

# VERKKOKAUPPA.COM OYJ INTERIM REPORT

January – March 2024





**INTERIM REPORT for 1 January – 31 March 2024****VERKKOKAUPPA.COM FOCUSED ON PROFITABILITY IN A DECLINING MARKET**

Verkkokauppa.com Oyj

INTERIM REPORT

25 April 2024, 8:00 a.m. EEST

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period in the previous year (reference period). Figures are unaudited.

**January – March 2024 in brief**

- Revenue was EUR 108.0 million (122.0)
- Gross profit was EUR 18.7 million (20.2) or 17.3 % of the revenue (16.6 %).
- Operating result (EBIT) was EUR -0.4 million (0.0) or -0.4 % of revenue (0.0 %)
- Comparable operating result (comparable EBIT) was EUR 0.5 million (1.4) or 0.5% of revenue (1.1 %)
- Items affecting comparability were EUR 0.9 million, mainly relating to an administrative fine from the Office of the Data Protection Ombudsman
- Net result was EUR -1.0 million (-0.4)
- Earnings per share were EUR -0.02 (-0.01)
- Investments were EUR 0.3 million (1.0)
- Operating cash flow was EUR -13.0 million (-3.6)

KEY RATIOS	1-3/2024	1-3/2023	Change	1-12/2023
<b>Eur million</b>				
Revenue	108.0	122.0	-11.5 %	502.9
Gross profit	18.7	20.2	-1.6 MEUR	80.9
Gross margin, %	17.3%	16.6%	0.7 pp	16.1%
EBITDA	1.3	1.6	-0.3 MEUR	11.1
EBITDA, %	1.2%	1.3%	-0.1 pp	2.2%
Operating result	-0.4	0.0	-0.5 MEUR	4.7
Operating margin, %	-0.4%	0.0%	-0.4 pp	0.9%
Comparable operating result	0.5	1.4	-0.9 MEUR	6.1
Comparable operating margin, %	0.5%	1.1%	-0.7 pp	1.2%
Net result	-1.0	-0.4	-0.6 MEUR	2.1
Investments	0.3	1.0	-0.6 MEUR	1.9
Operating cash flow	-13.0	-3.6	-9.4 MEUR	20.3

**FINANCIAL GUIDANCE FOR 2024 UNCHANGED** (published in connection with the Financial Statements Bulletin 2023 on 8 February 2024)

Verkkokauppa.com expects revenue for 2024 to remain at the level of 2023 (2023: EUR 502.9 million) and comparable operating profit (comparable EBIT) to increase from 2023 (2023: EUR 6.1 million).



## CEO PANU PORKKA'S REVIEW



**“As the only operator in Finland, we deliver orders for an assortment of nearly 30,000 products already in an hour, every day of the week, around the clock to almost 700,000 consumers in the capital region. In this area, more than every fourth customer order is delivered by express delivery.”**  
**Panu Porkka, CEO,**  
**Verkkokauppa.com**

The start of the year has shown that the key characteristics of the market dynamics and operating environment have remained unchanged. Consumers' confidence in their own economy has remained weak and it continued to impact private consumption. Also, businesses have postponed investments due to uncertainties in general economic outlook.

In the context of current highly price-driven market dynamics, we have strategically prioritized improving gross margin, even at the expense of lower revenue level. Our first quarter revenue totaled EUR 108 million and it declined -11.5%. We improved our gross margin to 17.3% (16.6%). We are confident that our focus on profitability, while declining revenue in short-term, will ensure our successful financial performance going forward.

In line with our strategy, we are accelerating the online transition by making shopping fast, extremely easy, and affordable. In the first quarter, express deliveries increased by 33 percent compared to the previous year. As the only operator in Finland, we deliver orders for an assortment of nearly 30,000 products already in an hour, every day of the week, around the clock to almost 700,000 consumers in the capital region. In this area, more than every fourth Verkkokauppa.com customer order is delivered by express delivery. Our goal is to be the primary shopping destination for as many Finns as possible, regardless of the time of day.

According to our strategy, we continued to focus on own brand products. In the first quarter, our own brand products sales grew by 7 percent and accounted for 6 percent of sales.

We continue to be a forerunner in the market. Verkkokauppa.com is ranked among Finland's most innovative companies for the fourth time in a row. Hanken's annual Finnish Innovation Index (FII) lists the most innovative companies in the opinion of Finnish consumers. During 2024, we will continue to implement our strategy to accelerate the online transition. We will develop our operations to provide the most efficient order-delivery process and superior customer experience to our customers, and we work determinedly toward our long-term targets.



## FINANCIAL DEVELOPMENT

### REVENUE AND PROFITABILITY

EUR million	1-3/ 2024	1-3/ 2023	Change	1-12/ 2023
Revenue	108.0	122.0	11.5 %	502.9
Operating result	-0.4	0.0	-0.5 MEUR	4.7
Operating margin, % of revenue	-0.4%	0.0%	-0.4 pp	0.9%
Items affecting comparability	0.9	1.3	-0.4 MEUR	1.4
Comparable operating result	0.5	1.4	-0.9 MEUR	6.1
Comparable operating margin, % of revenue	0.5%	1.1%	-0.7 pp	1.2%

### Sales distribution

Information on the comparative quarters of 2023 can be found in the tables section of this report (p 27).

Sales, EUR million	1-3/ 2024	1-3/ 2023	Change, %	1-12/ 2023
<b>Customer segments</b>				
Consumers	68.5	79.0	-13.3 %	344.1
B2B (inc. wholesale)	36.2	40.2	-9.9 %	146.7
<b>Sales channels</b>				
Online	69.2	75.9	-8.7 %	316.8
Offline	35.5	43.3	-18.1 %	173.9
<b>Product categories</b>				
Core categories*	94.5	105.1	-10.1 %	428.6
Other product categories	10.3	14.1	-27.2 %	62.1
Own brands**	6.0	5.6	7.1 %	28.5
Website visits, million	17.4	19.5	-10.5 %	79.8

\*Core categories include five main categories: IT, Entertainment, mobile devices, SDA, and MDA.

