Musti GROUP

October 2021 – September 2022 Financial Statements Release Q4/2022

1 October 2021 –
30 September 2022

Financial Statements Release 1 October 2021 – 30 September 2022

Our resilient growth continues

July – September 2022

- Group net sales totaled EUR 101.8 million (91.5), an increase of 11.3%.
- Like-for-like sales growth was 4.7%.
- Adjusted EBITDA was EUR 17.6 (17.2) million, up by 2.2%.
- Adjusted EBITDA margin was 17.2% (18.8%).
- Adjusted EBITA was EUR 10.2 (11.2) million, down by 9.2%.
- Adjusted EBITA margin was 10.0% (12.2%).
- Operating profit decreased by 0.6 % to EUR 8.5 (8.6) million, representing 8.4% (9.4%) of net sales.
- Profit for the period totaled EUR 7.3 (5.2) million.
- Earnings per share, basic was EUR 0.22 (0.16).
- Number of stores grew to 335 (312).
- Number of loyal customers grew to 1,454 thousand (1,297 thousand).

October 2021 – September 2022

- Group net sales totaled EUR 391.1 million (340.9 million), an increase of 14.7%.
- Like-for-like sales growth was 6.7%.
- Adjusted EBITDA was EUR 66.9 (58.8) million, up by 13.7%.
- Adjusted EBITDA margin was 17.1% (17.3%).
- Adjusted EBITA was EUR 38.8 (36.8) million, up by 5.4%.
- Adjusted EBITA margin was 9.9% (10.8%).
- Operating profit increased by 8.8% to EUR 30.9 (28.4) million, representing 7.9% (8.3%) of net sales.
- Profit for the period totaled EUR 22.3 (20.9) million.
- Earnings per share, basic was EUR 0.67 (0.62).
- The Board proposes to the Annual General Meeting that shareholders will be paid a capital return of EUR 0.50 per share

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	7-9/2022	7-9/2021	Change %	10/2021-9/2022	10/2020-9/2021	Change %
Net sales	101.8	91.5	11.3%	391.1	340.9	14.7%
Net sales growth, %	11.3%	18.9%		14.7%	19.9%	
LFL sales growth, %	4.7%	10.9%		6.7%	11.8%	
LFL store sales growth, %	2.4%	8.2%		4.2%	8.8%	
Online share, %	21.3%	22.3%		22.2%	23.1%	
Gross margin, %	45.2%	45.7%		46.4%	45.7%	
EBITDA	17.6	16.2	8.1%	65.4	56.9	14.9%
EBITDA margin, %	17.2%	17.8 %		16.7%	16.7%	
Adjusted EBITDA	17.6	17.2	2.2%	66.9	58.8	13.7%
Adjusted EBITDA margin, %	17.2%	18.8%		17.1%	17.3 %	
EBITA	10.2	10.3	-0.8%	37.3	34.9	6.9%
EBITA margin, %	10.0%	11.2%		9.5%	10.2%	
Adjusted EBITA	10.2	11.2	-9.2%	38.8	36.8	5.4%
Adjusted EBITA margin, %	10.0%	12.2%		9.9%	10.8%	
Operating profit	8.5	8.6	-0.6%	30.9	28.4	8.8%
Operating profit margin, %	8.4%	9.4%		7.9%	8.3%	
Profit/loss for the period	7.3	5.2	40.1%	22.3	20.9	6.9%
Earnings per share, basic, EUR	0.22	0.16	40.4%	0.67	0.62	7.3%
Net cash flow from operating activities	13.6	15.0	-9.4%	46.1	54.9	-16.0%
Investments in tangible and intangible assets	2.7	3.2	-16.8%	14.2	12.9	10.4%
Net debt / LTM adjusted EBITDA	2.1	1.9	11.3%	2.1	1.9	11.3%
Number of loyal customers, thousands	1,454	1,297	12.2%	1,454	1,297	12.2%
Number of stores at the end of the period	335	312	7.4%	335	312	7.4%
of which directly operated	319	280	13.9%	319	280	13.9%

CEO's comments

The team and I are extremely proud of our double-digit topline growth of 15% to EUR 391.1 million and adjusted EBITDA growth of 13.7% to EUR 66.9 million during a period when accelerating inflation has placed incremental pressure on both our consumers and ourselves. It highlights once again the unique defensive growth characteristics of the pet category and our business. I want to express my gratitude and thanks to the entire Musti team for their passionate commitment to our mission, purpose, and the delivery of an outstanding result.

During 2022 we capitalized effectively on the growth boost that came from increased consumer pet ownership and spending during the pandemic, growing our share of new puppy customers further enabling us to increase our customer base. Hence, I have firm confidence in our resilient multibrand, multichannel, broad assortment business model and our ability to adapt to a changing environment enabling us to secure our long-term growth. We are progressing as planned in executing our long-term financial targets.

I am also pleased to report that during the 2022 financial year:

- We increased gross margin to 46.4% from 45.7%
- We added 39 new directly operated stores to our network
- Share of sales of own and exclusive brands increased to 52.7% (51.0%) - a great achievement.
- Group adjusted EBITA increased by 5.4% to EUR 38.8 million as a result of strong seasonal sales growth and the improved gross margin.

We continue succeeding in winning new customers and increasing the stickiness of the existing customers by strengthening our ecosystem. Puppy acquisition continues at all-time high pace and the retention of puppy customers is solid. 70% of our new Musti puppies join the Puppy Club and those who join the club, spend significantly more. To further boost our market share of Nordic puppies, we have upgraded our popular Breeder Club during the second half of the financial year based on feedback and needs of the breeder community. Breeders are a key channel to reach new pet parents, and highly influential in early stages especially on pet nutrition choices.

Building a one-stop-shop ecosystem and a Musti community is a strategic differentiator to drive growth going forward. The end-to-end ecosystem presents a unique value proposition enhancing and strengthening sticky customer relationships and differentiating us from the competitors. When customers spend more time in our ecosystem, learning more of our differentiated support, their commitment to Musti grows and they shop more of our product categories and channels growing their spend.

Over 70% of our products are non-discretionary products such as food and cat litter, characterized by repeat purchasing behavior that is consistent through a pet's lifecycle. We continue to win more than our market share of the new puppies, and customers display a willingness to sustain spending on non-discretionary pet care purchases even while expenditure on discretionary categories has been affected.

I am confident of our long-term growth outlook and look forward to new opportunities the financial year 2023 has to bring.

David Rönnberg,
CEO

Financial targets

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

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

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

Market outlook

Musti Group operates in the Nordic pet care market, broadly defined as the sale of pet food, treats, products, services and veterinary care across Finland, Sweden and Norway. The market was estimated to be worth approximately EUR 3.4 billion (in 2021), with Sweden as the largest market, accounting for approximately EUR 1.4 billion, Finland approximately EUR 1.0 billion and Norway approximately EUR 1.0 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 pet care market was positively affected by the Covid pandemic over 2020 and 2021, mainly through increased adoption of puppies and kittens and to some extent higher spending on discretionary categories, such as accessories. Puppy adoption rates began normalizing from these peak levels over 2022, while still above long-term averages. The pandemic period resulted in a step-up of Nordic pet ownership rates which increases the addressable market size for future years as the pandemic gains are expected to have a long tail effect.

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	7-9/2022	7-9/2021	Change %	10/2021-9/2022	10/2020-9/2021	Change %
Net sales						
Group	101.8	91.5	11.3%	391.1	340.9	14.7%
Finland	44.3	40.3	10.1%	169.7	152.6	11.2%
Sweden	42.5	39.7	7.0%	164.9	147.5	11.8%
Norway	15.0	11.5	31.1%	56.5	40.7	38.7%

July – September 2022

Group net sales increased by 11.3% to EUR 101.8 million (EUR 91.5 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 4.7% (10.9%), the slower growth was due to slower sales of discretionary products. Like-for-like growth was also affected by the higher 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 1.2 million bringing 1.3 %-points headwind to growth, whereas NOK exchange rate increased sales by EUR 0.5 million bringing 0.6 %-points tailwind to the growth.

