Musti GROUP

Half-Year Financial Report
1 October 2023–31 March 2024

30 April 2024

CEO David Rönnberg
CFO Toni Rannikko

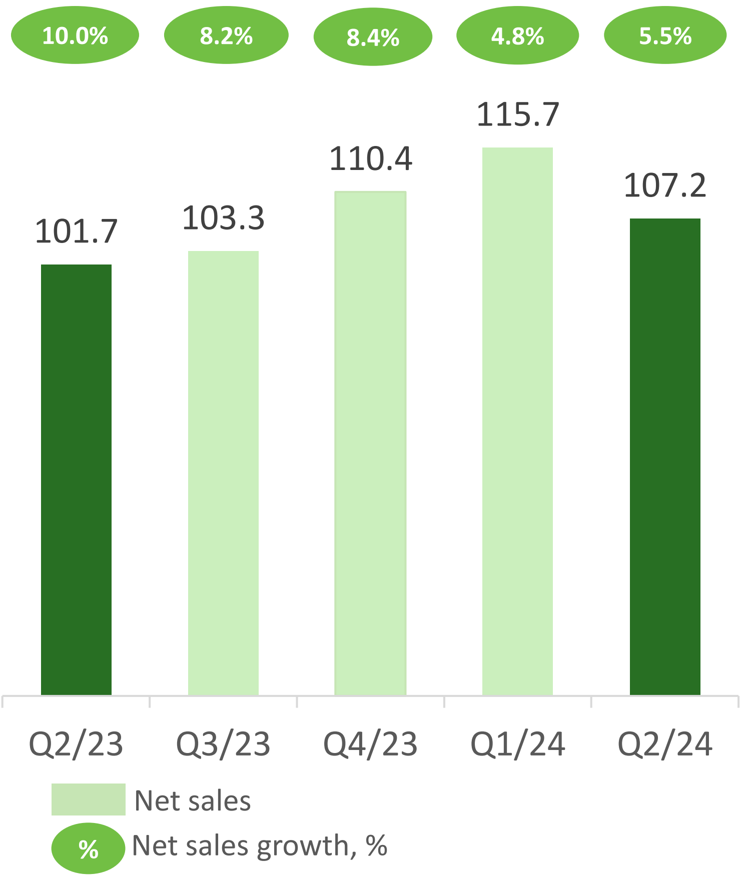
Summary of the first half of the financial year 2024

Net sales EUR 222.9m	**Growth excl. currency effects** 7.6%	**Like-for-like sales growth** 4.0%
Own and exclusive brands 52.3%	**Cash flow** EUR 22.9m	**Online like-for-like growth** 12.8%
Loyalty club members growth +3.5%	**Gross margin** 44.9%	**Adjusted EBITDA** EUR 35.5m