\*\* Own brands are included in Core and other product categories accordingly.



## January–March 2024

Verkkokauppa.com revenue totaled EUR 108.0 million (122.0) and it declined by -11.5 percent year on year. Consumer sales accounted for 65 percent (66%) of product sales, and the B2B sales share for 35 percent (34%). Consumers' confidence in their own economy has remained weak and it continued to impact private consumption. Consumer sales declined by -13.3 percent and B2B sales by -9.9 percent.

Sales of core categories declined by -10.5 percent and accounted for 90 percent (88%) of product sales. Product categories that sold better than in the comparison period included large and small household appliances and components in the IT category. Own brand products' sales increased by 7.1 percent and accounted for 6 percent (5) of sales.

Online sales declined by -8.7 percent and accounted for 66 percent of product sales (64 %). The offline declined by -18.1 percent and accounted for 34 percent (36%) of the product sales.

The revenue from Verkkokauppa.com's self-financed customer financing services increased to EUR 2.1 million (1.4), including interest income, fees, and commissions.

Personnel costs were 9.5 percent lower than in the comparison period, mainly due to a lower number of personnel, and amounted to EUR 9.0 million (9.9). Other operating expenses were on par with the comparison period, EUR 7.6 million (7.5). The credit loss provision at the end of March amounted to EUR 1.2 million (0.9)

Operating result (EBIT) totaled EUR -0.4 million (0.0) and it declined by EUR -0.5 million. The operating margin was -0.4 percent (0.0%). Comparable EBIT was EUR 0.5 million (1.4) and declined by EUR 0.9 million from the comparison period. Comparability was affected by EUR 0.9 million mainly related to a provision for an administrative fine from the Office of the Data Protection Ombudsman. In the comparison period, comparability was affected by EUR 1.2 million of restructuring costs.

The result for the period was EUR -1.0 million (-0.4).

Earnings per share in the third quarter were EUR -0.02 (0,01).

## FINANCE AND INVESTMENTS

In January-March 2024, the operating cash flow totaled EUR -13.0 million (-3.6). Operating cash flow before the change in working capital was EUR 1.3 million (1.6). The Company's net financial expenses were EUR -0.3 million (-0.5).

Ordinary seasonal fluctuations are reflected in cash and cash equivalents, cash flow and accounts payable, which usually reach their highest levels at the end of the fourth quarter and their lowest levels at the end of the second quarter.

Investments totaled EUR 0.3 million (1.0). Investments were mainly related to the development of the online platform and business automation. During the period investments included capitalized wages and salaries at the amount EUR 0.2 million (0.3).

At the end of March 2024, loans from financial institutions totaled EUR 20.8 million (23.5). The Company has revolving credit facilities totaling EUR 25 million, which have not been utilized and are valid until 2025.

## PERSONNEL

At the end of March 2024, the total number of employees was 644 (720). This includes both full and part-time employees. The majority of the decline in the number of personnel related to the change negotiations carried out in the spring of 2023.



## SUSTAINABILITY

Sustainability Report for 2023 was published on April. The report extensively presents Verkkokauppa.com's sustainability work and its progress during 2023, including, among other things, the Company's sustainability program and targets, as well as emissions calculation as a whole. In 2023, special emphasis was placed on offering products and services that support the circular economy and on our personnel. Sustainability is a key part of Verkkokauppa.com's strategy, which also aims to expand its service business by offering sustainable alternatives to purchasing products.

Greenhouse gas emissions from the Company's operations (scope 1 and 2) amounted to 97 tonnes of carbon dioxide (tCO<sub>2</sub> eq.) in 2023 (67 tCO<sub>2</sub> in 2022). In a longer-term examination, emissions have declined by 77 percent compared to the comparison year 2019. The majority, 99.95 percent of Verkkokauppa.com's climate impact was generated by indirect scope 3 emissions, which declined by 16 percent from the previous year to 209,426 tCO<sub>2</sub>eq. The decline was due to the contraction in business operations and efficient inventory management.

The Company actively monitors the evolving corporate sustainability legislation and prepares to report in accordance with the EU Sustainability Reporting Directive for the financial year 2024. The double materiality analysis required by the Directive is ongoing. In addition to the impacts on the Company's operations, the analysis assesses the financial impacts of sustainability topics on the Company's operations. In addition, Verkkokauppa.com has launched an update of its sustainability program to correspond to the results of the dual materiality analysis and the updated strategy for 2024–2028 published by the company in November 2023.

## PROPOSALS OF THE SHAREHOLDERS' NOMINATION BOARD

On 18 January 2024, the Shareholders' Nomination Board submitted its proposal to the Annual General Meeting for the composition and remuneration of Verkkokauppa.com's Board of Directors for a term ending at the end of the Annual General Meeting 2025. The proposals of the Nomination Board were approved at the Annual General Meeting on 4.4.2024.

## LONG-TERM INCENTIVE PLANS

Verkkokauppa.com has a share-based incentive plan (Performance Marching Share Plan 2023–2027) for the CEO and the members of the Management Team. The plan has three performance periods covering the financial years 2023–2025, 2024–2026 and 2025–2027. The Board of Directors decides annually on the commencement of the performance period and its details. The performance criterion for the first performance period 2023–2025 is Total Share Return.

The Board has on 13 February 2024 resolved on the commencement of the second matching period for years 2024–2026. The performance criterion for the period is the Total Shareholder Return (TSR) of the company's shares. The prerequisite for participation in the plan and receiving the reward is that the person allocates freely transferable Verkkokauppa.com Oyj shares held by him or her to the plan or acquires the company's shares in a number determined by the Board.

The target group of the plan is the CEO and the management Team, total 8 persons. The gross rewards from the second performance period 2024–2026 correspond to the value of an approximate maximum total of 267,500 Verkkokauppa.com Oyj shares, including the proportion to be paid in cash. The final number of shares depends on the number of shares acquired by participants and the achievement of the TSR levels.

The plan aims to align the objectives of the shareholders and the management to increase the value of the company in the long-term, to encourage the management to personally invest in the company's shares, to retain the target group at the company, and to offer them a competitive incentive plan in which the participants may earn shares as a reward for performance and their investment.

