a result of operating leverage and growing sales. Store efficiency continued to be on a good level. Adjusted EBITA margin increased to 15.6% (12.4%).

During Q3, one directly operated store was opened and five franchise stores were acquired in Sweden. One directly operated store was closed.

### October 2021 – June 2022

Net sales in Sweden increased by 13.7% to EUR 122.4 million (EUR 107.7 million) driven by improved like-for-like growth of 9.9% and new stores opened or acquired. The sales growth was strong in both stores and online, driven by the increased number of customers. The weakened SEK exchange rate decreased sales by EUR 2.5 million.

EBITA increased by 44.3% to EUR 20.4 million (EUR 14.6 million). Adjusted EBITA increased by 40.4% to EUR 20.4 million (EUR 14.6 million). The increase was a result of operating leverage and growing sales. Store efficiency continued to be on a good level. Adjusted EBITA margin increased to 16.7% (13.5%).

During the reporting period, four directly operated stores were opened and 14 franchise stores were acquired in Sweden. Two directly operated stores were closed and one franchise store left the chain.

### 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 11% of the total pet food and products market in 2020. 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	4-6/2022	4-6/2021	Change %	10/2021-6/2022	10/2020-6/2021	Change %	FY2021
Net sales	13.8	10.0	37.6%	41.5	29.3	41.8%	40.7
Net sales growth, %	37.6%	51.9%		41.8%	63.7%		60.6%
LFL segment sales growth, %	15.7%	21.0%		15.6%	33.5%		30.0%
EBITDA	3.8	2.5	53.8%	10.9	7.3	49.3%	10.0
EBITDA margin, %	27.6%	24.7%		26.3%	25.0%		24.5%

Adjusted EBITDA	3.8	2.5	53.8%	10.9	7.3	48.8%	10.0
Adjusted EBITDA margin, %	27.6%	24.7%		26.3%	25.1%		24.6%
EBITA	2.6	1.6	59.5%	7.6	5.0	52.0%	6.7
EBITA margin, %	18.9%	16.3%		18.3%	17.0%		16.5%
Adjusted EBITA	2.6	1.6	59.5%	7.6	5.0	51.2%	6.8
Adjusted EBITA margin, %	18.9%	16.3%		18.3%	17.1%		16.6%
Number of stores	61	48	27.1%	61	48	27.1%	50
of which directly operated	61	48	27.1%	61	48	27.1%	50

## April – June 2022

Net sales in Norway increased by 37.6% to EUR 13.8 million (EUR 10.0 million), driven by like-for-like growth of 15.7% in line with the trend exhibited in earlier quarters, and ramp-up of the stores opened during the latest twelve months. The strengthened NOK exchange rate in Q3 had a EUR 0.5 million positive impact on net sales.

EBITA increased by 59.5% and adjusted EBITA by 59.5% to EUR 2.6 million (EUR 1.6 million). The increase 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 and latest vintages are developing faster towards maturity than before. EBITA was somewhat burdened by salary inflation and increased premise costs compared year on year. Store efficiency was at a good level. Adjusted EBITA margin was 18.9 (16.3%).

During Q3, five directly operated stores were opened in Norway.

## October 2021 – June 2022

Net sales in Norway increased by 41.8% to EUR 41.5 million (EUR 29.3 million), driven by like-for-like growth of 15.6%. The strengthened NOK exchange rate in the reporting period had a EUR 1.6 million positive impact on net sales.

EBITA increased by 52.0% and adjusted EBITA by 51.2% to EUR 7.6 million (EUR 5.0 million). The increase 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 and latest vintages are developing faster towards maturity than before. EBITA was somewhat burdened by salary inflation and increased premise cost compared to the corresponding period previous year. Adjusted EBITA margin was 18.3% (17.1%).

During the reporting period, 11 directly operated stores were opened in Norway.

## Group functions

### April – June 2022

The EBITA impact of the Group functions was EUR -8.1 million (EUR -7.1 million). Adjusted EBITA was EUR -8.1 million (EUR -6.8 million). The increase was mainly resulting from focusing on growth to utilize the strong momentum and to develop an ecosystem for pet parents to further increase attractiveness and customer loyalty. Group functions cost in relation to group net sales was 8.5% (8.2%).

### October 2021 – June 2022

The EBITA impact of Group functions was EUR -26.0 million (EUR -20.8 million). Adjusted EBITA was EUR -25.6 million (EUR -20.3 million). The increase was mainly resulting from focusing on growth to utilize the strong momentum and to develop an ecosystem for pet parents to further increase attractiveness and customer loyalty. Group functions cost in relation to group net sales was 8.5% (8.1%).

## Personnel

At the end of the reporting period on 30 June 2022, the number of personnel was 1,668 (1,318), of whom 706 (578) were employed in Finland, 702 (553) in Sweden and 261 (187) in Norway.

## Changes in Group composition

There were no changes in Group composition during October 2021 – June 2022.

## Changes in Group management

On 16 November Musti Group announced that Tobias Nilsson Vo, Chief Supply Officer and member of the Management Team of Musti Group, will leave the company at the end of year 2021.

On 4 March 2022 Musti Group announced changes in the Group Management Team. The following changes were announced:

Timo Tervo, member of the Group Management Team and Country Director, Finland had resigned from his position in Musti Group. Tervo's last working day at Musti Group is 30 June 2022 and he was a member of the Group Management Team until 31 March 2022.

Daniel Pettersson was appointed as Head of Sweden and Finland (previously Country Director, Sweden). In his expanded role, Pettersson is responsible for management and the ongoing development of the company's store operations in Sweden and Finland commencing 1 April 2022.

Erik Ringen Skjærstad was appointed as Head of Norway and new markets (previously Country Director, Norway). In his expanded role, Ringen Skjærstad is responsible for the continuing development of Musti Group's business in Norway as well as leading the development of new initiatives in support of Musti Group's growth aspirations commencing 1 April 2022.

Annamaija Hujala was appointed as Head of Pureplay and member of the Group Management Team (previously Managing Director, Peten Koiratarvike). In her expanded role, Hujala is responsible for the management and continuing development of the pureplay online business groupwide commencing 1 April 2022.

On 10 June 2022 Musti Group announced, that Pamela Nelimarkka has been appointed Musti Group's Chief Operating Officer as of 9 September 2022, to head the sales and operations process, sourcing and the end-to-end supply chain in Musti Group. She will be a member of the Group Management Team and report to CEO David Rönnerberg

## Governance

### Annual General Meeting

Musti Group plc's Annual General Meeting was held on 27 January 2022 at 3:00 p.m. at the company's headquarters in Helsinki, Finland. Shareholders and their proxy representatives could participate in the Annual General Meeting and exercise shareholder rights only through advance voting 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 procedure for the meeting based on the legislative act concerning temporary deviations from the Finnish Companies Act approved by the Finnish Parliament.

The documents of the Annual General Meeting held on 27 January 2022 are available at [www.mustigroup.com/agm](http://www.mustigroup.com/agm).

## Shares and shareholders

### Share capital

At the end of the reporting period on 30 June 2022, 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 23.84 on the first trading day of the third quarter on 1 April 2022. The closing price of the share on the last trading day of the reporting period on 30 June 2022 was EUR 17.04. The highest price of the share during April – June 2022 was EUR 24.42; the lowest EUR 15.13 and the average closing price was EUR 19.59. Share turnover on Nasdaq Helsinki during April 2022 – June 2022 was approximately 4.47 million shares.