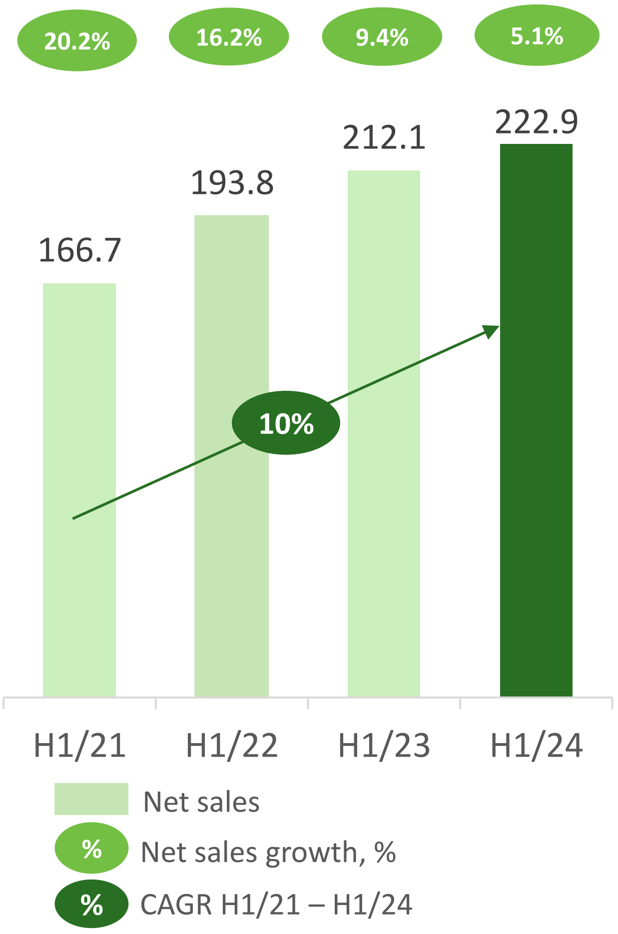
Key topics of Q2

Q2 net sales grew 5.5% to EUR 107.2 million, FX neutral growth 6.4%

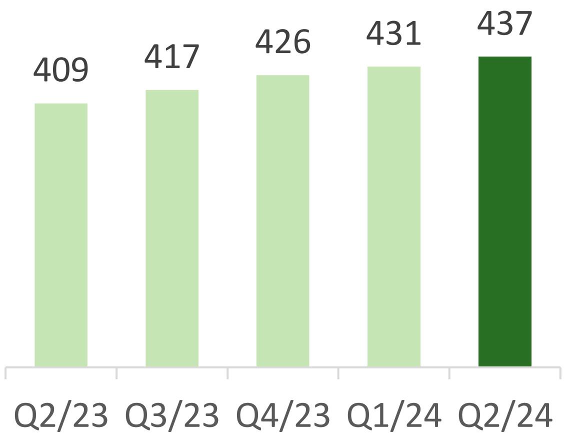
Quarterly net sales, EUR million



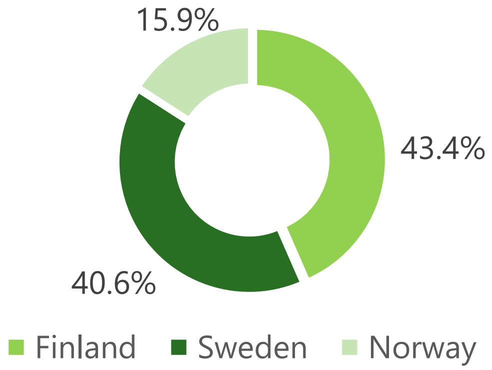
H1 net sales, EUR million



Net sales: rolling 12 months



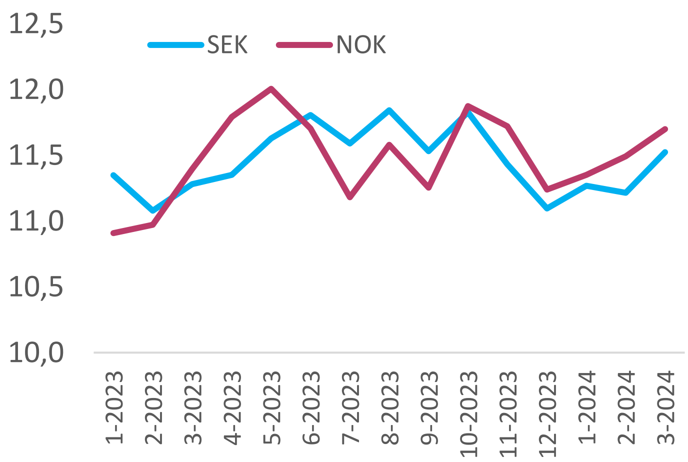
Net sales by segment in Q2/2024