No new shares will be issued in connection with the payment of the share rewards and therefore the resolution will not have a dilutive effect.

For more detailed information on the share-based incentive plan, see Note 1.10.



## **ANNUAL REPORTING PACKAGE FOR 2023**

The annual reporting package for 2023 was published on 28 February. The package included the Company brochure, Report of the Board of Directors and the Financial Statements including the statement of non-financial information, and Corporate Governance statement including the Remuneration report. In addition, on 2 April, the company published its Sustainability Report. The Financial Statements were published also in accordance with European Single Electronic Format (ESEF) reporting requirements. The audit firm PricewaterhouseCoopers Oy has provided an independent auditor's reasonable assurance report on Verkkokauppa.com's ESEF financial statements in accordance with ISAE 3000 (Revised).

## **MANAGEMENT TEAM**

On 1 March 2024, Satu Berlin started as Chief HR Officer in Verkkokauppa.com. The Company announced the appointment in December 2023.

## **LEGAL DISPUTES AND POSSIBLE LEGAL PROCEEDINGS**

On 15 March 2024, the Company announced that the Office of the Data Protection Ombudsman had imposed an administrative fine of EUR 856,000 on Verkkokauppa.com. The penalty is based on the Data Protection Ombudsman's interpretation, according to which Verkkokauppa.com would have neglected to define a retention period for the customer data of its online store customers in accordance with the EU's General Data Protection Regulation. Verkkokauppa.com considers the penalty to be unjustified. The decision of the Office of the Data Protection Ombudsman is not legally binding. Verkkokauppa.com has appealed the decision to the Administrative Court.

The Company has recognized a provision for the penalty and the cost is reported as item affecting comparability.

## **EVENTS AFTER THE REPORTING PERIOD**

### **ANNUAL GENERAL MEETING 2024**

The Annual General Meeting was held as a remote meeting in Helsinki on 4.4.2024. The Annual General Meeting adopted the Annual accounts for the financial year 2023 and decided not to pay dividend, discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023, approved the remuneration report for the Company's governing bodies and authorized the Board of Directors to decide on the repurchase and issuance of the Verkkokauppa.com's own shares. In addition, the Annual General Meeting approved the proposals of the Shareholders' Nomination Board concerning the election and remuneration of the Board of Directors and the auditor. The firm of authorized public accountants PricewaterhouseCoopers Oy was elected as the Company's auditor, and Mikko Nieminen, APA, acts as the auditor with principal responsibility. PricewaterhouseCoopers Oy will also act as the sustainability reporting assurance provider of the Company.

### **Composition of the Board of Directors 2024**

The Annual General Meeting confirmed the number of board members to be seven, and the following persons were re-elected: Robin Bade, Henrik Pankakoski, Kati Riikonen, Samuli Seppälä and Arja Talma. As new members of the Board of Directors were elected Irmeli Rytönen and Enel Sintonen. Authorized the Board of Directors to decide on a repurchase of the Company's own shares and the issuance of shares. At the Board of Directors constitutive meeting held after the Annual General Meeting, Arja Talma was elected as Chairperson of the Board of Directors of Verkkokauppa.com Oyj.

The compositions of the Board committees were decided to be as follows: members of the Remuneration Committee are Arja Talma (Chairperson), Robin Bade and Henrik Pankakoski. Members of the Audit Committee are Enel Sintonen (Chairperson), Arja Talma (Vice Chairperson), Kati Riikonen and Irmeli Rytönen.



On 4 April 2024, Verkkokauppa.com published a stock exchange release on the decisions of the Annual General Meeting and the constitutive meeting of the Board of Directors, the release is available on the company's website.

### Dividend

The Annual General Meeting resolved that the Company deviates from its dividend distribution policy to improve its equity ratio and that no dividend be distributed from the profit of the 2023 financial year.

### CAPITAL MARKETS DAY

Verkkokauppa.com announced on 9 April 2024, that the company will organize a Capital Markets Day in Helsinki on Thursday 30 May 2024. At the event, the company's management will talk about the cornerstones of the updated strategy for accelerating profitable growth and the journey towards financial targets during the strategy period.

### SHARE TRADING AND SHARES

Verkkokauppa.com shares (VERK) in Nasdaq Helsinki stock exchange in January-March 2024:

No. of shares traded	Share of no. of total shares, %	The total value of traded shares, EUR million	Last, EUR	High, EUR	Low, EUR	Average, EUR
3,124,017	6.9	7,418,689	2.37	2.71	2.29	2.27

### Verkkokauppa.com Market Capitalization and Shareholders

	31 March 2024
Market capitalization (excl. own shares), EUR million	107.2
Number of shareholders (of which nominee shareholders)	20,073 (8)
Nominee registrations and direct foreign shareholders, %	10.83
Households, %	51.58
Financial and insurance corporations, %	16.29
Other Finnish investors, %	21.30

At the end of March, the company's largest shareholders were Samuli Seppälä (30.1%), Varma Mutual Pension Insurance Company (9.6%), Ilmarinen Mutual Pension Insurance Company (4.8%), Mandatum Life Insurance Company Limited (4.7%), and Nordea Small Cap Fund (3.1%).

On 31 March 2024, the share capital was EUR 100,000 and the total number of shares in the company was 45,354,532 including 132,958 treasury shares held by the company. The treasury shares have no voting rights, and no dividend is paid to them. The treasury shares accounted for 0.29 percent of all shares. During January–March, the company transferred a total of 12,761 treasury shares as part of the remuneration of Board members and key employees.

### Share-related authorizations

At the end of March 2024, the Board had valid authorization to decide on the repurchase of a maximum of 4,535,453 own shares in one or several installments and to decide on a share issue of a maximum of 4,535,453 shares by one or more decisions. The proposed maximum authorized number represents ten percent of the total number of shares in the company. Authorizations were valid until the Annual General Meeting held in 4 April 2024.