Store sales increased by 16.0% to EUR 79.5 million (EUR 68.6 million), driven by an increased number of stores. We added a net 6 directly operated stores during the quarter to our network. Like-for-like store sales growth was 2.4% (8.2%). Online sales increased by 6.4% to EUR 21.7 million (EUR 20.4 million). Online sales accounted for 21.3% (22.3%) of total net sales.

Net sales in Finland increased by 10.1% with like-for-like growth of 1.8%. Net sales in Sweden increased by 7.0% having a slight handbrake from weakening SEK. Like-for-like growth was 6.5%. During Q4, one directly operated store was opened and one franchise store was acquired in Sweden. Net sales in Norway increased by 31.1% with like-for-like growth of 9.5% and the ramp-up of the stores opened during the latest twelve months. During Q4, three directly operated stores were opened in Norway and two stores were acquired.

The number of loyal customers increased by 12.2% to 1,454 thousand (1,297 thousand on 30 September 2021). Rolling 12 months average spend per loyal customer was EUR 181.5 as per 30 September 2022 (EUR 188.3 as per 30 September 2021).

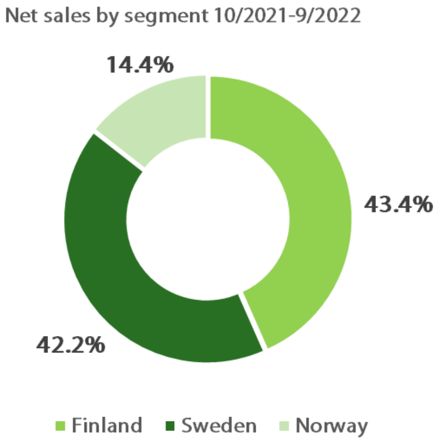
October 2021 – September 2022

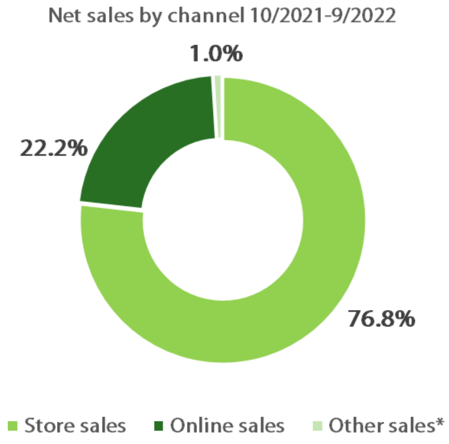
Group net sales increased by 14.7% to EUR 391.1 million (EUR 340.9 million). The increase was largely due to the increasing number of customers together with an increased number of directly operated stores. Like-for-like growth amounted to 6.7% (11.8%). Like-for-like growth was affected by the high number 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 4.5 million bringing 1.3 %-points headwind to growth, whereas the NOK exchange rate increased sales by EUR 1.9 million bringing 0.6 %-points tailwind to growth.

Store sales increased by 20.1% to EUR 300.3 million (EUR 250.1 million), driven by an increased number of stores as we added net 39 directly operated stores year to date to our network. Like-for-like store sales growth was to 4.2% (8.8%). Online sales increased by 10.6% to EUR 87.0 million (EUR 78.7 million). Online sales accounted for 22.2% (23.1%) of total net sales.

Net sales in Finland increased by 11.2% with like-for-like growth of 2.7%. Opening new stores also caused some overlapping sales decreasing sales growth by 3 %-points. During the reporting period, six directly operated stores were opened in Finland. Net sales in Sweden increased by 11.8% considering 3.0%-points headwind from weakening SEK to Sweden's growth. Like-for-like growth in Sweden was 8.9%. During the reporting period, five directly operated stores were opened and 15 stores were acquired in Sweden. Two directly operated stores were closed and two franchise stores left the chain. Net sales in Norway increased by 38.7% with strong like-for-like growth of 13.9% and the ramp-up of the stores opened during the latest twelve months. The NOK rate compared to FY21 had a tailwind of 4.7%-points in Norway's growth. During the reporting period, 14 directly operated stores were opened and two stores acquired in Norway.

The number of loyal customers increased by 12.2% to 1,454 thousand (1,297 thousand on 30 September 2021). Rolling 12 months average spend per loyal customer was EUR 181.5 as per 30 September 2022 (EUR 188.3 as per 30 September 2021).





*Other sales include franchise fees and wholesale.

Result

July – September 2022

Group adjusted EBITA decreased by 9.2% to EUR 10.2 million (EUR 11.2 million). The decrease was due to stabilization of sales of the discretionary items, combined with the profitability of the approximately 100 ramp-up phase new directly operated stores added during the past 24 months being still in developing phase. Adjusted EBITA margin was 10.0% (12.2%). Recent movements of the local currencies SEK and NOK, along with the weakened EUR vs. USD, had a minor negative impact on adjusted EBITA.

Gross margin decreased to 45.2% (45.7%). Gross margin was negatively impacted by increased inflation and unfavorable exchange rate development. During the quarter, inventory was rightsized with clearance and campaign actions. The share of sales of own and exclusive brands increased to 52.7% (51.3%). The share of employee benefits and other operating expenses as percentage of sales was 28.4% (28.8%).

Depreciation amounted to EUR 7.4 million (EUR 6.0 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 0.9 million in the comparison period related to the warehouse consolidation project, reorganization of customer services and other non-recurring structural changes).

Operating profit decreased by 0.6% to EUR 8.5 million (EUR 8.6 million).

Profit before taxes increased to EUR 8.6 million (EUR 7.6 million). The impact of financial income and expenses (net) on profit before taxes was EUR 0.1 million positive (EUR 0.9 million negative), mainly due to unrealized gains on derivative financial instruments. Profit for the period was EUR 7.3 million (EUR 5.2 million) and basic earnings per share was 0.22 (0.16).

October 2021 – September 2022

Group adjusted EBITA increased by 5.4% to EUR 38.8 million (EUR 36.8 million) as a result of a strong seasonal sales growth and improved gross margin. Adjusted EBITA margin was 9.9% (10.8%).

Gross margin increased to 46.4% (45.7%) mainly due to successful campaign pressure, higher share of sales of the own and exclusive products and favorable product mix. The positive development was slightly burdened by increasing freight costs, especially from Asia and outbound freights and general inflation. The share of sales of own and exclusive brands increased to 52.7% (51.0%). The share of employee benefit and other operating expenses as percentage of sales increased to 30.3% (29.6%) driven by focus on topline growth due to favorable market conditions and still lower efficiency in the central warehouse in Eskilstuna during the beginning of the financial year, 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 the second half of the financial year, cost development was more favorable.

Depreciation amounted to EUR 28.2 million (EUR 22.0 million) and amortization amounted to EUR 6.4 million (EUR 6.5 million). Main driver is the growing store network via IFRS 16 impact.

Adjustments to EBITA were EUR 1.5 million (EUR 1.9 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 8.8% to EUR 30.9 million (EUR 28.4 million).

Profit before taxes was EUR 28.4 million (EUR 26.9 million). The impact of financial income and expenses (net) on profit before taxes was EUR 2.4 million negative (EUR 1.5 million negative), mainly due to interest expenses on leases and unrealized gains on derivative financial instruments. Profit for the period was EUR 22.3 million (EUR 20.9 million) and basic earnings per share was 0.67 (0.62).

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 July-September the net cash flow from operating activities totaled EUR 13.6 million (EUR 15.0 million). Net working capital increased by EUR 3.0 million (EUR 2.4 million) during the quarter. The cash flow from operating activities for FY2022 amounted to EUR 46.1 million (EUR 54.9 million). Cash flow used in investing activities during the quarter amounted to EUR 6.9 million (EUR 7.3 million) and EUR 33.0 million (EUR 23.0 million) for the full year. Cash and cash equivalents at the end of the period amounted to EUR 10.0 million (30 September 2021: EUR 13.0 million). Total consolidated assets amounted to EUR 371.4 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 160.3 million (30 September 2021: EUR 156.9 million). Musti Group acquired no own shares during the financial year.

Gearing at the end of the reporting period was 89.4% (30 September 2021: 72.2%) and net debt amounted to EUR 143.4 million (30 September 2021: EUR 113.3 million). At the end of the period, the interest-bearing loans and commercial papers included in net debt amounted to EUR 74.8 million (30 September 2021: EUR 49.9 million) and lease liabilities EUR 80.7 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 10.0 million at the end of the period, Musti Group had an unutilized EUR 10.0 million credit limit, a EUR 50 million commercial paper program of which EUR 35 million undrawn and an undrawn EUR 40.0 million 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.