Gross margin facing temporary pressure

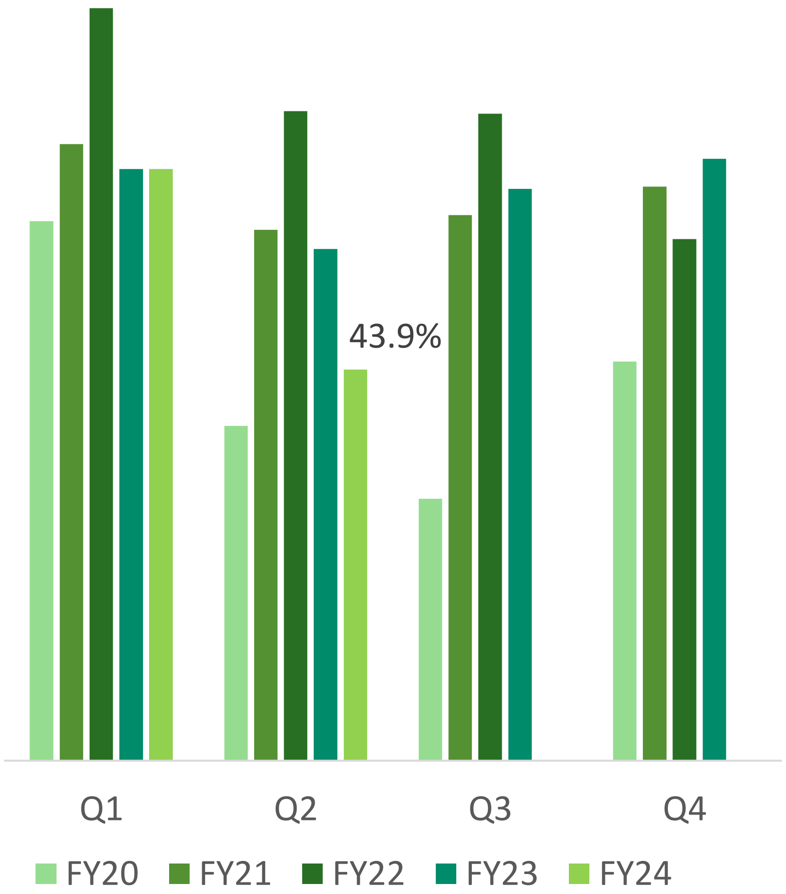
- Gross margin was 43.9% (45.1%).
- Gross margin was negatively affected by targeted investment in price and campaign activities combined with unfavorable year-on-year currency exchange rate development.
- The share of sales of own and exclusive brands remained at a good level of 51.6% (52.3%).