More information about Verkkokauppa.com's shares and shareholders and management holdings can be found on the company's investor website <https://investors.verkkokauppa.com/en>





## SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES

Verkkokauppa.com's business operations involve risks and uncertainties related to its overall strategy, execution of corporate transactions and investments, sourcing operations, logistics, information technology, compliance and other operational factors. These risks can impact the Company's operations, financial position or performance and may require the Company to make changes to its business model.

The demand for our assortment, availability of products, and competitive environment are factors that impact Verkkokauppa.com's business. The Company faces risks related to changes in both consumer and B2B customer behavior and preferences, supply chain disruptions, and intensified competition from other players in the market.

Verkkokauppa.com is also subject to macroeconomic and geopolitical risks that could impact its operations and financial performance. For example, the number of distributed denial-of-service attacks against companies has increased. Uncertainties related to intensified geopolitical conflicts, the crisis in Ukraine, and global macroeconomic factors such as inflation and the development of financial markets as well as changes in the employment situation can weaken the purchasing power and investment ability of consumers and corporates. Uncertainties in Finnish economy growth may lead to decisions by Finnish Government, such as raising consumer taxes, that are further weakening consumers' purchasing power. The Company provides financing and flexible payment terms to its customers, which involves a risk of possible credit losses. The development of the economy may affect the Company's operational or financial performance.

The assessment of the most significant business risks and uncertainties is presented in the Report of the Board of Directors 2023.

## FINANCIAL GUIDANCE FOR 2024 UNCHANGED (published in connection with the Financial Statements Bulletin on 8 February 2024)

Verkkokauppa.com expects revenue for 2024 to remain at the level of 2023 (2023: EUR 502.9 million) and comparable operating profit (comparable EBIT) to increase from 2023 (2023: EUR 6.1 million).

Helsinki, Finland, 25 April 2024

**Verkkokauppa.com Oyj**  
**Board of Directors**

## NEWS CONFERENCES

A press conference for analysts, investors and media will be held in Finnish over a Livestream webcast on Thursday, 25 April 2024 at 10:00 a.m. (EET), in which Verkkokauppa.com's CEO Panu Porkka will present the developments in the reporting period.

A press conference in English will be held over Livestream webcast on Thursday, 25 April 2024 at 11:00 a.m. (EEST). Questions can be sent beforehand or during the presentation via e-mail to [investors@verkkokauppa.com](mailto:investors@verkkokauppa.com).

Presentation materials for both events are available at <https://investors.verkkokauppa.com/en>. For both press conferences, the Livestream webcast is available at [verklive.com](https://verklive.com)



## COMPANY RELEASES AND EVENTS

Verkkokauppa.com will arrange events and publish its financial reports as follows:

- Capital Markets Day on Thursday 20 May 2024 in Helsinki
- Half-year financial report for January – June 2024 on Thursday 18 July 2024
- Interim report for January – September 2024 on Thursday 24 October 2024
- Financial statements bulletin for the year 2024 on Thursday 6 February 2025.

### More information:

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**Verkkokauppa.com** is an e-commerce pioneer that stands passionately on the customer's side. Verkkokauppa.com accelerates the transition of commerce to online with Finland's fastest deliveries and ultimate convenience. The company leads the way by offering one-hour deliveries to almost 700,000 customers, a winning assortment and probably always cheaper prices. Everyday, the company strives to find more streamlined ways to surpass its customers' expectations and to create a new norm for buying and owning.

Verkkokauppa.com was founded in 1992 and has been online since day one. The company's revenue in 2023 was EUR 503 million and it employs around 700 people. Verkkokauppa.com is listed on the Nasdaq Helsinki stock exchange.


**VERKKOKAUPPA.COM OYJ INTERIM FINANCIAL INFORMATION 1 Jan – 31 Mar 2024**
**Group consolidated statement of comprehensive income**

EUR thousand	Note	1-3/ 2024	1-3/ 2023	1-12/ 2023
<b>Revenue</b>	<b>1.3</b>	<b>107,978</b>	<b>121,960</b>	<b>502,852</b>
Other operating income		193	181	420
Materials and services		-89,310	-101,729	-422,001
Employee benefit expenses		-9,000	-10,891	-36,690
Depreciation and amortization		-1,729	-1,540	-6,365
Other operating expenses		-8,578	-7,937	-33,500
<b>Operating profit</b>		<b>-446</b>	<b>44</b>	<b>4,716</b>
Finance income		129	7	331
Finance costs		-597	-519	-2,273
<b>Profit before income taxes</b>		<b>-914</b>	<b>-468</b>	<b>2,774</b>
Income taxes		-49	56	-704
<b>Profit for the period</b>		<b>-963</b>	<b>-412</b>	<b>2,070</b>
<b>Profit for the period attributable to</b>				
Equity holders of the company		-963	-412	2,070
<b>Earnings per share calculated from the profit attributable to equity holders</b>				
Earnings per share, basic (EUR)		-0.02	-0.01	0.05
Earnings per share, diluted (EUR)		-0.02	-0.01	0.05

**Other comprehensive income**

	1-3/ 2024	1-3/ 2023	1-12/ 2023
<b>EUR thousand</b>			
<b>Profit for the period</b>	<b>-963</b>	<b>-412</b>	<b>2,070</b>
<b>Items that may be reclassified to profit or loss</b>			
Translation differences	23	-20	27
<b>Items that will not be reclassified to profit or loss</b>			
<b>Comprehensive income for the period</b>	<b>-940</b>	<b>-432</b>	<b>2,097</b>
<b>Comprehensive income for the period</b>			
Equity holders of the company	-940	-432	2,097