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. On 17 August 2022, Musti Group announced it has finalized the financing package initiated in July 2022 by signing a new committed EUR 20 million revolving credit facility with Swedbank Abp.

Investments

In July-September investments in tangible and intangible assets amounted to EUR 2.7 million (EUR 3.2 million). In October-September investments in tangible and intangible assets amounted to EUR 14.2 million (EUR 12.9 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, in July-September EUR 4.2 million were invested in business acquisitions of stores in Sweden and Norway. During October–September Musti Group acquired 17 pet stores, 15 in Sweden and two in Norway as business acquisitions.

Business segment performance

Musti Group's reporting segments are based on geographical regions 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 market. Musti Group holds approximately 31% share of the total pet food and products market. Musti’s network has nationwide coverage, and a vast majority of Finnish pet parents are within convenient reach of a Musti store, which are typically located at high traffic locations such as large hypermarkets and popular retail areas. Management continues to see opportunities in further optimizing the network to meet customer needs mainly through relocations, uplifts and adding service points, and through improved omnichannel features.

In Finland, Musti Group focus is both on serving existing customers better to increase share of wallet and to continue winning new customers, both of which support like-for-like growth. Musti’s brands in Finland include Musti ja Mirri (store and omnichannel) and Peten Koiratarvike (online focus complemented by select stores).

EUR million or as indicated	7-9/2022	7-9/2021	Change %	10/2021-9/2022	10/2020-9/2021	Change %
Net sales	44.3	40.3	10.1%	169.7	152.6	11.2%
Net sales growth. %	10.1%	12.0%		11.2%	12.4%	
LFL segment sales growth. %	1.8%	9.2%		2.7%	10.6%	
EBITDA	11.8	12.0	-2.2%	44.5	44.4	0.2%
EBITDA margin. %	26.5%	29.8%		26.2%	29.1%	
Adjusted EBITDA	11.8	12.1	-2.6%	44.5	44.4	0.2%
Adjusted EBITDA margin. %	26.5%	30.0%		26.2%	29.1%	
EBITA	9.1	9.8	-7.5%	34.2	36.0	-5.0%
EBITA margin. %	20.5%	24.4%		20.2%	23.6%	
Adjusted EBITA	9.1	9.9	-7.9%	34.3	36.1	-5.1%
Adjusted EBITA margin. %	20.5%	24.5%		20.2%	23.7%	
Number of stores	140	134	4.5%	140	134	4.5%
of which directly operated	140	134	4.5%	140	134	4.5%

July – September 2022

Net sales in Finland increased by 10.1% to EUR 44.3 million (EUR 40.3 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 1.8%. Like-for-like growth was affected by the higher number of new directly operated stores. New stores are calculated in the like-for-like growth after they have been operating for 12 months. Opening new stores also caused some overlapping sales decreasing sales growth by 3 %-points.

EBITA decreased by 7.5% to EUR 9.1 million (EUR 9.8 million). Adjusted EBITA decreased by 7.9% to EUR 9.1 million (EUR 9.9 million). Adjusted EBITA margin was 20.5% (24.5%). The decrease in profitability was mainly due to increased personnel and premise costs, which weakened store efficiency, and some overlapping sales effect from new stores opened.

During Q4, no directly operated stores were opened.

October 2021 – September 2022

Net sales in Finland increased by 11.2% to EUR 169.7 million (EUR 152.6 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 during the year. Like-for-like growth was 2.7%. Opening new stores also caused some overlapping sales decreasing sales growth by 3 %-points. Like-for-like growth was also affected by the higher number of new directly operated stores. New stores are calculated in the like-for-like growth after they have been operating for 12 months.

EBITA decreased by 5.0% to EUR 34.2 million (EUR 36.0 million). Adjusted EBITA decreased by 5.1% to EUR 34.3 million (EUR 36.1 million). Adjusted EBITA margin was 20.2% (23.7%). 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 is the overall market leader with approximately 29% market share. Musti Group's main store and omnichannel brand in Sweden is Arken Zoo, complemented by Djurmagazinet. Through VetZoo, Musti Group has a strong online presence in Sweden.

Musti's goal in Sweden is to continue strong like-for-like growth across all channels through customer acquisition and gaining share of wallet, continued network expansion and strong margin improvement. Significant network expansion has taken place in FY20 to FY22, taking directly operated store count from 68 at end of FY19 to 113 by end of FY22 and strengthening our position across Swedish cities. Ramping up newer store cohorts is a key growth and margin driver, along with increasing own and exclusive brands share of sales towards Finnish levels and cost efficiency measures.

EUR million or as indicated	7-9/2022	7-9/2021	Change %	10/2021-9/2022	10/2020-9/2021	Change %
Net sales	42.5	39.7	7.0%	164.9	147.5	11.8%
Net sales growth. %	7.0%	18.8%		11.8%	19.7%	
LFL segment sales growth. %	6.5%	10.2%		8.9%	9.2%	
EBITDA	9.2	9.3	-0.9%	37.3	29.7	25.4%
EBITDA margin. %	21.6%	23.3%		22.6%	20.2%	
Adjusted EBITDA	9.2	9.3	-0.9%	37.3	30.1	23.8%
Adjusted EBITDA margin. %	21.6%	23.3%		22.6%	20.4%	
EBITA	6.5	7.1	-8.1%	26.9	21.4	26.2%
EBITA margin. %	15.3%	17.8%		16.3%	14.5%	
Adjusted EBITA	6.5	7.1	-8.1%	26.9	21.7	23.9%
Adjusted EBITA margin. %	15.3%	17.8%		16.3%	14.7%	
Number of stores	129	128	0.8%	129	128	0.8%
of which directly operated	113	96	17.7%	113	96	17.7%

July – September 2022

Net sales in Sweden increased by 7.0% to EUR 42.5 million (EUR 39.7 million) driven by like-for-like growth of 6.5% and new stores opened or acquired. The weakened SEK exchange rate decreased sales by EUR 1.2 million in Q4.

EBITA and adjusted EBITA decreased by 8.1% to EUR 6.5 million (EUR 7.1 million). The decrease was due to sales growth normalizing combined with still developing contribution margin of the new stores opened. Adjusted EBITA margin decreased to 15.3% (17.8%).

During Q4, one directly operated store was opened and one franchise store was acquired in Sweden.

October 2021 – September 2022

Net sales in Sweden increased by 11.8% to EUR 164.9 million (EUR 147.5 million) driven by like-for-like growth of 8.9% 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 4.5 million.

EBITA increased by 26.2% to EUR 26.9 million (EUR 21.4 million). Adjusted EBITA increased by 23.9% to EUR 26.9 million (EUR 21.7 million) due to the increased number of directly operated stores. Adjusted EBITA margin increased to 16.3% (14.7%).

During the reporting period, five directly operated stores were opened and 15 stores were acquired in Sweden. Two directly operated stores were closed and two franchise stores left the chain.

Norway

In Norway, Musti Group's focus is on market share gain through continued customer acquisition supported by store roll-out, and on increasing country profitability. Norway remains a more fragmented market compared to Finland and Sweden with Musti holding approximately 13% share of the total pet food and products market. Musti Group's brands in Norway are Musti (store and omnichannel) and VetZoo (online).

Musti entered Norway in October 2016, and majority of the 66 stores (at end of FY22) are still in ramp-up mode. Ramp-up has progressed according to Musti Group's plans and in line with historical patterns. Therefore, the maturation of the network continues to be a key driver of growth and country profitability.