EUR/SEK and EUR/NOK exchange rates

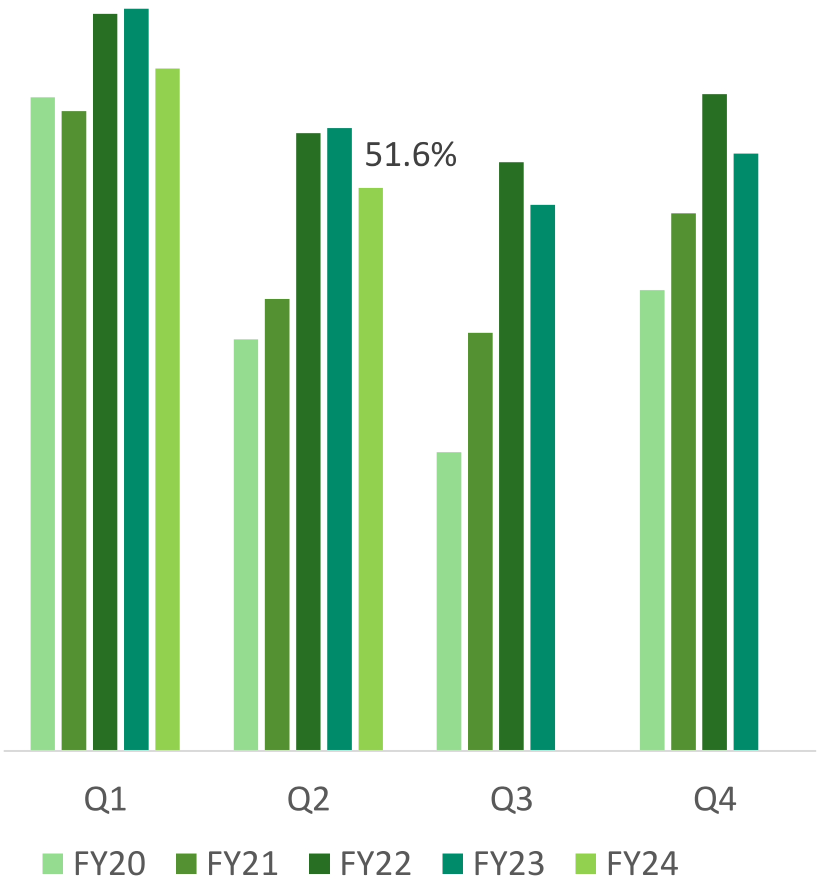


Source: ECB, monthly closing rate

Gross margin %



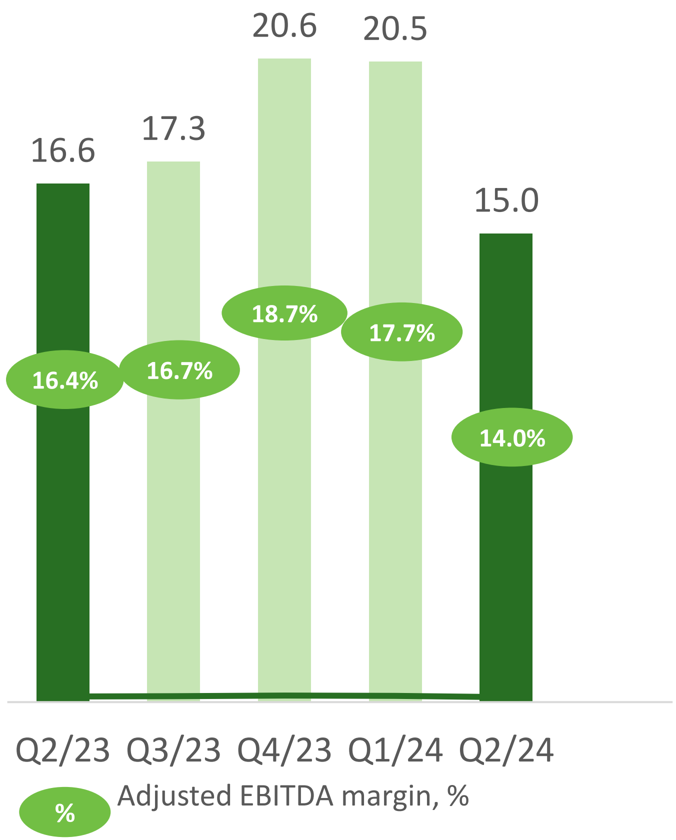
O&E %



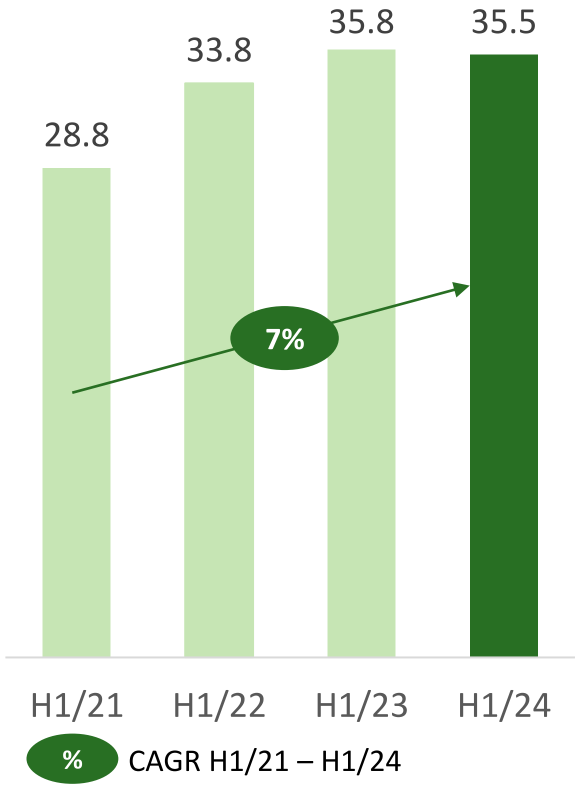
Group adjusted EBITDA decreased by 9.9% to EUR 15.0 million in Q2/24

- Group adjusted EBITDA decreased by 9.9% to EUR 15.0 (16.6) million.
- The decrease was due to consumer climate and pressure in gross profit. However, good performance in the central warehouse and disciplined cost control supported the profitability.
- Recent movements of the local currencies SEK and NOK had a negative impact of EUR 0.3 million on adjusted EBITDA.
- Adjusted EBITDA margin was 14.0% (16.4%).
- Adjusted Group functions cost in relation to group net sales was 9.0% (8.0%). The increase related to the changed structure of the Group functions after the production integration despite the good underlying trend in cost control.