**Consolidated Statement of financial position**

EUR thousand	Note	31 Mar 2024	31 Dec 2023
<b>Non-current assets</b>			
Intangible assets		4,879	4,950
Goodwill		2,846	2,846
Property, plant and equipment		5,600	5,811
Right-of-use assets	1.5	12,841	13,349
Deferred tax assets		1,139	1,174
Trade receivables	1.6/1.7	7,046	7,824
Other non-current receivables		396	396
<b>Non-current assets, total</b>		<b>34,748</b>	<b>36,349</b>
<b>Current assets</b>			
Inventories		69,450	62,721
Trade receivables	1.6/1.7	36,378	37,292
Other receivables		3,943	2,770
Income tax receivables		97	-
Accrued income		6,716	8,256
Cash and cash equivalents	1.7	16,760	31,893
<b>Current assets, total</b>		<b>133,344</b>	<b>142,932</b>
<b>Total assets</b>		<b>168,091</b>	<b>172,193</b>
<b>Equity</b>			
Share capital		100	100
Treasury shares		-719	-786
Invested unrestricted equity fund		26,896	27,599
Translation differences		39	21
Retained earnings		2,245	-526
Profit for the period		-963	2,070
<b>Total equity</b>		<b>27,598</b>	<b>28,479</b>
<b>Non-current liabilities</b>			
Lease liabilities	1.7	10,825	11,729
Deferred tax liabilities		66	74
Liabilities to credit institutions		18,250	18,750
Provisions		974	1,008
<b>Non-current liabilities, total</b>		<b>30,115</b>	<b>31,560</b>
<b>Current liabilities</b>			
Lease liabilities	1.7	5,198	4,974
Liabilities to credit institutions		2,563	2,558
Advance payments received		2,784	3,487
Trade payables	1.7	76,269	78,962
Other current liabilities		5,327	12,381



Accrued liabilities	18,237	16,847
Income tax liabilities	-	34
<b>Current liabilities, total</b>	<b>110,378</b>	<b>119,242</b>
<b>Total liabilities</b>	<b>140,493</b>	<b>150,803</b>
<b>Total equity and liabilities</b>	<b>168,091</b>	<b>179,281</b>


**Group consolidated cash flow statement**

EUR thousand	1-3/ 2024	1-3/ 2023	1-12/ 2023
<b>Cash flow from operating activities</b>			
Profit before income taxes	-914	-468	2,774
Depreciation and impairment	1,729	1,540	6,365
Finance income and costs	468	511	1,942
Other adjustments	26	18	257
Cash flow before change in working capital	1,309	1,601	11,338
Change in working capital			
Increase(-) / decrease(+) in non-current non-interest-bearing trade receivables	778	-579	-2,209
Increase (-) / decrease (+) in trade and other receivables	1,283	281	-7,116
Increase (-) / decrease (+) in inventories	-6,729	-1,857	12,046
Increase (+) / decrease (-) in current liabilities	-9,262	-2,549	7,576
Cash flow before financial items and taxes	-12,622	-3,103	21,635
Interest paid	-171	-271	-1,159
Interest received	129	7	331
Interest of lease liabilities	-210	-248	-912
Income tax paid	-152	-14	402
<b>Cash flow from operating activities</b>	<b>-13,027</b>	<b>-3,628</b>	<b>20,297</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries	-	-	427
Purchases of property, plant and equipment	-76	-98	-335
Purchases of intangible assets	-274	-856	-2,041
<b>Cash flow from investing activities</b>	<b>-350</b>	<b>-953</b>	<b>-1,949</b>
<b>Cash flow from financing activities</b>			
Decrease (-) in lease liabilities	-1,269	-1,183	-4,810
Proceeds from short-term loans	4	-	-
Payments to short-term loans	-500	-642	-2,836
<b>Cash flow from financing activities</b>	<b>-1,765</b>	<b>-1,825</b>	<b>-7,646</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents</b>	<b>-15,141</b>	<b>-6,406</b>	<b>10,702</b>
Cash and cash equivalents at beginning of reporting period	31,893	21,210	21,210
Translation differences	9	-11	-20
Cash and cash equivalents at end of reporting period	16,760	14,793	31,893

**Group statement of changes in equity**

A Share capital	D Translation differences
B Treasury shares	E Retained earnings
C Invested unrestricted equity fund	F Total equity

EUR thousand	A	B	C	D	E	F
<b>Equity 1 Jan 2024</b>	<b>100</b>	<b>-786</b>	<b>27,599</b>	<b>0</b>	<b>1,565</b>	<b>28,479</b>
Profit for the period	-	-	-	-	-963	<b>-963</b>
Transaction differences	-	-	-	-	23	<b>23</b>
<b>Comprehensive income for the period, total</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-940</b>	<b>-940</b>
Transfers between items	-	-	-704	-	-	<b>-704</b>
Disposal of treasury shares -Board fees	-	67	-	-	-67	<b>0</b>
Share-based incentives	-	-	-	-	764	<b>764</b>
<b>Transactions with owners, total</b>	<b>-</b>	<b>67</b>	<b>-704</b>	<b>0</b>	<b>697</b>	<b>60</b>
<b>Equity 31 Mar 2024</b>	<b>100</b>	<b>-719</b>	<b>26,896</b>	<b>0</b>	<b>1,321</b>	<b>27,598</b>

EUR thousand	A	B	C	D	E	F
<b>Equity 1 Jan 2023</b>	<b>100</b>	<b>-1,410</b>	<b>27,472</b>	<b>0</b>	<b>308</b>	<b>26,470</b>
Profit for the period	-	-	-	-	-412	<b>-412</b>
Transaction differences	-	-	-	-	-20	<b>-20</b>
<b>Comprehensive income for the period, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-432</b>	<b>-432</b>
Disposal of treasury shares -Board fees	-	52	33	-	-52	<b>33</b>
<b>Transactions with owners, total</b>	<b>-</b>	<b>52</b>	<b>33</b>	<b>0</b>	<b>-52</b>	<b>33</b>
<b>Equity 31 Mar 2023</b>	<b>100</b>	<b>-1,358</b>	<b>27,505</b>	<b>0</b>	<b>-176</b>	<b>26,071</b>

EUR thousand	A	B	C	D	E	F
<b>Equity 1 Jan 2023</b>	<b>100</b>	<b>-1,410</b>	<b>27,472</b>	<b>0</b>	<b>308</b>	<b>26,470</b>
Profit for the period	-	-	-	-	2,070	<b>2,070</b>
Transaction differences	-	-	-	-	27	<b>27</b>
<b>Comprehensive income for the period, total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>2,097</b>	<b>2,097</b>
Disposal of treasury shares -Board fees	-	237	127	-	-237	<b>127</b>
Share-based incentives	-	387	-	-	-602	<b>-215</b>
<b>Transactions with owners, total</b>	<b>-</b>	<b>624</b>	<b>127</b>	<b>0</b>	<b>-839</b>	<b>-88</b>
<b>Equity 31 Dec 2023</b>	<b>100</b>	<b>-786</b>	<b>27,599</b>	<b>0</b>	<b>1,565</b>	<b>28,479</b>





## Notes

### 1.1 Accounting principles applied in this Interim Financial Report

Verkkokauppa.com Oyj is a public limited company, the shares of which are quoted on the official list of Nasdaq Helsinki Ltd. The registered address of its head office is Tyynenmerenkatu 11, Helsinki.