EUR million or as indicated	7-9/2022	7-9/2021	Change %	10/2021-9/2022	10/2020-9/2021	Change %
Net sales	15.0	11.5	31.1%	56.5	40.7	38.7%
Net sales growth. %	31.1%	53.2%		38.7%	60.6%	
LFL segment sales growth. %	9.5%	22.0%		13.9%	30.0%	
EBITDA	3.7	2.7	37.8%	14.6	10.0	46.2%
EBITDA margin. %	24.4%	23.2%		25.8%	24.5%	
Adjusted EBITDA	3.7	2.7	37.8%	14.6	10.0	45.9%
Adjusted EBITDA margin. %	24.4%	23.2%		25.8%	24.6%	
EBITA	2.4	1.7	35.8%	9.9	6.7	47.8%
EBITA margin. %	15.7%	15.2%		17.6%	16.5%	
Adjusted EBITA	2.4	1.7	35.8%	9.9	6.8	47.2%
Adjusted EBITA margin. %	15.7%	15.2%		17.6%	16.6%	
Number of stores	66	50	32.0%	66	50	32.0%
of which directly operated	66	50	32.0%	66	50	32.0%

July – September 2022

Net sales in Norway increased by 31.1% to EUR 15.0 million (EUR 11.5 million), driven by like-for-like growth of 9.5% and ramp-up of the stores opened during the latest twelve months. The NOK exchange rate in Q4 had a EUR 0.5 million positive impact on net sales.

EBITA and adjusted EBITA increased by 35.8% to EUR 2.4 million (EUR 1.7 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 15.7% (15.2%).

During Q4, three directly operated stores were opened and two stores were acquired in Norway.

October 2021 – September 2022

Net sales in Norway increased by 38.7% to EUR 56.5 million (EUR 40.7 million), driven by like-for-like growth of 13.9%. The changes in NOK exchange rate in the reporting period had a EUR 1.9 million positive impact on net sales.

EBITA increased by 47.8% to EUR 9.9 million (EUR 6.7 million). Adjusted EBITA increased by 47.2% to EUR 9.9 million (EUR 6.8 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 17.6% (16.6%).

During the reporting period, 14 directly operated stores were opened and two stores acquired in Norway.

Group functions

July – September 2022

The EBITA impact of the Group functions was EUR -7.8 million (EUR -8.4 million). Adjusted EBITA was EUR -7.8 million (EUR -7.5 million). Group functions cost in relation to group net sales was 7.7% (9.2%). The improvement was driven by the scalability achieved in the Group head office and the central warehouse.

October 2021 – September 2022

The EBITA impact of Group functions was EUR -33.8 million (EUR -29.2 million). Adjusted EBITA was EUR -32.4 million (EUR -27.8 million). Group functions cost in relation to group net sales remained at the previous year's level at 8.6% (8.6%).

Personnel

At the end of the reporting period on 30 September 2022, the number of personnel was 1,587 (1,397). of whom 664 (616) were employed in Finland, 650 (578) in Sweden and 274 (203) in Norway.

Changes in Group structure

There were no changes in Group structure during October 2021 – September 2022.

Changes in Group management

On 16 November 2021 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 was 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 Rönnberg.

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.

Musti Group annual General meeting for 2023 is planned to be held on 30 January 2023 in Helsinki.

Shares and shareholders

Share capital

At the end of the reporting period on 30 September 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 17.00 on the first trading day of the fourth quarter on 1 July 2022. The closing price of the share on the last trading day of the reporting period on 30 September 2022 was EUR 17.82. The highest price of the share during July – September 2022 was EUR 23.12; the lowest EUR 16.55 and the average closing price was EUR 19.20. Share turnover on Nasdaq Helsinki during July 2022 – September 2022 was approximately 2.62 million shares.

Musti Group's market capitalization was EUR 598 million on 30 September 2022.

Own shares

On 30 September 2022 Musti Group held 244,000 (244,000) own shares representing 0.73% (0.73%) 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 11,781. The proportion of nominee-registered shareholders was 70.48% of the company's shares. The 20 largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 22.43% of Musti Group's shares and votes at the end of the reporting period.

During October 2021 - September 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

Managers' transactions

Musti Group's managers' transactions as of the listing have been published as stock exchange releases, and they are available at 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 for financial year 2022 is equivalent to a six months' full salary for the CEO and a three 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 September 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 responsibility approach 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, themes, 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 major suppliers to commit to Musti Group'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.

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/.

Musti Group's Non-Financial Information Report for the financial year 2022 will be published on 16 December 2022 together with the Financial Statements and the Board of Directors' report.

Risks and uncertainties

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

The following describes the risks and uncertainties that are considered significant for Musti Group.

Risks relating to the macroeconomic environment and inflation

The European economies have been predicted to shrink or drift into a recession in 2022-2023. Although Musti Group sells products, a recession may have a negative impact on consumer confidence and sales.

General cost level has risen in 2022 following price increases in energy, raw materials, and freights. Musti Group's cost level has increased accordingly and is reflected in higher retail prices to maintain profitability. Higher inflation will also contribute to higher interest rates. These may have an impact on consumer behavior and price competition.

Risks relating to changes in the competitive environment

Pet products and services retail industry has become increasingly competitive. Musti Group's competitors include large grocery retailers, smaller pet specialist stores, online competitors (including general online stockists and internet pure plays), home and garden stores, pet service providers, as well as veterinary clinics. Many are competing for the same customers with similar offerings, and it is easy to make comparisons between competitors. If Musti Group fails in this competition, its sales and profitability would decrease.

Risks relating to quality of products and services

A failure in product safety control or supply chain quality assurance may result in financial losses, loss of customer trust or in the worst case, a health hazard to a pet. Customers or employees may also make allegations against Musti Group publicly concerning the quality of the company's product or services. This could result in a reputational loss for Musti Group.

Risks relating to changes in customer preferences

Customers' buying patterns may change more rapidly than what the company has anticipated. With the rising trend of online shopping customers expect a simple and consistent shopping experience and fast delivery regardless of the sales channel. Brick-and-mortar stores are expected to offer experiences, a place to meet, and information. Various sustainability aspects in products and services are increasingly important to customers. If the company fails to address the new purchasing patterns and sustainability requirements, there is a risk that the investment in assortment, sales channels and services will not generate the intended results.

Risks relating to sourcing of products

A loss of significant supplier or an inability to source products from such suppliers that meet Musti Group's standards and requirements, or a supply reduction or cost increases demanded by suppliers may have a material adverse effect on the customer relationships and competitive position.

Risks relating to inventories

A lot of the company's capital may be tied up in carrying the inventory if the company is unable to forecast accurately customer demand. Operative difficulties in managing the inventory and obsolescence may increase costs of inventory or result in selling the goods at discount which may have a negative impact on profitability.

Risks relating to logistics

The company's distribution center in Eskilstuna is its distribution hub. Most goods from suppliers are delivered to Eskilstuna and then distributed to shops and online customers. Collecting the logistics in one location carries certain risks, for example, disruptions to communications and information technology infrastructure, as well as fire and strikes, which may result in business discontinuity or lower sales.

Risks relating cybercrimes

The frequency of professional cybercrimes is growing. This has increased the risk relating to business continuity and loss of critical information. Cyber-attacks may target, for example, data systems critical for business continuity, or personal data. Cyber-attacks may result in disruptions in sales, personal data leakages, financial losses, compensation for damages or reputational damages.

Risks relating to employees

If Musti Group is not perceived as an attractive and sustainable employer brand, the company may not be able to safeguard skilled and motivated employees. The covid-19 pandemic has made the workforce more mobile and lowered the threshold of changing jobs. The prerequisite for execution of strategy and reaching the set targets is to be able to maintain insightful and motivated employees.

Risks relating to currency fluctuations

As a significant part of Musti Group's business is in countries outside the eurozone, Musti Group's balance sheet and results are exposed to fluctuations in foreign currency exchange rates. The main transaction exposure currencies are USD and GBP in which Musti Group of companies has outflows related to purchases. Translation exposure arises from subsidiaries reporting in SEK and NOK as results and balance sheet items are consolidated to Musti Group level.

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 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.

Outlook for the financial year 2023

The underlying trend of pet parenting that drives the long-term structural growth of the pet care market remains robust. The pet space has proven to be resilient in economic downturns. Musti Group expects it is able to continue its performance aligned with strategy and financial targets focusing on the high-quality products and services the pet parents seek.

Board of Directors' proposal for profit distribution and capital return

The Board of Directors of Musti Group plc proposes to the Annual General Meeting that shareholders will be paid a capital return of EUR 0.50 per share from the invested unrestricted equity reserve totaling approximately EUR 16.7 million and that no dividend will be paid for the financial year that ended on 30 September 2022. The capital return corresponds approximately 75 % of Musti Group's profit for the financial year.