Musti Group's market capitalization was EUR 571 million on 30 June 2022.

### Own shares

On 30 June 2022 Musti Group held 244,000 (0) own shares representing 0.73% (0.00%) of the total number of shares and votes. During the reporting period Musti Group did not purchase own shares.

### Authorizations of the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the company's own shares and/or on the acceptance as pledge of the company's own shares as follows. The number 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 the shares in the company. 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 in the company.

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 cancelled the authorization given by the Annual General Meeting held on 21 January 2021 to decide on the repurchase of 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 27 July 2023.

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 number 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 the shares in the company. The authorization covers both the issuance of new shares as well as the transfer of treasury 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 cancelled the authorization given by the Annual General Meeting held on 21 January 2021 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 27 July 2023.

## Shareholders and flagging notifications

At the end of the reporting period, the number of registered shareholders was 11,702. The proportion of nominee-registered shareholders was 69.20% of the company's shares. The 20 largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 23.22% of Musti Group's shares and votes at the end of the reporting period.

During October 2021 - June 2022, Musti Group received the following announcements under Chapter 9, Section 5 of the Securities Markets Act:

- On 9 December 2021 Musti Group plc received a notification in accordance with Chapter 9, Section 10 of the Finnish Securities Market Act, according to which the total direct and indirect holdings of Ameriprise Financial, Inc. had on 9 December 2021 increased above 5 percent of the company's shares and votes. According to the notification, the shares are held in portfolios and funds managed on a discretionary basis by Threadneedle Asset Management Limited, and the shares are held through certain nominee companies.
- On 15 February 2022 Musti Group plc received a notification in accordance with Chapter 9, Section 10 of the Finnish Securities Market Act, according to which the total direct and indirect holdings of Grandeur Peak Global Advisors, LLC had on 15 February 2022 increased above 5 percent of the company's shares and votes.
- On 9 March 2022 Musti Group plc received a notification in accordance with Chapter 9, Section 10 of the Finnish Securities Market Act, according to which the total direct and indirect holdings of Ameriprise Financial, Inc. had on 9 March 2022 decreased below 5 percent of the company's shares and votes. According to the notification, the shares are held in portfolios and funds managed on a discretionary basis by Threadneedle Asset Management Limited, and the shares are held through certain nominee companies.

A list of the largest registered shareholders is available on the company's website at [www.mustigroup.com/investors](http://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 <https://www.mustigroup.com/releases-and-publications/>.

## 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 presented 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 the 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 30 June 2022, 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.

In the performance period FY2022-2024, the plan has 37 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 FY2022-2024 is approximately 104,400 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 FY2022-2024 will be paid out during autumn of 2024.

## 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 has built a strong responsibility foundation and key performance indicators to measure the results and revises responsibility program and targets regularly as part of a continuous improvement to stay relevant in the responsibility work.

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, reducing 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 regarding responsible business practices. Following the Musti Group Supplier Code of Conduct and all national laws and regulations is imperative. The company is conducting visits to the supplier sites in Europe, also the BSCI visits the company's supplier sites in high-risk countries. 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 in high-risk countries 100 % of our tier one suppliers have been audited.

Musti Group's Non-Financial Information Report for the financial year 2021 was published on 17 December 2021 together with the Financial Statements and the Board of Directors' report and is available at <https://www.mustigroup.com/investors/reports-and-presentations/>.

On 8 June 2022 Musti Group published updated responsibility approach and targets. The updated targets are available at <https://www.mustigroup.com/responsibility/responsibility-targets/>.

## Risk 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 published on 17 December 2021 which is available at <https://www.mustigroup.com/investors/reports-and-presentations/>.

## Seasonality

Musti Group's business is characterized 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 significant events after the reporting period.

## Financial calendar

Musti Group's Financial Statements Release for October 2021 – September 2022 will be published on 8 November 2022.

## Webcast for analysts and media

A webcast for analysts and media will be arranged on 9 August 2022 at 14:00 EEST. The event will be held in English. The report will be presented by CEO David Rönnerberg and CFO Toni Rannikko.

The webcast can be followed at <https://mustigroup.videosync.fi/2022-q3-results>. A recording of the webcast will be available later at the company's website at [www.mustigroup.com/investors/reports-and-presentations/](https://www.mustigroup.com/investors/reports-and-presentations/).

The telephone conference can be attended by calling:

Finland: +358 9 81 710 310  
Sweden: +46 856 642 651  
UK: +44 3 333 000 804  
US: +1 6319131422

The participants will be asked to provide the following PIN code: 87066365#

Helsinki, 9 August 2022

Board of Directors

The information in this Interim Report is unaudited.

#### Further Information:

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## Condensed financial information

### Condensed consolidated statement of income

EUR thousand	1 Apr 2022 - 30 Jun 2022	1 Apr 2021 - 30 Jun 2021	1 Oct 2021 - 30 Jun 2022	1 Oct 2020 - 30 Jun 2021	1 Oct 2020 - 30 Sep 2021
<b>Net sales</b>	<b>95,502</b>	<b>82,651</b>	<b>289,275</b>	<b>249,388</b>	<b>340,856</b>
Other operating income	614	553	1,996	1,517	2,270
Share of profit of a joint venture	115	-20	205	-20	30
Materials and services	-51,143	-45,095	-153,817	-135,593	-185,239
Employee benefit expenses	-18,558	-15,204	-54,999	-45,412	-61,828
Other operating expenses	-10,974	-10,347	-34,786	-29,175	-39,147
Depreciation, amortisation and impairment	-8,837	-7,256	-25,535	-20,926	-28,565
<b>Operating profit</b>	<b>6,720</b>	<b>5,281</b>	<b>22,339</b>	<b>19,779</b>	<b>28,377</b>
Financial income and expenses, net	-495	-356	-2,519	-503	-1,495
<b>Profit before taxes</b>	<b>6,225</b>	<b>4,925</b>	<b>19,820</b>	<b>19,276</b>	<b>26,882</b>
Income tax expense	-1,798	-792	-4,760	-3,571	-5,988
<b>Profit/loss for the period</b>	<b>4,427</b>	<b>4,133</b>	<b>15,060</b>	<b>15,705</b>	<b>20,895</b>
<b>Attributable to:</b>					
Owners of the parent	4,425	4,131	15,046	15,692	20,872
Non-controlling interest	2	2	15	13	23
<b>Earnings per share (EUR) for profit attributable to owners of the parent</b>					
Basic EPS (EUR)	0.13	0.12	0.45	0.47	0.62
Diluted EPS (EUR)	0.13	0.12	0.45	0.47	0.62

### Consolidated statement of comprehensive income

Profit/loss for the period	4,427	4,133	15,060	15,705	20,895
<b>Other comprehensive income</b>					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences	-3,924	387	-4,672	1,349	1,138
Other comprehensive income, net of tax	-3,924	387	-4,672	1,349	1,138
<b>Total comprehensive income</b>	<b>503</b>	<b>4,519</b>	<b>10,389</b>	<b>17,054</b>	<b>22,033</b>
<b>Attributable to:</b>					
Owners of the parent	501	4,518	10,387	17,041	22,006
Non-controlling interest	2	2	15	13	27