Verkkokauppa.com Oyj's Interim Report for January– March 2024 has been prepared in line with IAS 34, 'Interim Financial Reporting' should be read in conjunction with Verkkokauppa.com Oyj's Financial Statements for 2023, published on 28 February 2024. Verkkokauppa.com Oyj has applied the same accounting principles in the preparation of this Financial Statements Review as in its Financial Statements for 2023.

Verkkokauppa.com Oyj has not adopted any other new accounting policies during 2024 that would have a material impact on this Interim Report.

The information presented in this Interim Report has not been audited. The figures are rounded, and therefore the sum of individual figures may deviate from the aggregate amount presented. All amounts in this report are presented in EUR thousands, unless otherwise stated.

The acquired subsidiaries have been combined in the consolidated financial statements from the moment the group has gained control. All subsidiaries are 100% owned and no minority owners exist. Group companies' intra-group share ownership is eliminated using the acquisition method. The transferred considerations, including the conditional purchase price and the identifiable assets and liabilities of the acquired company, are valued at fair value at the time of acquisition. The costs related to the acquisition have been booked as expenses. All intra-group business transactions as well as receivables and liabilities, unrealized margins and internal profit distribution are eliminated in the consolidated financial statements.

### Verkkokauppa.com company structure

		Ownership of shares %	Share of votes %	
	Country	31.3.2024	31.3.2024	Business
<b>Parent company</b>				
Verkkokauppa.com Oyj	Finland			Retail
<b>Subsidiaries</b>				
e-ville.com Distribution Oy	Finland	100%	100%	Retail
Arc Distribution Oy	Finland	100%	100%	Retail
Digi Electronics Ltd	Hong Kong	100%	100%	Retail
Digital Trading (Shenzhen) Co. Ltd	China	100%	100%	Retail

Exchange rate differences are treated in the reporting as following:

- The group companies' results and financial position are reported in the local currency of each legal entity. The consolidated financial statements are prepared and presented in euros.
- Business transactions in a foreign currency are recorded in the local currency using the exchange rate on the day of the transaction. Receivables and liabilities are converted into euros according to the exchange rate on the balance sheet date. Applied exchange rates are based on official ECB exchange rates.
- The translation differences arising from the elimination of the acquisition cost of foreign entity and the translation differences of post-acquisition profits and losses are recorded in other items of comprehensive income and presented separately in equity. The goodwill generated with the acquisition and the fair value adjustments made to the assets and liabilities of the foreign entity are treated as assets and liabilities of the relevant foreign entity in the local currency, which are converted into euros using the exchange rates on the end of the reporting period. If the foreign entity is sold as a whole or partly, the reported exchange rate differences are booked as part of the capital gain or loss of the transaction.



- Exchange rate differences arising from normal business transaction related receivables and liabilities and related potential hedging are included in the operating profit. Exchange rate differences related to financial assets and liabilities and the result of the related hedging instruments are reported in the financial items on the income statement.

## 1.2 Segment reporting

Verkkokauppa.com Oyj has one reportable segment. The management of Verkkokauppa.com Oyj has exercised judgement when it has applied the aggregation criteria to aggregate the operating segments into one reportable segment. The customers are the same across all operating segments, which offer the same goods and services in uniform conditions in one main market i.e., Finland. At the core of the company's business model is a strong integration of webstore and retail stores, common support functions serving the entire business as well as the volume benefits enabled by centralized business.

## 1.3 Revenue from contracts with customers

The revenue streams of the company consist of the sale of goods and services. There are more than 70,000 products in 24 different main product categories that the company sells to consumers through its own webstore and four retail stores in Finland. The sale of services rendered by the company includes, for example, installation and maintenance services, subscription sales and visibility sales. Revenue is accumulated geographically mainly from Finland.

Revenue from sales of products is recognized at a point in time when the control has been transferred. The revenue from services is recognized mainly over time.

### Disaggregation of revenue

#### Satisfaction of performance obligation

	1-3/ 2024	1-3/ 2023	1-12/ 2023
EUR thousand			
At a point in time	106,690	120,563	498,607
Over time	1,287	1,397	4,244
<b>Revenue, total</b>	<b>107,978</b>	<b>121,960</b>	<b>502,852</b>

#### Revenue by external customer location

	1-3/ 2024	1-3/ 2023	1-12/ 2023
EUR thousand			
Finland	101,843	111,248	468,363
EU	5,623	6,733	29,657
Rest of the world	512	3,979	4,832
<b>Revenue by external customer location</b>	<b>107,978</b>	<b>121,960</b>	<b>502,852</b>

#### Income recognized from customer financing

The company presents all income from customer financing as part of revenue.

The table hereafter presents the income recognized from own financed customer financing and payment service divided into income recognized using the effective interest rate method and other income. Other income consists of other fees.



EUR thousand	1-3/ 2024	1-3/ 2023	1-12/ 2023
Interest income recognized using effective interest rate method	1,303	863	4,244
Other income from company-financed customer financing	748	552	2,555
<b>Income from company-financed Apuraha, total</b>	<b>2,051</b>	<b>1,415</b>	<b>6,799</b>

#### 1.4 Seasonality of business

The nature of the business of the company includes seasonality. Ordinary seasonal fluctuations are reflected in cash and cash equivalents, cash flow and accounts payable, which usually reach the highest point at year-end and the lowest point at the end of the second quarter.