The parent company's distributable funds total EUR 144,049,079.54 of which the profit for the financial year is EUR 3,618,827.84.

The Board of Directors proposes that the capital return be paid in two instalments. The first instalment of EUR 0.25 per share would be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the first capital return installment on 1 February 2023. The Board of Directors proposes that the first capital return installment would be paid on 8 February 2023.

The second capital return installment of EUR 0.25 per share would be paid in August 2023. The second instalment would be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date of the second capital return installment on 22 August 2023. The Board of Directors proposes that the second capital return installment would be paid on 29 August 2023.

The Board of Directors also proposes that the Annual General Meeting would authorize the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second capital return installment should the rules of Euroclear Finland Ltd or statues applicable to the Finnish book-entry system change or otherwise so require.

Financial calendar

Musti Group's Financial Statements and Board of Directors' Report for October 2021-September 2022 will be published on 16 December 2022 together with Musti Group's Corporate Governance Statement, Remuneration Report and Non-Financial Information Report.

Musti Group's Annual General Meeting is planned to be held on 30 January 2023.

Interim Report for October 2022-December 2022 will be published on 2 February 2023.

Webcast for analysts and media

A webcast for analysts and media will be arranged on 8 November 2022 at 14:00 EET. The event will be held in English. The report will be presented by CEO David Rönnberg and CFO Toni Rannikko.

The webcast can be followed at https://mustigroup.videosync.fi/2022-q4-results. A recording of the webcast will be available later at the company's website at www.mustigroup.com/investors/reports-and-presentations/.

The telephone conference can be attended by calling:

Finland: +358 9 2319 5436
Sweden: +46 (0) 8 5051 0086
UK: +44 (0) 33 0551 0202
US: +1 646 843 4609

The participants will be asked to provide the following PIN code: 4319022#

Helsinki, 8 November 2022

Board of Directors

The information in this Financial Statements Release is unaudited.

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Condensed financial information

Condensed consolidated statement of income

EUR thousand	1 Jul 2022 - 30 Sep 2022	1 Jul 2021 - 30 Sep 2021	1 Oct 2021 - 30 Sep 2022	1 Oct 2020 - 30 Sep 2021
Net sales	**101,846**	**91,468**	**391,122**	**340,856**
Other operating income	520	754	2,516	2,270
Share of profit of a joint venture	-121	50	84	30
Materials and services	-55,810	-49,646	-209,626	-185,239
Employee benefit expenses	-17,593	-16,416	-72,592	-61,828
Other operating expenses	-11,293	-9,972	-46,078	-39,147
Depreciation, amortization and impairment	-9,007	-7,639	-34,542	-28,565
Operating profit	**8,543**	**8,598**	**30,882**	**28,377**
Financial income and expenses, net	76	-992	-2,443	-1,495
Profit before taxes	**8,619**	**7,606**	**28,440**	**26,882**
Income tax expense	-1,349	-2,417	-6,109	-5,988
Profit/loss for the period	**7,270**	**5,189**	**22,330**	**20,895**
Attributable to:				
Owners of the parent	7,282	5,180	22,328	20,872
Non-controlling interest	-12	10	2	23
Earnings per share (EUR) for profit attributable to owners of the parent				
Basic EPS (EUR)	0.22	0.16	0.67	0.62
Diluted EPS (EUR)	0.22	0.15	0.66	0.62

Consolidated statement of comprehensive income, IFRS

Profit/loss for the period	7,270	5,189	22,330	20,895
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	-1,476	-215	-6,148	1,138
Tax on other comprehensive income	512	0	512	0
Total comprehensive income	**6,306**	**4,974**	**16,695**	**22,033**
Attributable to:				
Owners of the parent	5,806	4,964	16,193	22,006
Non-controlling interest	-12	10	2	27

Consolidated statement of financial position

EUR thousand	30 Sep 2022	30 Sep 2021
ASSETS		
Non-current assets		
Goodwill	170,505	157,831
Other intangible assets	16,896	18,705
Right-of-use assets	76,227	71,745
Property, plant and equipment	18,538	15,759
Investments in joint ventures	1,074	990
Deferred tax assets	4,351	5,008
Other non-current receivables	154	109
Total non-current assets	**287,744**	**270,148**
Current assets		
Inventories	61,401	44,297
Trade and other receivables	9,486	9,322
Derivative financial instruments	2,135	484
Income tax receivables	625	281
Cash and cash equivalents	10,054	13,013
Total current asset	**83,702**	**67,397**
TOTAL ASSETS	**371,446**	**337,545**

EUR thousand	30 Sep 2022	30 Sep 2021
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	11,002	11,002
Other reserves	140,043	154,691
Treasury shares	-6,910	-6,910
Translation differences	-5,161	975
Retained earnings	21,318	-2,891
Total equity attributable to owners of the parent	**160,292**	**156,867**
Equity attributable to non-controlling interest	75	110
Total equity	**160,367**	**156,977**
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	59,898	49,872
Lease liability	57,776	56,713
Deferred tax liabilities	3,265	2,684
Other non-current interest-bearing liabilities	0	14
Total non-current liabilities	**120,940**	**109,283**
Current liabilities		
Commercial papers	14,950	0
Lease liability	22,905	19,759
Trade and other payables	48,571	46,827
Derivative financial instruments	73	441
Income tax liabilities	3,640	4,257
Total current liabilities	**90,139**	**71,285**
Total liabilities	**211,079**	**180,567**
TOTAL EQUITY AND LIABILITIES	**371,446**	**337,545**

Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent							
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 1 Oct 2021	**11,002**	**154,691**	**-6,910**	**975**	**-2,890**	**156,867**	**110**	**156,977**
Profit/loss for the period					22,328	22,328	2	22,330
Translation differences				-6,136		-6,136	-13	-6,148
Tax on other comprehensive income					512	512		512
Comprehensive income	**0**	**0**	**0**	**-6,136**	**22,841**	**16,705**	**-10**	**16,695**
Other changes					19	19	0	19
Capital return		-14,648				-14,648		-14,648
Dividends						0	-15	-15
Share-based incentive plan			0		1,349	1,349		1,349
Other changes						0	-10	-10
Equity at 30 Sep 2022	**11,002**	**140,043**	**-6,910**	**-5,161**	**21,318**	**160,292**	**75**	**160,367**

EUR thousand	Attributable to owners of the parent							
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Equity at 1 Oct 2020	**11,002**	**167,412**	**0**	**-159**	**-25,132**	**153,122**	**157**	**153,279**
Profit/loss for the period					20,872	20,872	23	20,895
Translation differences				1,134		1,134	4	1,138
Comprehensive income	**0**	**0**	**0**	**1,134**	**20,872**	**22,006**	**27**	**22,033**
Capital return		-12,720				-12,720		-12,720
Dividends							-74	-74
Acqusition of own shares			-6,910			-6,910		-6,910
Share-based incentive plan					1,370	1,370		1,370
Equity at 30 Sep 2021	**11,002**	**154,691**	**-6,910**	**975**	**-2,890**	**156,867**	**110**	**156,977**