Quarterly adjusted EBITDA, EUR million



H1 adjusted EBITDA, EUR million

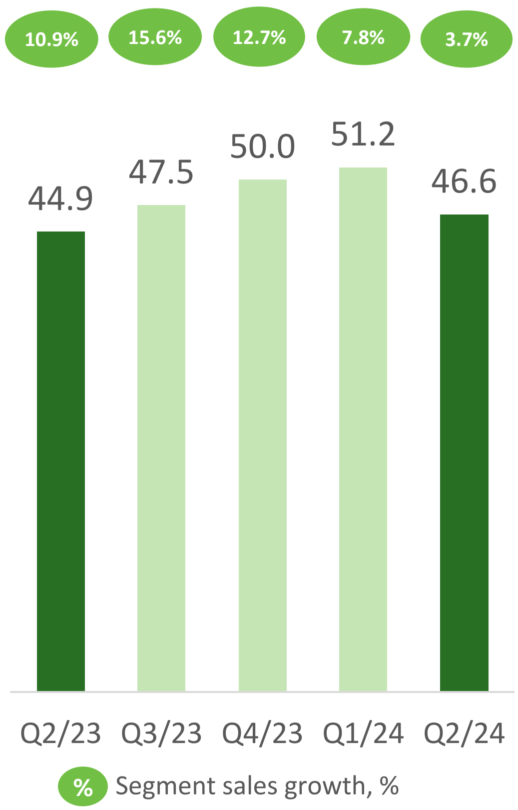


Segments

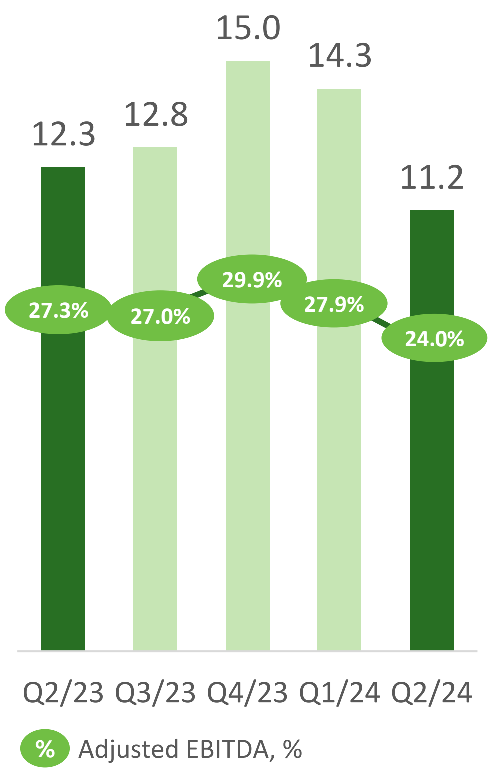
Net sales in Finland increased by 3.7% to EUR 46.6 million in Q2/24

- Net sales in Finland increased by 3.7% to EUR 46.6 (44.9) million.
- Sales growth was a result of steady growth especially in online channels and the acquisition of Premium Pet Food Suomi Oy pet food factory.
- Like-for-like growth was 0.4%.
- Adjusted EBITDA decreased by 8.8% to EUR 11.2 (12.3) million.
- Adjusted EBITDA margin was 24.0% (27.3%).
- The decrease in profitability was due to pressure in gross margin arising from targeted investment in price and campaign activities, and somewhat weak consumer climate.
- There were no changes in the store network during Q2.