#### 1.5 Right-of-use assets

EUR thousand	31 Mar 2024	31 Dec 2023
Carrying amount 1.1.	13,349	12,866
Increase/decrease due to remeasurement	590	4,701
Depreciation	-1,097	-4,218
<b>Carrying amount 31.12.</b>	<b>12,841</b>	<b>13,349</b>

The remeasurements made during 2024 and 2023 relate to index adjustments and renegotiated rental agreements.

#### 1.6 Trade receivables

EUR thousand	31 Mar 2024		31 Mar 2023		31 Dec 2023	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Not due	36,983	498	33,040	301	38,383	467
Past due 1-60 days	7,239	522	5,255	377	7,721	586
Past due 61-120 days	101	25	161	82	111	56
Past due over 121 days	293	146	166	162	133	124
<b>Total</b>	<b>44,615</b>	<b>1,191</b>	<b>38,623</b>	<b>922</b>	<b>46,348</b>	<b>1,232</b>

#### 1.7 Financial assets and liabilities by measurement category

31 Mar 2024		Recognized at fair value through other comprehensive income	At amortized cost	Lease liabilities	Carrying amount
EUR thousand					
<b>Non-current financial assets</b>					
Equity investments (level 3)	-	-	-	-	-
Trade receivables and other financial receivables	-	7,442	-	-	7,442
<b>Non-current financial assets, total</b>	-	<b>7,442</b>	-	-	<b>7,442</b>



<b>Current financial assets</b>				
Trade receivables	-	36,378	-	36,378
Loans receivable	-	-	-	-
Cash and cash equivalents	-	16,760	-	16,760
<b>Current financial assets, total</b>	-	<b>53,138</b>	-	<b>53,138</b>
<b>Financial assets by measurement category, total</b>				
	-	<b>60,580</b>	-	<b>60,581</b>
<b>Non-current financial liabilities</b>				
Lease liabilities (level 2)	-	-	10,825	10,825
Liabilities to credit institutions	-	18,250	-	18,250
<b>Non-current financial liabilities, total</b>	-	<b>18,250</b>	<b>10,825</b>	<b>29,075</b>
<b>Current financial liabilities</b>				
Lease liabilities (level 2)	-	-	5,198	5,198
Liabilities to credit institutions	-	2,563	-	2,563
Trade payables	-	76,269	-	76,269
<b>Current financial liabilities, total</b>	-	<b>78,832</b>	<b>5,198</b>	<b>84,030</b>
<b>Financial liabilities by measurement category, total</b>				
	-	<b>97,082</b>	<b>16,023</b>	<b>113,105</b>





31 Dec 2023				
EUR thousand	Recognized at fair value through other comprehensive income	At amortized cost	Lease liabilities	Carrying amount
<b>Non-current financial assets</b>				
Trade receivables and other financial receivables	-	8,220	-	8,220
<b>Non-current financial assets, total</b>	-	<b>8,220</b>	-	<b>8,220</b>
<b>Current financial assets</b>				
Trade receivables	-	37,292	-	37,292
Cash and cash equivalents	-	31,893	-	31,893
<b>Current financial assets, total</b>	-	<b>69,185</b>	-	<b>69,185</b>
<b>Financial assets by measurement category, total</b>	-	<b>77,404</b>	-	<b>77,404</b>
<b>Non-current financial liabilities</b>				
Lease liabilities (level 2)	-	-	11,729	11,729
Liabilities to credit institutions	-	18,750	-	18,750
<b>Non-current financial liabilities, total</b>	-	<b>18,750</b>	<b>11,729</b>	<b>30,479</b>
<b>Current financial liabilities</b>				
Lease liabilities (level 2)	-	-	4,974	4,974
Liabilities to credit institutions	-	2,558	-	2,558
Trade payables	-	78,962	-	78,962
<b>Current financial liabilities, total</b>	-	<b>81,520</b>	<b>4,974</b>	<b>86,494</b>
<b>Financial liabilities by measurement category, total</b>	-	<b>100,270</b>	<b>16,702</b>	<b>116,973</b>

Level 2 includes interest-bearing liabilities.

## 1.8 Transactions with related parties

Verkkokauppa.com's related parties comprise the Board of Directors, the CEO as well as the other members of Company's Management Team and the close members of the family of said persons as well as their controlled entities. Transactions with related parties have been carried out on usual commercial terms. One of the company's related parties is Board member Samuli Seppälä, who held 30.05% of all shares and votes in Verkkokauppa.com on 31 March 2024.

EUR thousand	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Sales of goods and services</b>			
To key management personnel and their related parties	13	24	92
<b>Purchases of goods and services</b>			
From key management personnel and their related parties	12	-	19



EUR thousand	31 Mar 2024	31 Mar 2023	31 Dec 2023
Closing balances from purchases/sales of goods/services			
Trade receivables from key management personnel and their related parties	-	-	-
Trade payables to key management personnel and their related parties	5	-	5

### 1.9 Long-term incentive plans

The Board of Directors of Verkkokauppa.com Oyj resolved in 2023 to establish a share-based incentive plan for the CEO and the members of the Management Team of the company. The aim of the plan is to align the objectives of the shareholders and the management in order to increase the value of the company in the long-term, to encourage the management to personally invest in the company's shares, to retain the target group at the company, and to offer them a competitive incentive plan in which the participants may earn shares as a reward for performance and their personal investment.

The new Performance Matching Share Plan 2023–2027 includes three performance periods, covering financial years 2023–2025, 2024–2026 and 2025–2027. The Board will decide annually on the commencement and details of a performance period. The performance criterion in the first performance period 2023–2025 and in the second performance period 2024–2026 are the Total Shareholder Return of the company's share (TSR). The achievement of the required TSR levels will determine the proportion out of the maximum reward that will be paid to a participant. The prerequisite for participation in the plan and receiving the reward is that the person allocates freely transferable Verkkokauppa.com Oyj shares held by him or her to the plan or acquires the company's shares in a number determined by the Board of Directors.

The rewards from the plan will be paid partly in the company's shares and partly in cash. The rewards will be paid by the end of May in the year following the end of the performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to the participant. In general, no reward will be paid if a participant's employment or service in the group ends before the reward payment. The CEO is obligated to hold 50 per cent of the reward shares until the CEO's total personal shareholding in the company corresponds to the CEO's annual salary.