Consolidated statement of cash flows

EUR thousand	1 Jul 2022 - 30 Sep 2022	1 Jul 2021 - 30 Sep 2021	1 Oct 2021 - 30 Sep 2022	1 Oct 2020 - 30 Sep 2021
Cash flows from operating activities				
Profit before income taxes	8,619	7,606	28,440	26,882
Adjustments				
Depreciation, amortization and impairment	9,007	7,639	34,542	28,565
Financial income and expenses, net	-76	992	2,443	1,495
Other adjustments	447	1,256	1,296	1,466
Cash flows before changes in working capital	17,997	17,494	66,720	58,409
Change in working capital				
Increase (-) / decrease (+) in trade and other receivables	-950	-1,702	-764	-2,782
Increase (-) / decrease (+) in inventories	-4,666	-3,309	-16,301	-6,653
Increase (+) / decrease (-) in trade and other payables	2,659	2,638	1,678	5,269
Cash flows from operating activities before financial items and taxes	15,041	15,122	51,333	54,243
Income taxes paid	-1,441	-114	-5,199	706
Net cash from operating activities	**13,600**	**15,008**	**46,135**	**54,950**
Cash flows from investing activities				
Investments in tangible and intangible assets	-2,654	-3,188	-14,216	-12,878
Acquisition of subsidiaries and business acqusitions, net of cash acquired	-4,233	-4,026	-18,735	-10,330
Disposal of subsidiaries	0	-91	0	0
Increase/decrease in non-current receivables	0	0	0	230
Increase/decrease in loan receivables	0	0	0	10
Net cash from investing activities	**-6,887**	**-7,305**	**-32,951**	**-22,969**
Cash flows from financing activities				
Capital returns paid	-7,314	0	-14,630	-12,720
Dividends paid	0	0	-15	-75
Acqusition of own shares	0	-1,962	0	-6,910
Proceeds from non-current loans	0	0	60,000	0
Repayments of non-current loans	0	0	-50,000	0
Issuance of commercial papers	14,946	0	14,946	0
Repayments of lease liabilities	-5,824	-4,683	-22,114	-17,297
Interest and other financial expenses paid	-1,654	-1,272	-7,089	-5,190
Interest and other finance income received	944	-280	2,759	1,620
Net cash flow from financing activities	**1,098**	**-8,197**	**-16,143**	**-40,573**
Net change in cash and cash equivalents	**7,811**	**-495**	**-2,959**	**-8,592**
Cash and cash equivalents at the beginning of the period	2,243	13,508	13,013	21,606
Cash and cash equivalents at end of the period	**10,054**	**13,013**	**10,054**	**13,013**

Basis of preparation and accounting policies

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

The financial statements review of 1 October 2021 – 30 September 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 financial statements review 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 financial statements review is presented in thousand euros unless otherwise stated.

Critical accounting estimates and judgements

An IFRS-compliant financial statements review 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 in relation to these, the review did not indicate need for asset impairments.

Segments

7/2022-9/2022

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	44,343	42,495	15,007	0	**101,846**
% split of net sales between segment	44%	42%	15%	0%	100%
EBITDA	**11,759**	**9,189**	**3,662**	**-7,060**	**17,550**
Adjustments	0	0	0	0	0
Adjusted EBITDA	**11,759**	**9,189**	**3,662**	**-7,060**	**17,550**
Depreciation and impairment of right-of use assets and tangible assets	-2,652	-2,686	-1,303	-735	-7,377
EBITA	**9,107**	**6,503**	**2,358**	**-7,795**	**10,173**
Adjustments	0	0	0	0	0
Adjusted EBITA	**9,107**	**6,503**	**2,358**	**-7,795**	**10,173**
Amortization and impairment of intangible assets					-1,630
Operating profit					**8,543**
Financial income and expenses, net					76
Profit before taxes					**8,619**
Income tax expense					-1,349
Profit/loss for the period					**7,270**

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

7/2021-9/2021

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	40,290	39,727	11,451	0	**91,468**
% split of net sales between segment	44%	43%	13%	0%	100%
EBITDA	**12,026**	**9,269**	**2,657**	**-7,715**	**16,237**
Adjustments	48	0	0	894	942
Adjusted EBITDA	**12,074**	**9,269**	**2,657**	**-6,821**	**17,179**
Depreciation and impairment of right-of use assets and tangible assets	-2,184	-2,193	-921	-682	-5,980
EBITA	**9,843**	**7,076**	**1,736**	**-8,397**	**10,257**
Adjustments	48	0	0	894	942
Adjusted EBITA	**9,890**	**7,076**	**1,736**	**-7,503**	**11,200**
Amortization and impairment of intangible assets					-1,660
Operating profit					**8,598**
Financial income and expenses, net					-992
Profit before taxes					**7,606**
Income tax expense					-2,417
Profit/loss for the period					**5,189**

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

10/2021-9/2022					
EUR thousand	**Finland**	**Sweden**	**Norway**	**Group functions**	**Group**
Net sales *	169,704	164,905	56,512	0	**391,122**
% split of net sales between segment	43%	42%	14%	0%	100%
EBITDA	**44,486**	**37,273**	**14,586**	**-30,920**	**65,425**
Adjustments	39	0	0	1,424	1,463
Adjusted EBITDA	**44,525**	**37,273**	**14,586**	**-29,497**	**66,888**
Depreciation and impairment of right-of use assets and tangible assets	-10,252	-10,335	-4,644	-2,892	-28,124
EBITA	**34,234**	**26,938**	**9,941**	**-33,813**	**37,300**
Adjustments	39	0	0	1,424	1,463
Adjusted EBITA	**34,273**	**26,938**	**9,941**	**-32,389**	**38,763**
Amortization and impairment of intangible assets					-6,418
Operating profit					**30,882**
Financial income and expenses, net					-2,443
Profit before taxes					**28,440**
Income tax expense					-6,109
Profit/loss for the period					**22,330**

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

10/2020-9/2021					
EUR thousand	**Finland**	**Sweden**	**Norway**	**Group functions**	**Group**
Net sales *	152,616	147,511	40,730	0	**340,856**
% split of net sales between segment	45%	43%	12%	0%	100%
EBITDA	**44,375**	**29,729**	**9,974**	**-27,135**	**56,942**
Adjustments	48	389	26	1,428	1,892
Adjusted EBITDA	**44,424**	**30,118**	**10,000**	**-25,707**	**58,834**
Depreciation and impairment of right-of use assets and tangible assets	-8,326	-8,376	-3,247	-2,101	-22,049
EBITA	**36,050**	**21,352**	**6,727**	**-29,236**	**34,893**
Adjustments	48	389	26	1,428	1,892
Adjusted EBITA	**36,098**	**21,741**	**6,753**	**-27,808**	**36,785**
Amortization and impairment of intangible assets					-6,516
Operating profit					**28,377**
Financial income and expenses, net					-1,495
Profit before taxes					**26,882**
Income tax expense					-5,988
Profit/loss for the period					**20,895**

* 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 September 2022 Musti Group acquired 15 pet stores in Sweden and 2 in Norway as business acquisitions. The total purchase price of the stores was approximately EUR 18.7 million and the resulting goodwill EUR 17.5 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 10.9 million and increased operating profit by EUR 1.8 million for the period 1 October 2021 – 30 September 2022. The effect on the Group's net sales would have been approximately EUR 18.3 million and on the operating profit EUR 3.0 million for the period ended 30 September 2022 if the acquisitions had been consolidated from the beginning of the financial year.

Personnel

	30 Sep 2022	30 Sep 2021
Personnel on average	1,523	1,283
Personnel at the end of period	1,587	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 Sep 2022	30 Sep 2021
Purchases of goods and services	4,430	3,476
Receivables	76	76
Payables	96	160
Other receivables	0	150
Guarantees given on behalf of joint ventures	5,177	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 Sep 2022	30 Sep 2021
Cost at the beginning of the period	**192,294**	**177,218**
Amortization, depreciation and impairment	-12,584	-10,931
Additions	32,190	23,509
Disposals and closing of stores	-70	-124
Exchange rate differences	-5,894	2,621
Cost at the end of the period	**205,937**	**192,294**

Leases

Right-of-use assets

EUR thousand	Buildings and structures	Machinery and equipment	Total
30 Sep 2022			
Cost at the beginning of the reporting period	**71,225**	**520**	**71,745**
New contracts	21,778	417	22,195
Contracts terminated prematurely	-1,396	-70	-1,466
Revaluations and modifications	8,715	63	8,778
Exchange rate differences	-3,029	-29	-3,058
Depreciation	-21,688	-278	-21,966
Cost at the end of the reporting period	**75,604**	**623**	**76,227**

EUR thousand	Buildings and structures	Machinery and equipment	Total
30 Sep 2021			
Cost at the beginning of the reporting period	**61,516**	**498**	**62,014**
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
Cost at the end of the reporting period	**71,225**	**520**	**71,745**

Lease liability

EUR thousand	9/30/2022	30 Sep 2021
Lease liability at the beginning of the reporting period	**76,472**	**66,494**
Net increases	26,173	27,385
Rent expenses	-24,197	-19,679
Interest expense	2,233	2,272
Lease liability at the end ot the reporting period	**80,681**	**76,472**