# Consolidated statement of financial position

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	167,889	153,703	157,831
Other intangible assets	17,571	19,385	18,705
Right-of-use assets	77,606	71,531	71,745
Property, plant and equipment	18,614	14,855	15,759
Investments in joint ventures	1,195	940	990
Deferred tax assets	4,183	7,978	5,008
Other non-current receivables	108	122	109
<b>Total non-current assets</b>	<b>287,166</b>	<b>268,513</b>	<b>270,148</b>
<b>Current assets</b>			
Inventories	56,408	40,241	44,297
Trade and other receivables	9,136	7,599	9,322
Loan receivables	0	0	0
Derivative financial instruments	1,085	372	484
Income tax receivables	537	400	281
Cash and cash equivalents	2,243	13,508	13,013
<b>Total current asset</b>	<b>69,409</b>	<b>62,120</b>	<b>67,397</b>
<b>TOTAL ASSETS</b>	<b>356,575</b>	<b>330,633</b>	<b>337,545</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	11,002	11,002	11,002
Other reserves	140,043	154,691	154,691
Treasury shares	-6,910	-4,948	-6,910
Translation differences	-3,684	1,189	975
Retained earnings	13,279	-8,790	-2,891
<b>Profit for the period</b>	<b>153,729</b>	<b>153,144</b>	<b>156,867</b>
Total equity attributable to owners of the parent	119	101	110
<b>Equity attributable to non-controlling interest</b>	<b>153,849</b>	<b>153,245</b>	<b>156,977</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans from credit institutions	59,880	49,849	49,872
Lease liability	59,248	57,827	56,713
Deferred tax liabilities	2,759	2,219	2,684
Other non-current interest-bearing liabilities	0	28	14
<b>Total non-current liabilities</b>	<b>121,887</b>	<b>109,923</b>	<b>109,283</b>
<b>Current liabilities</b>			
Loans from credit institutions	0	0	0
Lease liability	22,970	18,418	19,759
Trade and other payables	53,235	43,076	46,827
Derivative financial instruments	67	564	441
Income tax liabilities	4,567	5,373	4,257
Provisions	0	34	0
<b>Total current liabilities</b>	<b>80,839</b>	<b>67,465</b>	<b>71,285</b>
<b>Total liabilities</b>	<b>202,726</b>	<b>177,388</b>	<b>180,567</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>356,575</b>	<b>330,633</b>	<b>337,545</b>

# Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total		
<b>Equity at 1 Oct 2021</b>	<b>11,002</b>	<b>154,691</b>	<b>-6,910</b>	<b>975</b>	<b>-2,890</b>	<b>156,867</b>	<b>110</b>	<b>153,279</b>
Profit/loss for the period					15,046	15,046	15	15,060
Translation differences				-4,658		-4,658	-13	-4,672
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,658</b>	<b>15,046</b>	<b>10,387</b>	<b>2</b>	<b>10,389</b>
	0				0	0	0	
Capital return		-14,648				-14,648		-14,648
Dividends						0	-15	-15
Share-based incentive plan			0		1,125	1,125		1,125
Other changes						0	21	21
<b>Equity at 30 Jun 2022</b>	<b>11,002</b>	<b>140,043</b>	<b>-6,910</b>	<b>-3,684</b>	<b>13,281</b>	<b>153,731</b>	<b>118</b>	<b>153,849</b>

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total		
<b>Equity at 1 Oct 2020</b>	<b>11,002</b>	<b>167,412</b>	<b>0</b>	<b>-159</b>	<b>-25,132</b>	<b>153,122</b>	<b>157</b>	<b>153,279</b>
Profit/loss for the period					15,692	15,692	13	15,705
Translation differences				1,349		1,349	5	1,353
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,349</b>	<b>15,692</b>	<b>17,041</b>	<b>17</b>	<b>17,058</b>
Capital return		-12,720				-12,720		-12,720
Dividends							-74	-74
Acquisition of own shares			-4,948			-4,948		-4,948
Share-based incentive plan					650	650		650
<b>Equity at 30 Jun 2021</b>	<b>11,002</b>	<b>154,691</b>	<b>-4,948</b>	<b>1,189</b>	<b>-8,790</b>	<b>153,145</b>	<b>101</b>	<b>153,245</b>

# Consolidated statement of cash flows

	1 Apr 2022 - 30 Jun 2022	1 Apr 2021 - 30 Jun 2021	1 Oct 2021 - 30 Jun 2022	1 Oct 2020 - 30 Jun 2021	1 Oct 2020 - 30 Sep 2021
EUR thousand					
<b>Cash flows from operating activities</b>					
Profit before income taxes	6,225	4,925	19,820	19,276	26,882
Adjustments					
Depreciation, amortisation and impairment	8,837	7,256	25,535	20,926	28,565
Financial income and expenses, net	495	356	2,519	503	1,495
Other adjustments	-265	202	849	210	1,466
Cash flows before changes in working capital	15,293	12,739	48,724	40,915	58,409
Change in working capital					
Increase (-) / decrease (+) in trade and other receivables	941	-425	186	-1,080	-2,782
Increase (-) / decrease (+) in inventories	1,757	1,763	-11,636	-3,344	-6,653
Increase (+) / decrease (-) in trade and other payables	-806	-3,910	-981	2,631	5,269
Cash flows from operating activities before financial items and taxes	17,186	10,167	36,293	39,122	54,243
Income taxes paid	-3,155	-114	-3,758	820	706
<b>Net cash from operating activities</b>	<b>14,030</b>	<b>10,053</b>	<b>32,535</b>	<b>39,942</b>	<b>54,950</b>
<b>Cash flows from investing activities</b>					
Investments in tangible and intangible assets	-3,338	-3,488	-11,562	-9,690	-12,878
Acquisition of subsidiaries and business acquisitions, net of cash acquired	-5,567	-3,873	-14,502	-6,304	-10,330
Disposal of subsidiaries	0	91	0	91	0
Increase/decrease in non-current receivables	0	8	0	230	230
Increase/decrease in loan receivables	0	0	0	10	10
<b>Net cash from investing activities</b>	<b>-8,905</b>	<b>-7,262</b>	<b>-26,064</b>	<b>-15,664</b>	<b>-22,969</b>
<b>Cash flows from financing activities</b>					
Capital returns paid	0	0	-7,316	-12,720	-12,720
Dividends paid	-15	0	-15	-75	-75
Acquisition of own shares	0	-1,902	0	-4,948	-6,910
Proceeds from non-current loans	0	0	60,000	0	0
Repayments of non-current loans	0	0	-50,000	0	0
Repayments of lease liabilities	-5,744	-4,441	-16,290	-12,615	-17,297
Interest and other financial expenses paid	-2,038	-1,148	-5,435	-3,918	-5,190
Interest and other finance income received	503	604	1,815	1,901	1,620
<b>Net cash flow from financing activities</b>	<b>-7,293</b>	<b>-6,887</b>	<b>-17,241</b>	<b>-32,376</b>	<b>-40,573</b>
<b>Net change in cash and cash equivalents</b>	<b>-2,167</b>	<b>-4,096</b>	<b>-10,770</b>	<b>-8,098</b>	<b>-8,592</b>
Cash and cash equivalents at the beginning of the period	4,411	17,604	13,013	21,606	21,606
<b>Cash and cash equivalents at end of the period</b>	<b>2,243</b>	<b>13,508</b>	<b>2,243</b>	<b>13,508</b>	<b>13,013</b>

## **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 2021 – 30 June 2022 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and the accounting principles applied in the financial statements release are the same as in the financial statement of 2021. The translation differences arising from subsidiary net investments and non-current subsidiary loans without agreed settlement dates are recognized through Other Comprehensive Income (OCI) to cumulative translation adjustments under equity. The Group classified certain intercompany loans as net investments in the second quarter of financial year 2022 and the translation differences arising from them are recorded in OCI.