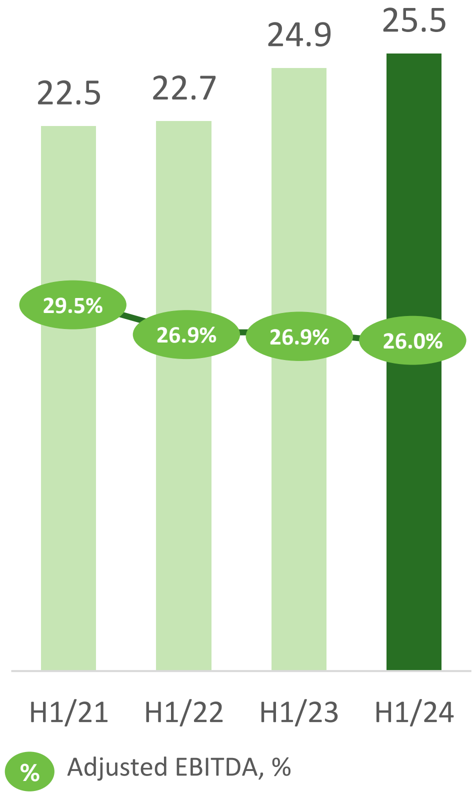
Net sales, EUR million



Quarterly adjusted EBITDA, EUR million



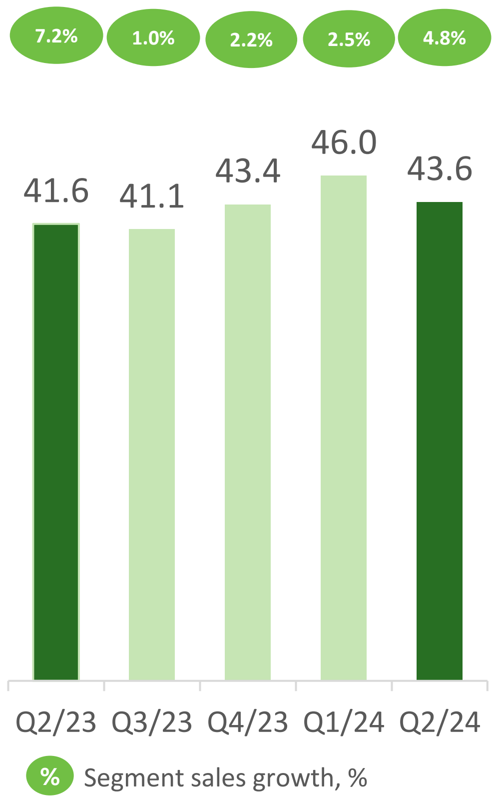
H1 adjusted EBITDA, EUR million



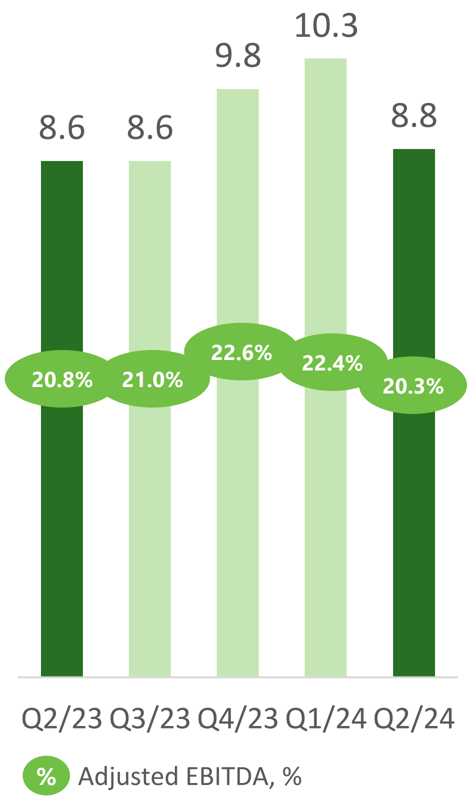
Net sales in Sweden increased by 4.8% to EUR 43.6 million in Q2/24, FX neutral growth 6.0%

- Net sales in Sweden increased by 4.8% to EUR 43.6 (41.6) million.
- The weakened SEK exchange rate decreased sales by EUR 1.2 million in Q2. The growth excluding the adverse effect from the currency exchange rate change was 6.0%.
- Like-for-like growth, which is calculated in local currencies, was 2.9%.
- Adjusted EBITDA increased by 2.1% to EUR 8.8 (8.6) million.
- Adjusted EBITDA margin decreased to 20.3% (20.8%).
- During Q2, one franchise store was acquired, and four franchise stores left the chain.