EUR thousand	9/30/2022	30 Sep 2021
Non-current lease liability	57,776	56,713
Current lease liability	22,905	19,759
Total	**80,681**	**76,472**

Lease contracts in the income statement

EUR thousand	1 Jul 2021 - 30 Sep 2022	1 Jul 2021 - 30 Sep 2021	1 Oct 2021-30 Sep 2022	1 Oct 2020 - 30 Sep 2021
Expenses from rental agreements not included in lease liability	-201	-354	-1,181	-1,470
Depreciation of right-of-use assets	-5,710	-4,748	-21,966	-17,620
Interest expenses from lease liability	-545	-568	-2,233	-2,272
Total	**-6,456**	**-5,670**	**-25,380**	**-21,362**

Financial assets and liabilities

Financial assets

EUR thousand	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
30 Sep 2022					
Non-current assets					
Other non-current assets		154	154	154	Level 2
Total		**154**	**154**	**154**	
Current assets					
Trade and other receivables		2,660	2,660	2,660	Level 2
Loan receivables		0	0	0	Level 2
Derivative financial instruments	2,135		2,135	2,135	Level 2
Cash and cash equivalents		10,054	10,054	10,054	Level 2
Total	**2,135**	**12,714**	**14,850**	**14,850**	
Financial assets, total	**2,135**	**12,869**	**15,004**	**15,004**	

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

Financial liabilities

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
30 Sep 2022					
Non-current liabilities					
Loans from credit institutions		59,898	59,898	59,898	Level 2
Lease liability		57,776	57,776	57,776	Level 2
Other non-current liablities		0	0	0	Level 2
Total		**117,674**	**117,674**	**117,674**	
Current liabilities					
Commercial papers		14,950	14,950	14,950	Level 2
Lease liability		22,905	22,905	22,905	Level 2
Trade and other payables*		24,386	24,386	24,386	Level 2
Derivative financial instruments	73		73	73	Level 2
Total	**73**	**62,241**	**62,314**	**62,314**	
Financial liablities, total	**73**	**179,915**	**179,989**	**179,989**	

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
30 Sep 2021					
Non-current liabilities					
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 liablities		0	0	0	Level 2
Total		**106,586**	**106,586**	**106,586**	
Current liabilities					
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
Total	**441**	**43,553**	**43,994**	**43,994**	
Financial liablities, total	**441**	**150,138**	**150,579**	**150,579**	

*) 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
30 Sep 2022				
Forward exchange contracts	19,733	584	-73	511
Interest rate swaps	30,000	1,551		1,551
Total	**49,733**	**2,135**	**-73**	**2,062**

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

Group commitments

EUR thousand	30 Sep 2022	30 Sep 2021
Pledges given on behalf of Group companies and joint ventures		
Guarantees relating to rental payments	4,455	4,619
Other commitments	43	129
Total	4,498	4,748
Other commitments		
Other guarantees	5,177	2,929
Lease liabilities for leases not recognized in the balance sheet	1,557	4,984
Total	6,733	7,913

Lease liabilities not recognized in the balance sheet include 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	7/2022-9/2022	7/2021-9/2021	Change %	10/2021-9/2022	10/2020-9/2021	Change %
Net sales	101.8	91.5	11.3 %	391.1	340.9	14.7 %
Net sales growth, %	11.3 %	18.9 %		14.7 %	19.9 %	
LFL sales growth, %	4.7 %	10.9 %		6.7 %	11.8 %	
LFL store sales growth, %	2.4 %	8.2 %		4.2 %	8.8 %	
LFL online sales growth, %	12.7 %	20.2 %		14.7 %	21.2 %	
Store sales	79.5	68.6	16.0 %	300.3	250.1	20.1 %
Online sales	21.7	20.4	6.4 %	87.0	78.7	10.6 %
Online share of net sales, %	21.3 %	22.3 %		22.2 %	23.1 %	
Gross margin, %	45.2 %	45.7 %		46.4 %	45.7 %	
EBITDA	17.6	16.2	8.1 %	65.4	56.9	14.9 %
EBITDA margin, %	17.2 %	17.8 %		16.7 %	16.7 %	
Adjusted EBITDA	17.6	17.2	2.2 %	66.9	58.8	13.7 %
Adjusted EBITDA margin, %	17.2 %	18.8 %		17.1 %	17.3 %	
EBITA	10.2	10.3	-0.8 %	37.3	34.9	6.9 %
EBITA margin, %	10.0 %	11.2 %		9.5 %	10.2 %	
Adjusted EBITA	10.2	11.2	-9.2 %	38.8	36.8	5.4 %
Adjusted EBITA margin, %	10.0 %	12.2 %		9.9 %	10.8 %	
Operating Profit	8.5	8.6	-0.6 %	30.9	28.4	8.8 %
Operating Profit margin, %	8.4 %	9.4 %		7.9 %	8.3 %	
Profit/loss for the period	7.3	5.2	40.1 %	22.3	20.9	6.9 %
Earnings/Share, basic, EUR	0.22	0.16	40.4 %	0.67	0.62	7.3 %
Earnings/Share, diluted, EUR	0.22	0.15	40.5 %	0.66	0.62	7.3 %
Cash flow from operating activities	13.6	15.0	-9.4 %	46.1	54.9	-16.0 %
Investments in tangible and intangible assets	2.7	3.2	-16.8 %	14.2	12.9	10.4 %
Net debt	143.4	113.3	26.6 %	143.4	113.3	26.6 %
Gearing, %	89.4 %	72.2 %		89.4 %	72.2 %	
Net debt / LTM Adjusted EBITDA	2.1	1.9	11.3 %	2.1	1.9	11.3 %
Equity ratio %	43.2 %	46.5 %		43.2 %	46.5 %	
Nr of loyal customers, thousands	1,454	1,297	12.2 %	1,454	1,297	12.2 %
Number of stores at end of period	335	312	7.4 %	335	312	7.4 %
of which directly operated	319	280	13.9 %	319	280	13.9 %
Own & Exclusive share, %	52.7 %	51.3 %		52.7 %	51.0 %	
Finland						
Net sales	44.3	40.3	10.1 %	169.7	152.6	11.2 %
Net sales growth, %	10.1 %	12.0 %		11.2 %	12.4 %	
LFL sales growth, %	1.8 %	9.2 %		2.7 %	10.6 %	
EBITDA	11.8	12.0	-2.2 %	44.5	44.4	0.2 %
EBITDA margin, %	26.5 %	29.8 %		26.2 %	29.1 %	
Adjusted EBITDA	11.8	12.1	-2.6 %	44.5	44.4	0.2 %
Adjusted EBITDA margin, %	26.5 %	30.0 %		26.2 %	29.1 %	
EBITA	9.1	9.8	-7.5 %	34.2	36.0	-5.0 %
EBITA margin, %	20.5 %	24.4 %		20.2 %	23.6 %	
Adjusted EBITA	9.1	9.9	-7.9 %	34.3	36.1	-5.1 %
Adjusted EBITA margin, %	20.5 %	24.5 %		20.2 %	23.7 %	
Nr of loyal customers, thousands	524	490	6.9 %	524	490	6.9 %
Number of stores at end of period	140	134	4.5 %	140	134	4.5 %
of which directly operated	140	134	4.5 %	140	134	4.5 %
Own & Exclusive share, %	57.5 %	57.7 %		57.5 %	57.9 %	
Sweden						
Net sales	42.5	39.7	7.0 %	164.9	147.5	11.8 %
Net sales growth, %	7.0 %	18.8 %		11.8 %	19.7 %	
LFL sales growth, %	6.5 %	10.2 %		8.9 %	9.2 %	