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 judgements**

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 financial statements release.

### **Key accounting considerations related to COVID-19 and the war in Ukraine**

The Group's management has assessed the impacts of COVID-19 and the war in Ukraine in the business. The war does not have a direct impact on the business as the Group does not have business or suppliers in Russia or in Ukraine. The indirect impacts of the war include turbulence in global supply chain and risk on inbound delivery times as well as declining consumer confidence.

The management has also reviewed the carrying values of the balance sheet items, the review did not indicate need for asset impairments.



## Segments

### 4-6/2022

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	41,064	40,635	13,804	0	95,502
% split of net sales between segment	43%	43%	14%	0%	100%
<b>EBITDA</b>	<b>10,109</b>	<b>9,034</b>	<b>3,809</b>	<b>-7,394</b>	<b>15,558</b>
Adjustments	0	0	0	0	0
<b>Adjusted EBITDA</b>	<b>10,109</b>	<b>9,034</b>	<b>3,809</b>	<b>-7,394</b>	<b>15,558</b>
Depreciation and impairment of right-of use assets and tangible assets	-2,634	-2,698	-1,195	-734	-7,261
<b>EBITA</b>	<b>7,475</b>	<b>6,336</b>	<b>2,615</b>	<b>-8,129</b>	<b>8,297</b>
Adjustments	0	0	0	0	0
<b>Adjusted EBITA</b>	<b>7,475</b>	<b>6,336</b>	<b>2,615</b>	<b>-8,129</b>	<b>8,297</b>
Amortization and impairment of intangible assets					-1,576
<b>Operating profit</b>					<b>6,720</b>
Financial income and expenses, net					-495
<b>Profit before taxes</b>					<b>6,225</b>
Income tax expense					-1,798
<b>Profit/loss for the period</b>					<b>4,427</b>

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

### 4/2021-6/2021

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	36,245	36,372	10,034	0	82,651
% split of net sales between segment	44%	44%	12%	0%	100%
<b>EBITDA</b>	<b>9,985</b>	<b>6,750</b>	<b>2,476</b>	<b>-6,673</b>	<b>12,537</b>
Adjustments	0	34	0	309	343
<b>Adjusted EBITDA</b>	<b>9,985</b>	<b>6,784</b>	<b>2,476</b>	<b>-6,364</b>	<b>12,880</b>
Depreciation and impairment of right-of use assets and tangible assets	-2,089	-2,272	-837	-406	-5,604
<b>EBITA</b>	<b>7,896</b>	<b>4,477</b>	<b>1,639</b>	<b>-7,079</b>	<b>6,933</b>
Adjustments	0	34	0	309	343
<b>Adjusted EBITA</b>	<b>7,896</b>	<b>4,511</b>	<b>1,639</b>	<b>-6,770</b>	<b>7,276</b>
Amortization and impairment of intangible assets					-1,652
<b>Operating profit</b>					<b>5,281</b>
Financial income and expenses, net					-356
<b>Profit before taxes</b>					<b>4,925</b>
Income tax expense					-792
<b>Profit/loss for the period</b>					<b>4,133</b>

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

**10/2021-6/2022**

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	125,361	122,410	41,505	0	289,275
% split of net sales between segment	43%	42%	14%	0%	100%
<b>EBITDA</b>	<b>32,727</b>	<b>28,085</b>	<b>10,924</b>	<b>-23,860</b>	<b>47,875</b>
Adjustments	39	0	0	1,424	1,463
<b>Adjusted EBITDA</b>	<b>32,766</b>	<b>28,085</b>	<b>10,924</b>	<b>-22,436</b>	<b>49,338</b>
Depreciation and impairment of right-of use assets and tangible assets	-7,600	-7,649	-3,341	-2,157	-20,748
<b>EBITA</b>	<b>25,127</b>	<b>20,435</b>	<b>7,582</b>	<b>-26,017</b>	<b>27,127</b>
Adjustments	39	0	0	1,424	1,463
<b>Adjusted EBITA</b>	<b>25,166</b>	<b>20,435</b>	<b>7,582</b>	<b>-24,594</b>	<b>28,590</b>
Amortization and impairment of intangible assets					-4,788
<b>Operating profit</b>					<b>22,339</b>
Financial income and expenses, net					-2,519
<b>Profit before taxes</b>					<b>19,820</b>
Income tax expense					-4,760
<b>Profit/loss for the period</b>					<b>15,060</b>

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

**10/2020-6/2021**

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	112,439	107,670	29,279	0	249,388
% split of net sales between segment	45%	43%	12%	0%	100%
<b>EBITDA</b>	<b>32,464</b>	<b>20,346</b>	<b>7,316</b>	<b>-19,420</b>	<b>40,705</b>
Adjustments	0	389	26	534	950
<b>Adjusted EBITDA</b>	<b>32,465</b>	<b>20,735</b>	<b>7,342</b>	<b>-18,887</b>	<b>41,655</b>
Depreciation and impairment of right-of use assets and tangible assets	-6,142	-6,183	-2,326	-1,419	-16,069
<b>EBITA</b>	<b>26,322</b>	<b>14,162</b>	<b>4,990</b>	<b>-20,839</b>	<b>24,636</b>
Adjustments	0	389	26	534	950
<b>Adjusted EBITA</b>	<b>26,323</b>	<b>14,552</b>	<b>5,016</b>	<b>-20,305</b>	<b>25,585</b>
Amortization and impairment of intangible assets					-4,856
<b>Operating profit</b>					<b>19,779</b>
Financial income and expenses, net					-503
<b>Profit before taxes</b>					<b>19,276</b>
Income tax expense					-3,571
<b>Profit/loss for the period</b>					<b>15,705</b>

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

**FY2021**

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	152,616	147,511	40,730	0	<b>340,856</b>
% split of net sales between segment	45%	43%	12%	0%	100%
<b>EBITDA</b>	<b>44,375</b>	<b>29,729</b>	<b>9,974</b>	<b>-27,135</b>	<b>56,942</b>
Adjustments	48	389	26	1,428	1,892
<b>Adjusted EBITDA</b>	<b>44,424</b>	<b>30,118</b>	<b>10,000</b>	<b>-25,707</b>	<b>58,834</b>
Depreciation and impairment of right-of use assets and tangible assets	-8,326	-8,376	-3,247	-2,101	-22,049
<b>EBITA</b>	<b>36,050</b>	<b>21,352</b>	<b>6,727</b>	<b>-29,236</b>	<b>34,893</b>
Adjustments	48	389	26	1,428	1,892
<b>Adjusted EBITA</b>	<b>36,098</b>	<b>21,741</b>	<b>6,753</b>	<b>-27,808</b>	<b>36,785</b>
Amortization and impairment of intangible assets					-6,516
<b>Operating profit</b>					<b>28,377</b>
Financial income and expenses, net					-1,495
<b>Profit before taxes</b>					<b>26,882</b>
Income tax expense					-5,988
<b>Profit/loss for the period</b>					<b>20,895</b>