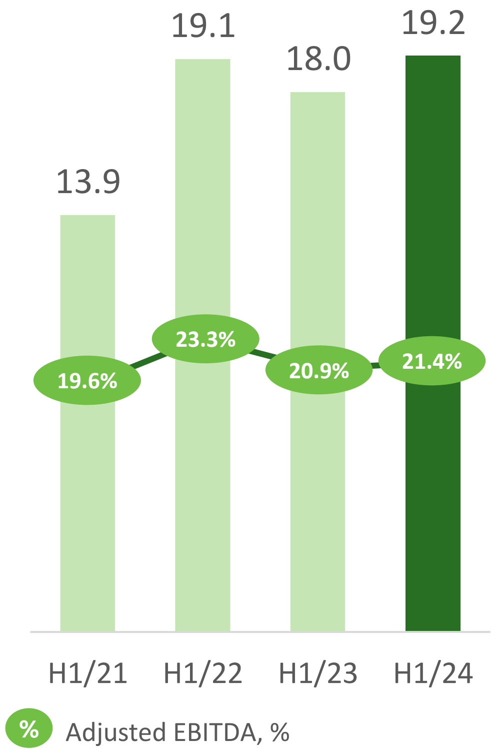
Net sales, EUR million



Quarterly adjusted EBITDA, EUR million

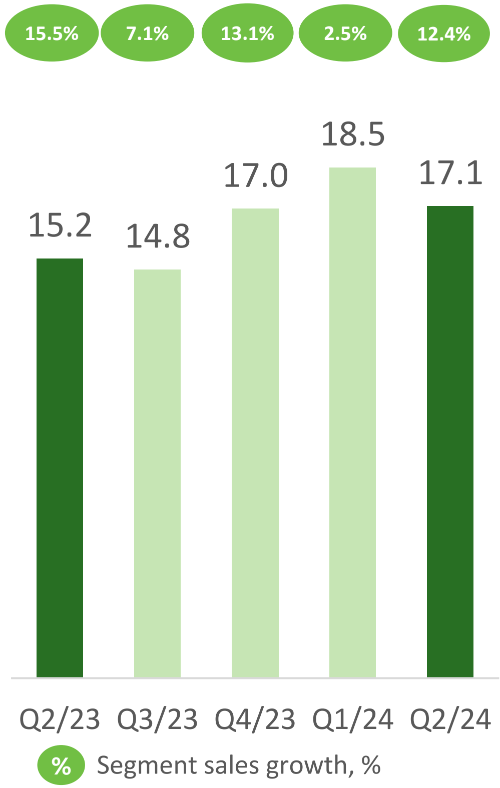


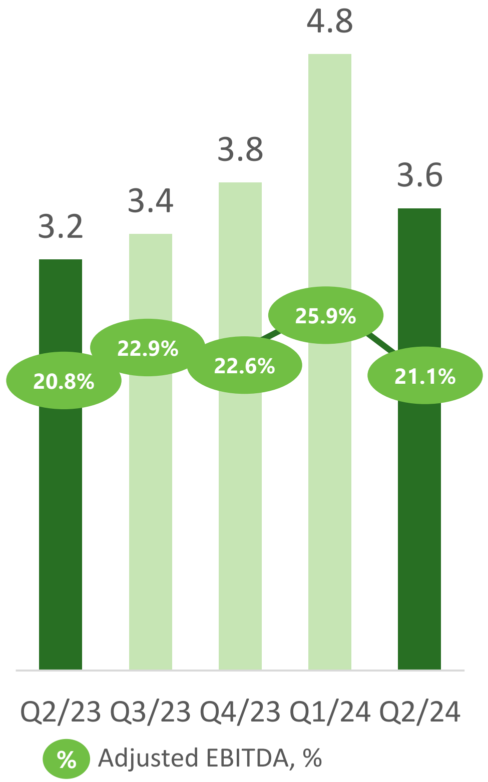
H1 adjusted EBITDA, EUR million

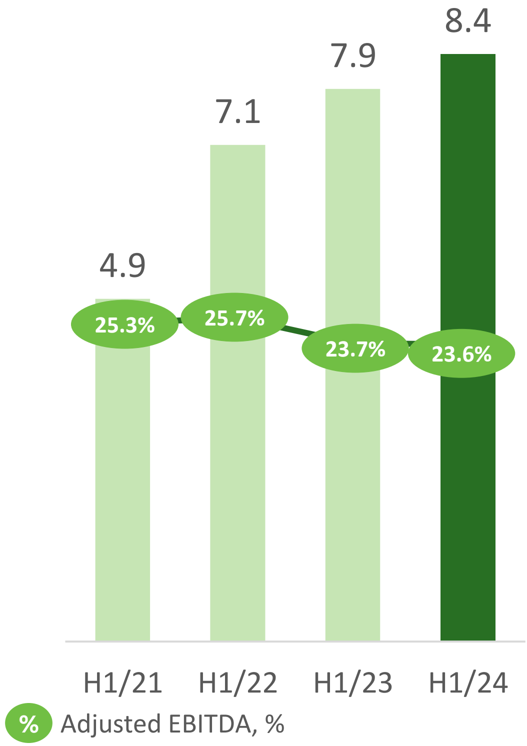


Net sales in Norway increased by 12.4% to EUR 17.1 million in Q2/24, FX neutral growth 15.8%

- Net sales in Norway increased by 12.4% to EUR 17.1 (15.2) million, driven by like-for-like growth of 12.0% and ramp-up of the stores opened during the latest twelve months.
- The NOK exchange rate in Q2 had a EUR 1.3 million negative impact on net sales. The growth excluding the adverse effect from the currency exchange rate change was 15.8%.
- Adjusted EBITDA increased by 14.1% to EUR 3.6 (3.2) million supported by good sales and disciplined cost control, despite adverse development of currency exchange rates.
- Adjusted EBITDA margin was 21.1% (20.8%).
- There were no changes in the store network during Q2.