EBITDA	9.2	9.3	-0.9 %	37.3	29.7	25.4 %
EBITDA margin, %	21.6 %	23.3 %		22.6 %	20.2 %	
Adjusted EBITDA	9.2	9.3	-0.9 %	37.3	30.1	23.8 %
Adjusted EBITDA margin, %	21.6 %	23.3 %		22.6 %	20.4 %	
EBITA	6.5	7.1	-8.1 %	26.9	21.4	26.2 %
EBITA margin, %	15.3 %	17.8 %		16.3 %	14.5 %	
Adjusted EBITA	6.5	7.1	-8.1 %	26.9	21.7	23.9 %
Adjusted EBITA margin, %	15.3 %	17.8 %		16.3 %	14.7 %	
Nr of loyal customers, thousands	669	605	10.6 %	669	605	10.6 %
Number of stores at end of period	129	128	0.8 %	129	128	0.8 %
of which directly operated	113	96	17.7 %	113	96	17.7 %
Own & Exclusive share, %	46.5 %	42.6 %		45.9 %	41.4 %	
Norway						
Net sales	15.0	11.5	31.1 %	56.5	40.7	38.7 %
Net sales growth, %	31.1 %	53.2 %		38.7 %	60.6 %	
LFL sales growth, %	9.5 %	22.0 %		13.9 %	30.0 %	
EBITDA	3.7	2.7	37.8 %	14.6	10.0	46.2 %
EBITDA margin, %	24.4 %	23.2 %		25.8 %	24.5 %	
Adjusted EBITDA	3.7	2.7	37.8 %	14.6	10.0	45.9 %
Adjusted EBITDA margin, %	24.4 %	23.2 %		25.8 %	24.6 %	
EBITA	2.4	1.7	35.8 %	9.9	6.7	47.8 %
EBITA margin, %	15.7 %	15.2 %		17.6 %	16.5 %	
Adjusted EBITA	2.4	1.7	35.8 %	9.9	6.8	47.2 %
Adjusted EBITA margin, %	15.7 %	15.2 %		17.6 %	16.6 %	
Nr of loyal customers, thousands	261	201	29.9 %	261	201	29.9 %
Number of stores at end of period	66	50	32.0 %	66	50	32.0 %
of which directly operated	66	50	32.0 %	66	50	32.0 %
Own & Exclusive share, %	56.3 %	57.5 %		57.6 %	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	Profit/loss for the period - Non-controlling interests / Average number of shares
Earnings per share, diluted	Profit/loss for the period - Non-controlling interests / Average diluted number of shares
Net Debt	Interest bearing liabilities - Loan receivables +/ - Derivative financial instruments - Cash and cash equivalents
Gearing (%)	Net debt / Equity
Net debt/LTM (last twelve months) Adjusted EBITDA	Net debt / LTM adjusted EBITDA
Equity ratio (%)	Total equity / Total assets - Advances received
LFL (Like-for-like) sales growth (%)	Sales of online channels and stores that have been open more than 13 months / Sales from corresponding online channels and stores in the same time period
Own & Exclusive share (%)	Sales of own and exclusive product sales / Product sales in own channels
Online share (%)	Online sales / Net sales

Reconciliation of key performance indicators

EUR millions or as indicated	1 Jul 2022 - 30 Sep 2022	1 Jul 2021 - 30 Sep 2021	1 Oct 2021 - 30 Sep 2022	1 Oct 2020 - 30 Sep 2021
Gross profit				
Net sales	101.8	91.5	391.1	340.9
Material and services	-55.8	-49.6	-209.6	-185.2
Gross profit	**46.0**	**41.8**	**181.5**	**155.6**
Gross margin (%)	**45.2 %**	**45.7 %**	**46.4 %**	**45.7 %**
Earnings before interest, taxes, depreciation and amortization (EBITDA)				
Operating profit	8.5	8.6	30.9	28.4
Depreciation, Amortization and Impairment	9.0	7.6	34.5	28.5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**17.6**	**16.2**	**65.4**	**56.9**
EBITDA margin (%)	**17.2 %**	**17.8 %**	**16.7 %**	**16.7 %**
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)				
Operating profit	8.5	8.6	30.9	28.4
Depreciation, amortization and Impairment	9.0	7.6	34.5	28.5
Adjustments	0.0	0.9	1.5	1.9
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	**17.6**	**17.2**	**66.9**	**58.8**
Adjusted EBITDA margin (%)	**17.2 %**	**18.8 %**	**17.1 %**	**17.3 %**
Adjustments (EBITDA)				
Restructuring related expenses	0.0	0.0	0.0	0.0
Acquisition/IPO related expenses	0.0	0.0	0.0	0.0
Other items affecting comparability	0.0	0.9	1.5	1.9
Adjustments (EBITDA)	**0.0**	**0.9**	**1.5**	**1.9**
Earnings before interest, taxes and amortization (EBITA)				
Operating profit	8.5	8.6	30.9	28.4
amortization and impairment	1.6	1.7	6.4	6.5
Earnings before interest, taxes and amortization (EBITA)	**10.2**	**10.3**	**37.3**	**34.9**
EBITA margin (%)	**10.0 %**	**11.2 %**	**9.5 %**	**10.2 %**
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)				
Operating profit	8.5	8.6	30.9	28.4
amortization and impairment of intangible assets	1.6	1.7	6.4	6.5
Adjustments	0.0	0.9	1.5	1.9
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)	**10.2**	**11.2**	**38.8**	**36.8**
Adjusted EBITA margin (%)	**10.0 %**	**12.2 %**	**9.9 %**	**10.8 %**
Adjustments (Operating profit)				
Restructuring related expenses	0.0	0.0	0.0	0.0
Acquisition/IPO related expenses	0.0	0.0	0.0	0.0
Other items affecting comparability	0.0	0.9	1.5	1.9
Adjustments (Operating profit)	**0.0**	**0.9**	**1.5**	**1.9**
Earnings per share, basic				
Profit/loss for the period	7.3	5.2	22.3	20.9
Non-controlling interest	0.0	0.0	0.0	0.0
Average number of shares	33.4	33.3	33.3	33.4
Earnings per share, basic	**0.22**	**0.16**	**0.67**	**0.62**
Earnings per share, diluted				
Profit/loss for the period	7.3	5.2	22.3	20.9
Non-controlling interest	0.0	0.0	0.0	0.0
Average number of shares *)	33.6	33.6	33.6	33.7
Earnings per share, diluted	**0.22**	**0.15**	**0.66**	**0.62**

*) Includes shares from Restricted Share Plan (PSP)

Net debt				
Interest-bearing liabilities	155.5	126.3	155.5	126.3
Derivative financial instruments	-2.1	0.0	-2.1	0.0
Cash and cash equivalents	10.1	13.0	10.1	13.0
Net debt	**143.4**	**113.3**	**143.4**	**113.3**
Gearing (%)				
Net Debt	143.4	113.3	143.4	113.3
Equity	160.4	157.0	160.4	157.0
Gearing (%)	**89.4 %**	**72.2 %**	**89.4 %**	**72.2 %**
Net debt/LTM Adjusted EBITDA				
Net debt	143.4	113.3	143.4	113.3
LTM adjusted EBITDA	66.9	58.8	66.9	58.8
Net debt/LTM adjusted EBITDA	**2.1**	**1.9**	**2.1**	**1.9**
Equity ratio (%)				
Total equity	160.4	157.0	160.4	157.0
Total assets	371.4	337.5	371.4	337.5
Advances received	0.3	0.3	0.3	0.3
Equity ratio (%)	**43.2 %**	**46.5 %**	**43.2 %**	**46.5 %**
LFL sales growth (%)				
Net sales	101.8	91.5	391.1	340.9
Net sales growth %	11.3 %	18.9 %	14.7 %	19.9 %
Other growth %	6.6 %	8.0 %	8.1 %	8.1 %
LFL sales growth (%)	**4.7 %**	**10.9 %**	**6.7 %**	**11.8 %**
LFL store sales growth (%)				
Store sales	79.5	68.6	300.3	250.1
Store sales total growth %	16.0 %	21.7 %	20.1 %	21.1 %
Other growth %	13.6 %	13.6 %	15.9 %	12.3 %
LFL store sales growth (%)	**2.4 %**	**8.2 %**	**4.2 %**	**8.8 %**
Net sales				
Store sales	79.5	68.6	300.3	250.1
Online sales	21.7	20.4	87.0	78.7
Other sales	0.6	2.5	3.8	12.1
Net sales	**101.8**	**91.5**	**391.1**	**340.9**
Online share (%)				
Net sales	101.8	91.5	391.1	340.9
Online sales	21.7	20.4	87.0	78.7
Online share (%)	**21.3 %**	**22.3 %**	**22.2 %**	**23.1 %**