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

## Business combinations

During the period 1 October 2021 – 30 June 2022 Musti Group acquired 14 pet stores in Sweden as business acquisitions. The total purchase price of the stores was approximately EUR 13.9 million and the resulting goodwill EUR 13.7 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 6.6 million and increased operating profit by EUR 1.1 million for the period 1 October 2021 – 30 June 2022. The effect on the Group's net sales would have been approximately EUR 11.8 million and on the operating profit EUR 2.0 million for the period ended 30 June 2022 if the acquisitions had been consolidated from the beginning of the financial year.

## Personnel

	30 Jun 2022	30 Jun 2021	30 Sep 2021
Personnel on average	1,493	1,256	1,283
Personnel at the end of period	1,668	1,318	1,397

## 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.

## The following transactions were carried out with joint ventures

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
Purchases of goods and services	921	2,139	3,476
Receivables	76	76	76
Payables	119	57	160
Other receivables	150	0	150
Guarantees given on behalf of joint ventures	5,177	3,000	2,929

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.

## Goodwill, intangible assets and property, plant and equipment

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
<b>Cost at the beginning of the period</b>	<b>192,294</b>	<b>177,218</b>	<b>177,218</b>
Amortization, depreciation and impairment	-9,300	-8,033	-10,931
Additions	25,528	16,336	23,509
Disposals and closing of stores	-66	-124	-124
Exchange rate differences	-4,384	2,546	2,621
<b>Cost at the end of the period</b>	<b>204,072</b>	<b>187,943</b>	<b>192,294</b>



## Leases

### Right-of-use assets

EUR thousand	Buildings and structures	Machinery and equipment	Total
<b>30 Jun 2022</b>			
<b>Cost at the beginning of the reporting period</b>	<b>71,225</b>	<b>520</b>	<b>71,745</b>
New contracts	18,446	223	18,669
Contracts terminated prematurely	-194	-56	-250
Revaluations and modifications	5,856	-88	5,769
Exchange rate differences	-2,181	-17	-2,198
Depreciation	-16,041	-87	-16,128
<b>Cost at the end of the reporting period</b>	<b>77,111</b>	<b>495</b>	<b>77,606</b>

EUR thousand	Buildings and structures	Machinery and equipment	Total
<b>30 Jun 2021</b>			
<b>Cost at the beginning of the reporting period</b>	<b>61,516</b>	<b>498</b>	<b>62,014</b>
New contracts	8,094	192	8,286
Contracts terminated prematurely	-1,275	-4	-1,279
Revaluations and modifications	13,229	15	13,244
Exchange rate differences	2,117	21	2,138
Depreciation	-12,690	-183	-12,872
<b>Cost at the end of the reporting period</b>	<b>70,992</b>	<b>539</b>	<b>71,531</b>

EUR thousand	Buildings and structures	Machinery and equipment	Total
<b>30 Sep 2021</b>			
<b>Cost at the beginning of the reporting period</b>	<b>61,516</b>	<b>498</b>	<b>62,014</b>
New contracts	13,140	203	13,343
Contracts terminated prematurely	-1,274	-4	-1,278
Revaluations and modifications	13,286	56	13,342
Exchange rate differences	1,925	18	1,943
Depreciation	-17,370	-251	-17,620
<b>Cost at the end of the reporting period</b>	<b>71,225</b>	<b>520</b>	<b>71,745</b>

### Lease liability

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
<b>Lease liability at the beginning of the reporting period</b>	<b>76,472</b>	<b>66,494</b>	<b>66,494</b>
Net increases	21,896	22,459	27,385
Rent expenses	-17,838	-14,412	-19,679
Interest expense	1,687	1,704	2,272
<b>Lease liability at the end of the reporting period</b>	<b>82,218</b>	<b>76,245</b>	<b>76,472</b>

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
Non-current lease liability	59,248	57,827	56,713
Current lease liability	22,970	18,418	19,759
<b>Total</b>	<b>82,218</b>	<b>76,245</b>	<b>76,472</b>

## Lease contracts in the income statement

EUR thousand	1 Apr 2022 - 30 Jun 2022	1 Apr 2021 - 30 Jun 2021	1 Oct 2021 - 30 Jun 2022	1 Oct 2020 - 30 Jun 2021	1 Oct 2020 - 30 Sep 2021
Expenses from short-term and rental agreements with minor value and variable rental costs not included in lease liability	-533	-305	-1,083	-1,116	-1,470
Depreciation of right-of-use assets	-5,652	-4,450	-16,256	-12,872	-17,620
Interest expenses from lease liability	-559	-578	-1,687	-1,704	-2,272
<b>Total</b>	<b>-6,745</b>	<b>-5,333</b>	<b>-19,026</b>	<b>-15,692</b>	<b>-21,362</b>

## Financial assets and liabilities

### Financial assets

	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand						
<b>30 Jun 2022</b>						
<b>Non-current assets</b>						
Other non-current assets			108	108	108	Level 2
<b>Total</b>			<b>108</b>	<b>108</b>	<b>108</b>	
<b>Current assets</b>						
Trade and other receivables			2,951	2,951	2,951	Level 2
Loan receivables			0	0	0	Level 2
Derivative financial instruments	1,085			1,085	1,085	Level 2
Cash and cash equivalents			2,243	2,243	2,243	Level 2
<b>Total</b>	<b>1,085</b>		<b>5,195</b>	<b>6,280</b>	<b>6,280</b>	
<b>Financial assets, total</b>	<b>1,085</b>		<b>5,302</b>	<b>6,388</b>	<b>6,388</b>	

	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand						
<b>30 Jun 2021</b>						
<b>Non-current assets</b>						
Other non-current assets			122	122	122	Level 2
<b>Total</b>			<b>122</b>	<b>122</b>	<b>122</b>	
<b>Current assets</b>						
Trade and other receivables			3,661	3,661	3,661	Level 2
Loan receivables			0	0	0	Level 2
Derivative financial instruments	372		0	372	372	Level 2
Cash and cash equivalents			13,508	13,508	13,508	Level 2
<b>Total</b>	<b>372</b>		<b>17,169</b>	<b>17,541</b>	<b>17,541</b>	
<b>Financial assets, total</b>	<b>372</b>		<b>17,290</b>	<b>17,662</b>	<b>17,662</b>	