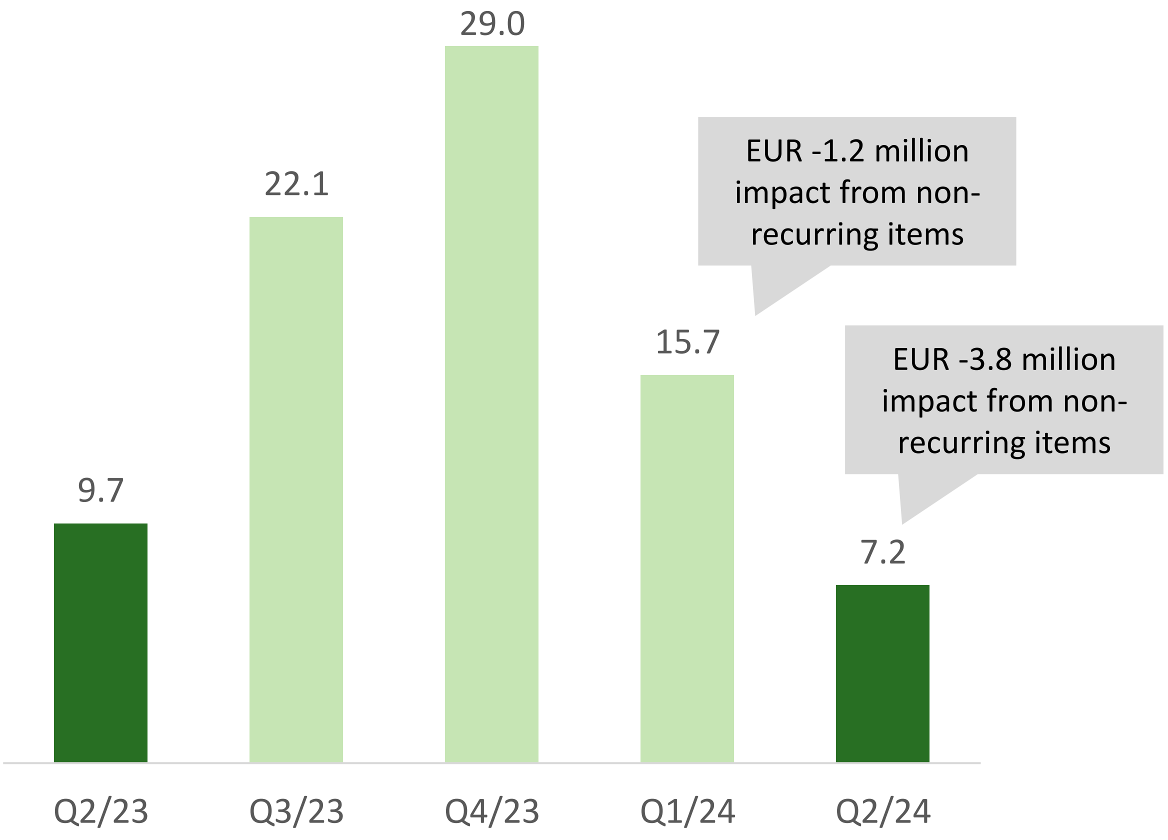


Financial position

Cash flow on a good trend excluding non-recurring items

- In Q2, the net cash flow from operating activities totaled EUR 7.2 (9.7) million and was negatively affected by EUR 3.8 million non-recurring cost items. Change in net working capital had an impact of EUR 5.5 (-2.8) million to the cash flow during the quarter.
- In October 2023 - March 2024, the net cash flow from operating activities totaled EUR 22.9 (28.4) million.
- Gearing at the end of the reporting period was 87.2% (30 September 2023: 83.9%).
- Net debt amounted to EUR 140.7 million (30 September 2023: EUR 137.9 million). At the end of the period:
    - interest-bearing loans and commercial papers included in net debt amounted to EUR 84.7 million (30 September 2023: EUR 79.4 million).
    - lease liabilities EUR 79.0 million (30 September 2023: EUR 79.8 million).
- Net debt in relation to LTM adjusted EBITDA was 1.9x.
- Cash and cash equivalents at the end of the period amounted to EUR 23.8 million (30 September 2023: EUR 22.0 million).
- In Q2, investments in tangible and intangible assets amounted to EUR 3.9 (3.1) million.

Cash flow from operating activities, EUR million



Financial targets

- Board of Directors of Musti Group Plc has decided to withdraw the company's long-term financial targets, updated by the Board of Directors on 3 May 2021.
- With the new majority owner, Musti Group is now in a new strategic phase with need to focus on sustainable growth to create value to its pet parent customers, owners and other stakeholders.
- Updated dividend policy: The company's net profit shall be used towards financing the company's growth and investments, and the company does not expect to distribute dividends. The Board of Directors may however assess dividend distribution annually.

Summary of Q2/24

- Group net sales totaled EUR 107.2 (101.7) million, an increase of 5.5%, and 6.4% excluding changes in currency exchange rates.
- Like-for-like growth, which is calculated in local currencies, amounted to 3.1% (10.8%).
- Online like-for-like growth was 12.6% (16.4%).
- Gross margin was 43.9% (45.1%) due to targeted investments in price and campaign activities combined with unfavorable year-on-year currency exchange rate development and product/sales mix.
- Adjusted EBITDA decreased 9.9% to EUR 15.0 (16.6) million.
- Adjusted EBITDA margin decreased to 14.0% (16.4%).
- The number of loyal customers increased by 3.5% to 1,563 thousand (1,511 thousand on 31 March 2023).
- Net cash flow from operating activities was EUR 7.2 (9.7) million, including impact of non-recurring items EUR 3.8 million.

More information

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Interim Report for October 2023 – June 2024 will be published on **30 July 2024**.

Thank you!