	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand						
<b>30 Sep 2021</b>						
<b>Non-current assets</b>						
Other non-current assets			109	109	109	Level 2
<b>Total</b>			<b>109</b>	<b>109</b>	<b>109</b>	
<b>Current assets</b>						
Trade and other receivables			3,597	3,597	3,597	Level 2
Loan receivables			0	0	0	Level 2
Derivative financial instruments	484			484	484	Level 2
Cash and cash equivalents			13,013	13,013	13,013	Level 2
<b>Total</b>	<b>484</b>		<b>16,611</b>	<b>17,094</b>	<b>17,094</b>	
<b>Financial assets, total</b>	<b>484</b>		<b>16,720</b>	<b>17,204</b>	<b>17,204</b>	

## Financial liabilities

	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand						
<b>30 Jun 2022</b>						
<b>Non-current liabilities</b>						
Loans from credit institutions			59,880	59,880	59,880	Level 2
Lease liability			59,248	59,248	59,248	Level 2
Other non-current liabilities			0	0	0	Level 2
<b>Total</b>			<b>119,128</b>	<b>119,128</b>	<b>119,128</b>	
<b>Current liabilities</b>						
Loans from credit institutions			0	0	0	Level 2
Lease liability			22,970	22,970	22,970	Level 2
Trade and other payables*			21,233	21,233	21,233	Level 2
Derivative financial instruments	67			67	67	Level 2
<b>Total</b>	<b>67</b>		<b>44,203</b>	<b>44,270</b>	<b>44,270</b>	
<b>Financial liabilities, total</b>	<b>67</b>		<b>163,331</b>	<b>163,398</b>	<b>163,398</b>	

	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand						
<b>30 Jun 2021</b>						
<b>Non-current liabilities</b>						
Loans from credit institutions			49,849	49,849	49,849	Level 2
Lease liability			57,827	57,827	57,827	Level 2
Other non-current liabilities			28	28	28	Level 2
<b>Total</b>			<b>107,704</b>	<b>107,704</b>	<b>107,704</b>	
<b>Current liabilities</b>						
Loans from credit institutions			0	0	0	Level 2
Lease liability			18,418	18,418	18,418	Level 2
Trade and other payables*			21,794	21,794	21,794	Level 2
Derivative financial instruments	564			564	564	Level 2
<b>Total</b>	<b>564</b>		<b>40,213</b>	<b>40,777</b>	<b>40,777</b>	
<b>Financial liabilities, total</b>	<b>564</b>		<b>147,916</b>	<b>148,480</b>	<b>148,480</b>	

	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand						
<b>30 Sep 2021</b>						
<b>Non-current liabilities</b>						
Loans from credit institutions			49,872	49,872	49,872	Level 2
Lease liability			56,713	56,713	56,713	Level 2
Other non-current liabilities			0	0	0	Level 2
<b>Total</b>			<b>106,586</b>	<b>106,586</b>	<b>106,586</b>	
<b>Current liabilities</b>						
Loans from credit institutions			0	0	0	Level 2
Lease liability			19,759	19,759	19,759	Level 2
Trade and other payables*			23,794	23,794	23,794	Level 2
Derivative financial instruments	441			441	441	Level 2
<b>Total</b>	<b>441</b>		<b>43,553</b>	<b>43,994</b>	<b>43,994</b>	
<b>Financial liabilities, total</b>	<b>441</b>		<b>150,138</b>	<b>150,579</b>	<b>150,579</b>	

\*) Other receivables and other payables include 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 on 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 on level 2 of the fair value hierarchy.

### 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
<b>30 Jun 2022</b>				
Forward exchange contracts	7,638	333	-67	266
Interest rate swaps	30,000	752		752
<b>Total</b>	<b>37,638</b>	<b>1,085</b>	<b>-67</b>	<b>1,018</b>

EUR thousand	Nominal value	Receivables at fair value	Payables at fair value	Net fair value
<b>30 Jun 2021</b>				
Forward exchange contracts	19,633	372	-564	-192
<b>Total</b>	<b>19,633</b>	<b>372</b>	<b>-564</b>	<b>-192</b>

EUR thousand	Nominal value	Receivables at fair value	Payables at fair value	Net fair value
<b>30 Sep 2021</b>				
Forward exchange contracts	20,332	484	-441	42
<b>Total</b>	<b>20,332</b>	<b>484</b>	<b>-441</b>	<b>42</b>

## Group commitments

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
<b>Pledges given on behalf of Group companies and joint ventures</b>			
Guarantees relating to rental payments	4,321	4,398	4,619
Other commitments	63	150	129
<b>Total</b>	<b>4,384</b>	<b>4,549</b>	<b>4,748</b>

## Other commitments

EUR thousand	30 Jun 2022	30 Jun 2021	30 Sep 2021
Other guarantees	5,177	3,000	2,929
Lease liabilities for leases not recognized in the balance sheet	1,530	5,955	4,984
<b>Total</b>	<b>6,707</b>	<b>8,955</b>	<b>7,913</b>

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.

## Contingent liabilities

Musti Group has been subject to a tax audit of Musti Group Oyj, Musti Group Finland Oy and Musti Group Nordic Oy regarding financial years 2018-2020. Musti Group Oyj has in October 2021 received a tax audit report from the Finnish tax authorities. The tax audit report included subsequent taxes and tax increases amounting to a total of EUR 0.9 million, relating to the VAT deductibility of IPO related costs. Tax and increases of EUR 0.9 million paid in November 2021. The company disagrees with the interpretation made in the tax audit. The company has been reassessed in accordance with the interpretations set out in the tax audit report but, the company has filed a claim for adjustment to the Finnish Tax Administration's Assessment Adjustment Board. There were no repercussions of the tax audit for the financial years 2018-2020 of Musti Group Finland Oy's and Musti Group Nordic Oy's.

**Financial ratios and alternative performance measures**

EUR millions or as indicated	4/2022-6/2022	4/2021-6/2021	Change %	10/2021-6/2022	10/2020-6/2021	Change %	FY2021
Net sales	95.5	82.7	15.5 %	289.3	249.4	16.0 %	340.9
Net sales growth, %	15.5 %	20.2 %		16.0 %	20.2 %		19.9 %
LFL sales growth, %	8.3 %	11.6 %		7.4 %	12.1 %		11.8 %
LFL store sales growth, %	6.3 %	10.7 %		4.8 %	9.1 %		8.8 %
LFL online sales growth, %	14.5 %	14.0 %		15.4 %	21.6 %		21.2 %
Store sales	73.2	59.9	22.3 %	220.8	181.5	21.6 %	250.1
Online sales	21.6	19.9	8.6 %	65.3	58.3	12.1 %	78.7
Online share of net sales, %	22.6 %	24.1 %		22.6 %	23.4 %		23.1 %
Gross margin, %	46.4 %	45.4 %		46.8 %	45.6 %		45.7 %
EBITDA	15.6	12.5	24.1 %	47.9	40.7	17.6 %	56.9
EBITDA margin, %	16.3 %	15.2 %		16.5 %	16.3 %		16.7 %
Adjusted EBITDA	15.6	12.9	20.8 %	49.3	41.7	18.4 %	58.8
Adjusted EBITDA margin, %	16.3 %	15.6 %		17.1 %	16.7 %		17.3 %
EBITA	8.3	6.9	19.7 %	27.1	24.6	10.1 %	34.9
EBITA margin, %	8.7 %	8.4 %		9.4 %	9.9 %		10.2 %
Adjusted EBITA	8.3	7.3	14.0 %	28.6	25.6	11.7 %	36.8
Adjusted EBITA margin, %	8.7 %	8.8 %		9.9 %	10.3 %		10.8 %
Operating Profit	6.7	5.3	27.3 %	22.3	19.8	12.9 %	28.4
Operating Profit margin, %	7.0 %	6.4 %		7.7 %	7.9 %		8.3 %
Profit/loss for the period	4.4	4.1	7.1 %	15.1	15.7	-4.1 %	20.9
Earnings/Share, basic, EUR	0.13	0.12	7.5 %	0.45	0.47	-3.8 %	0.62
Earnings/Share, diluted, EUR	0.13	0.12	7.3 %	0.45	0.47		0.62
Cash flow from operating activities	14.0	10.1	39.6 %	32.5	39.9	-18.5 %	54.9
Investments in tangible and intangible assets	3.3	3.5	-4.3 %	11.6	9.7	19.3 %	12.9
Net debt	138.8	112.8	23.1 %	138.8	112.8	23.1 %	113.3
Gearing, %	90.2 %	73.6 %		90.2 %	73.6 %		72.2 %
Net debt / LTM Adjusted EBITDA	2.1	2.0	4.8 %	2.1	2.0	4.8 %	1.9
Equity ratio %	43.2 %	46.4 %		43.2 %	46.4 %		46.5 %
Nr of loyal customers, thousands	1,409	1,257	12.1 %	1,409	1,257	12.1 %	1,297
Number of stores at end of period	329	308	6.8 %	329	308	6.8 %	312
of which directly operated	312	257	21.4 %	312	257	21.4 %	280
Own & Exclusive share, %	51.9 %	49.9 %		52.6 %	50.9 %		51.0 %
<b>Finland</b>							
Net sales	41.1	36.2	13.3 %	125.4	112.4	11.5 %	152.6
Net sales growth, %	13.3 %	13.2 %		11.5 %	12.6 %		12.4 %
LFL sales growth, %	4.5 %	10.7 %		3.0 %	11.1 %		10.6 %
EBITDA	10.1	10.0	1.2 %	32.7	32.5	0.8 %	44.4
EBITDA margin, %	24.6 %	27.5 %		26.1 %	28.9 %		29.1 %
Adjusted EBITDA	10.1	10.0	1.2 %	32.8	32.5	0.9 %	44.4
Adjusted EBITDA margin, %	24.6 %	27.5 %		26.1 %	28.9 %		29.1 %
EBITA	7.5	7.9	-5.3 %	25.1	26.3	-4.5 %	36.0
EBITA margin, %	18.2 %	21.8 %		20.0 %	23.4 %		23.6 %
Adjusted EBITA	7.5	7.9	-5.3 %	25.2	26.3	-4.4 %	36.1
Adjusted EBITA margin, %	18.2 %	21.8 %		20.1 %	23.4 %		23.7 %
Nr of loyal customers, thousands	515	482	7.0 %	515	482	7.0 %	490
ASP per loyal customer, EUR	207.2	212.3	-2.4 %	207.2	212.3	-2.4 %	212.5
Number of stores at end of period	140	133	5.3 %	140	133	5.3 %	134
of which directly operated	140	117	19.7 %	140	117	19.7 %	134
Own & Exclusive share, %	56.7 %	57.2 %		57.5 %	58.0 %		57.9 %
<b>Sweden</b>							
Net sales	40.6	36.4	11.7 %	122.4	107.7	13.7 %	147.5
Net sales growth, %	11.7 %	20.7 %		13.7 %	19.9 %		19.7 %
LFL sales growth, %	10.3 %	10.2 %		9.9 %	8.8 %		9.2 %
EBITDA	9.0	6.7	33.8 %	28.1	20.3	38.0 %	29.7
EBITDA margin, %	22.2 %	18.6 %		22.9 %	18.9 %		20.2 %
Adjusted EBITDA	9.0	6.8	33.2 %	28.1	20.7	35.4 %	30.1
Adjusted EBITDA margin, %	22.2 %	18.7 %		22.9 %	19.3 %		20.4 %
EBITA	6.3	4.5	41.5 %	20.4	14.2	44.3 %	21.4
EBITA margin, %	15.6 %	12.3 %		16.7 %	13.2 %		14.5 %



Adjusted EBITA	6.3	4.5	40.4 %	20.4	14.6	40.4 %	21.7
Adjusted EBITA margin, %	15.6 %	12.4 %		16.7 %	13.5 %		14.7 %
Nr of loyal customers, thousands	649	590	9.9 %	649	590	9.9 %	605
ASP per loyal customer, EUR	164.5	173.7	-5.3 %	164.5	173.7	-5.3 %	173.0
Number of stores at end of period	128	127	0.8 %	128	127	0.8 %	128
of which directly operated	111	92	20.7 %	111	92	20.7 %	96
Own & Exclusive share, %	45.4 %	40.1 %		45.6 %	41.0 %		41.4 %
<b>Norway</b>							
Net sales	13.8	10.0	37.6 %	41.5	29.3	41.8 %	40.7
Net sales growth, %	37.6 %	51.9 %		41.8 %	63.7 %		60.6 %
LFL sales growth, %	15.7 %	21.0 %		15.6 %	33.5 %		30.0 %
EBITDA	3.8	2.5	53.8 %	10.9	7.3	49.3 %	10.0
EBITDA margin, %	27.6 %	24.7 %		26.3 %	25.0 %		24.5 %
Adjusted EBITDA	3.8	2.5	53.8 %	10.9	7.3	48.8 %	10.0
Adjusted EBITDA margin, %	27.6 %	24.7 %		26.3 %	25.1 %		24.6 %
EBITA	2.6	1.6	59.5 %	7.6	5.0	52.0 %	6.7
EBITA margin, %	18.9 %	16.3 %		18.3 %	17.0 %		16.5 %
Adjusted EBITA	2.6	1.6	59.5 %	7.6	5.0	51.2 %	6.8
Adjusted EBITA margin, %	18.9 %	16.3 %		18.3 %	17.1 %		16.6 %
Nr of loyal customers, thousands	245	185	32.6 %	245	185	32.6 %	201
ASP per loyal customer, EUR	183.1	174.7	4.8 %	183.1	174.7	4.8 %	175.2
Number of stores at end of period	61	48	27.1 %	61	48	27.1 %	50
of which directly operated	61	48	27.1 %	61	48	27.1 %	50
Own & Exclusive share, %	56.8 %	57.8 %		58.0 %	58.1 %		57.9 %

## Calculation formulas of key performance indicators

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

## Reconciliation of key performance indicators

EUR millions or as indicated

	1 Apr 2022 - 30 Jun 2022	1 Apr 2021 - 30 Jun 2021	1 Oct 2021 - 30 Jun 2022	1 Oct 2020 - 30 Jun 2021	1 Oct 2020 - 30 Sep 2021
<b>Gross profit</b>					
Net sales	95.5	82.7	289.3	249.4	340.9
Material and services	-51.1	-45.1	-153.8	-135.6	-185.2
<b>Gross profit</b>	<b>44.4</b>	<b>37.6</b>	<b>135.5</b>	<b>113.8</b>	<b>155.6</b>
<b>Gross margin (%)</b>	<b>46.4 %</b>	<b>45.4 %</b>	<b>46.8 %</b>	<b>45.6 %</b>	<b>45.7 %</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>					
Operating profit	6.7	5.3	22.3	19.8	28.4
Depreciation, Amortization and Impairment	8.8	7.3	25.5	20.9	28.6
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>15.6</b>	<b>12.5</b>	<b>47.9</b>	<b>40.7</b>	<b>56.9</b>
<b>EBITDA margin (%)</b>	<b>16.3 %</b>	<b>15.2 %</b>	<b>16.5 %</b>	<b>16.3 %</b>	<b>16.7 %</b>
<b>Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)</b>					
Operating profit	6.7	5.3	22.3	19.8	28.4
Depreciation, amortization and Impairment	8.8	7.3	25.5	20.9	28.6
Adjustments	0.0	0.3	1.5	0.9	1.9
<b>Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)</b>	<b>15.6</b>	<b>12.9</b>	<b>49.3</b>	<b>41.7</b>	<b>58.8</b>
<b>Adjusted EBITDA margin (%)</b>	<b>16.3 %</b>	<b>15.6 %</b>	<b>17.1 %</b>	<b>16.7 %</b>	<b>17.3 %</b>
<b>Adjustments (EBITDA)</b>					
Restructuring related expenses	0.0	0.0	0.0	0.0	0.0
Acquisition/IPO related expenses	0.0	0.0	0.0	0.0	0.0
Other items affecting comparability	0.0	0.3	1.5	0.9	1.9
<b>Adjustments (EBITDA)</b>	<b>0.0</b>	<b>0.3</b>	<b>1.5</b>	<b>0.9</b>	<b>1.9</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>					
Operating profit	6.7	5.3	22.3	19.8	28.4
amortization and impairment	1.6	1.7	4.8	4.9	6.5
<b>Earnings before interest, taxes and amortization (EBITA)</b>	<b>8.3</b>	<b>6.9</b>	<b>27.1</b>	<b>24.6</b>	<b>34.9</b>
<b>EBITA margin (%)</b>	<b>8.7 %</b>	<b>8.4 %</b>	<b>9.4 %</b>	<b>9.9 %</b>	<b>10.2 %</b>
<b>Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)</b>					
Operating profit	6.7	5.3	22.3	19.8	28.4
amortization and impairment of intangible assets	1.6	1.7	4.8	4.9	6.5
Adjustments	0.0	0.3	1.5	0.9	1.9
<b>Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)</b>	<b>8.3</b>	<b>7.3</b>	<b>28.6</b>	<b>25.6</b>	<b>36.8</b>
<b>Adjusted EBITA margin (%)</b>	<b>8.7 %</b>	<b>8.8 %</b>	<b>9.9 %</b>	<b>10.3 %</b>	<b>10.8 %</b>
<b>Adjustments (Operating profit)</b>					
Restructuring related expenses	0.0	0.0	0.0	0.0	0.0
Acquisition/IPO related expenses	0.0	0.0	0.0	0.0	0.0
Other items affecting comparability	0.0	0.3	1.5	0.9	1.9
<b>Adjustments (Operating profit)</b>	<b>0.0</b>	<b>0.3</b>	<b>1.5</b>	<b>0.9</b>	<b>1.9</b>
<b>Earnings per share, basic</b>					
Profit/loss for the period	4.4	4.1	15.1	15.7	20.9
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Average number of shares	33.3	33.4	33.3	33.4	33.4
<b>Earnings per share, basic</b>	<b>0.13</b>	<b>0.12</b>	<b>0.45</b>	<b>0.47</b>	<b>0.62</b>
<b>Earnings per share, diluted</b>					
Profit/loss for the period	4.4	4.1	15.1	15.7	20.9
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Average number of shares *)	33.6	33.6	33.6	33.7	33.7
<b>Earnings per share, diluted</b>	<b>0.13</b>	<b>0.12</b>	<b>0.45</b>	<b>0.47</b>	<b>0.62</b>

\*) Includes shares from Restricted Share Plan (PSP)

<b>Net debt</b>					
Interest-bearing liabilities	142.1	126.1	142.1	126.1	126.3
Loan receivables	0.0	0.0	0.0	0.0	0.0
Derivative financial instruments	-1.0	0.2	-1.0	0.2	0.0
Cash and cash equivalents	2.2	13.5	2.2	13.5	13.0
<b>Net debt</b>	<b>138.8</b>	<b>112.8</b>	<b>138.8</b>	<b>112.8</b>	<b>113.3</b>
<b>Gearing (%)</b>					
Net Debt	138.8	112.8	138.8	112.8	113.3
Equity	153.8	153.2	153.8	153.2	157.0
<b>Gearing (%)</b>	<b>90.2 %</b>	<b>73.6 %</b>	<b>90.2 %</b>	<b>73.6 %</b>	<b>72.2 %</b>
<b>Net debt/LTM Adjusted EBITDA</b>					
Net debt	138.8	112.8	138.8	112.8	113.3
LTM adjusted EBITDA	66.5	56.6	66.5	56.6	58.8
<b>Net debt/LTM adjusted EBITDA</b>	<b>2.1</b>	<b>2.0</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>
<b>Equity ratio (%)</b>					
Total equity	153.8	153.2	153.8	153.2	157.0
Total assets	356.6	330.6	356.6	330.6	337.5
Advances received	0.3	0.4	0.3	0.4	0.3
<b>Equity ratio (%)</b>	<b>43.2 %</b>	<b>46.4 %</b>	<b>43.2 %</b>	<b>46.4 %</b>	<b>46.5 %</b>
<b>LFL sales growth (%)</b>					
Net sales	95.5	82.7	289.3	249.4	340.9
Net sales growth %	15.5 %	20.2 %	16.0 %	20.2 %	19.9 %
Other growth %	7.2 %	8.6 %	8.6 %	8.1 %	8.1 %
<b>LFL sales growth (%)</b>	<b>8.3 %</b>	<b>11.6 %</b>	<b>7.4 %</b>	<b>12.1 %</b>	<b>11.8 %</b>
<b>LFL store sales growth (%)</b>					
Store sales	73.2	59.9	220.8	181.5	250.1
Store sales total growth %	22.3 %	23.8 %	21.6 %	20.9 %	21.1 %
Other growth %	16.0 %	13.1 %	16.8 %	11.8 %	12.3 %
<b>LFL store sales growth (%)</b>	<b>6.3 %</b>	<b>10.7 %</b>	<b>4.8 %</b>	<b>9.1 %</b>	<b>8.8 %</b>
<b>Net sales</b>					
Store sales	73.2	59.9	220.8	181.5	250.1
Online sales	21.6	19.9	65.3	58.3	78.7
Other sales	0.7	2.9	3.2	9.6	12.1
<b>Net sales</b>	<b>95.5</b>	<b>82.7</b>	<b>289.3</b>	<b>249.4</b>	<b>340.9</b>
<b>Online share (%)</b>					
Net sales	95.5	82.7	289.3	249.4	340.9
Online sales	21.6	19.9	65.3	58.3	78.7
<b>Online share (%)</b>	<b>22.6 %</b>	<b>24.1 %</b>	<b>22.6 %</b>	<b>23.4 %</b>	<b>23.1 %</b>