The gross rewards from the first performance period 2023–2025 correspond to the value of an approximate maximum total of 229,000 Verkkokauppa.com Oyj shares, including the proportion to be paid in cash. The gross rewards from the second performance period 2024–2026 correspond to the value of an approximate maximum total of 267,500 Verkkokauppa.com Oyj shares, including the proportion to be paid in cash.

### 1.10 Guarantees and commitments

EUR thousand	31 Mar 2024	31 Dec 2023
<b>Collateral given for own commitments</b>		
Mortgages	27 301	27 301
Guarantees	2 027	2 027
<b>Other commitments and contingent liabilities</b>	50	50

Guarantees are related to rent guarantees, the comprehensive guarantee for Finnish Customs and documentary credits. Other commitments are related to off-balance residual values.



### **1.11 Legal disputes and possible legal proceedings**

On 15 March 2024, the company announced that the Office of the Data Protection Ombudsman had imposed an administrative fine of EUR 856,000 on Verkkokauppa.com. The penalty is based on the Data Protection Ombudsman's interpretation, according to which Verkkokauppa.com would have neglected to define a retention period for the customer data of its online store customers in accordance with the EU's General Data Protection Regulation. Verkkokauppa.com considers the penalty to be unjustified. The decision of the Office of the Data Protection Ombudsman is not legally binding. Verkkokauppa.com has appealed the decision to the Administrative Court.

The company has recognized a provision for the penalty and the cost is reported as item affecting comparability.

### **1.12 IFRS Standards not yet effective**

There are no IFRS, IFRIC interpretations, annual improvements, or amendments to IFRS that are not yet effective that would be expected to have a material impact on the company's Financial Statements Review.

### **1.13 Subsequent events**

#### **Annual General Meeting 2024**

The Annual General Meeting was held as a remote meeting in Helsinki on 4.4.2024. The Annual General Meeting adopted the Annual accounts for the financial year 2023 and decided not to pay dividend, discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023, approved the remuneration report for the company's governing bodies and authorized the Board of Directors to decide on the repurchase and issuance of the company's own shares. In addition, the Annual General Meeting approved the proposals of the Shareholders' Nomination Board concerning the election and remuneration of the Board of Directors and the auditor. The firm of authorized public accountants PricewaterhouseCoopers Oy was elected as the company's auditor, and Mikko Nieminen, APA, acts as the auditor with principal responsibility. PricewaterhouseCoopers Oy will also act as the sustainability reporting assurance provider of the Company.

The Annual General Meeting resolved that the Company deviates from its dividend distribution policy to improve its equity ratio and that no dividend be distributed from the profit of the 2023 financial year.

On 4 April 2024, Verkkokauppa.com published a stock exchange release on the decisions of the Annual General Meeting and the constitutive meeting of the Board of Directors, the release is available on the company's website.



## ADDITIONAL INFORMATION

### Quarterly income statement

EUR thousand	1-3/ 2024	10-12/ 2023	7-9/ 2023	4-6/ 2023	1-3/ 2023
<b>Revenue</b>	<b>107,978</b>	<b>150,604</b>	<b>117,447</b>	<b>112,842</b>	<b>121,960</b>
Other operating income	193	69	44	126	181
Materials and services	-89,310	-127,538	-98,739	-93,994	-101,729
Employee benefit expenses	-9,000	-9,948	-7,523	-8,327	-10,891
Depreciation and amortization	-1,729	-1,697	-1,594	-1,534	-1,54
Other operating expenses	-8,578	-9,707	-7,558	-8,299	-7,937
<b>Operating profit</b>	<b>-446</b>	<b>1,782</b>	<b>2,076</b>	<b>813</b>	<b>44</b>
Finance income	129	212	106	6	7
Finance costs	-597	-570	-668	-517	-519
<b>Profit before income taxes</b>	<b>-914</b>	<b>1,424</b>	<b>1,515</b>	<b>302</b>	<b>-468</b>
Income taxes	-49	-250	-383	-127	56
<b>Profit for the period</b>	<b>-963</b>	<b>1,174</b>	<b>1,132</b>	<b>176</b>	<b>-412</b>
<b>Profit for the period attributable to</b>					
Equity holders	-963	1,174	1,132	176	-412
<b>Earnings per share calculated from the profit attributable to equity holders</b>					
Earnings per share, basic (EUR)	-0.02	0,03	0.03	0.00	-0.01
Earnings per share, diluted (EUR)	-0.02	0,03	0.03	0.00	-0.01

### Alternative performance measurement

In this Interim Report, Verkkokauppa.com Oyj presents certain key figures that are not accounting measures defined under IFRS and therefore are considered as Alternative Performance Measures (APM). Verkkokauppa.com Oyj applies in the reporting of alternative performance measures the guidelines issued by the European Securities and Market Authority (ESMA).

Verkkokauppa.com Oyj uses alternative performance measures to reflect the underlying business performance and to enhance comparability between financial periods. The company's management believes that these key figures provide supplementing information on the income statement and financial position.

Alternative performance measures do not substitute the IFRS key ratios.





	2024		2023			2023
	Q1	Q1	Q2	Q3	Q4	Q1-Q4
Revenue, eur million	108.0	122.0	112.8	117.4	150.6	502.9
Gross profit, eur million	18.7	20.2	18.8	18.7	23.1	80.9
Gross margin-%	17.3%	16.6%	16.7%	15.9%	15.3%	16.1%
EBITDA, eur million	1.3	1.6	2.3	3.7	3.5	11.1
EBITDA-%	1.2%	1.3%	2.1%	3.1%	2.3%	2.2%
Operating result, eur million	-0.4	0.0	0.8	2.1	1.8	4.7
Operating margin-%	-0.4%	0.0%	0.7%	1.8%	1.2%	0.9%
Comparable operating result, eur million	0.5	1.4	1.0	2.2	1.6	6.1
Comparable operating margin-%	0.5%	1.1%	0.8%	1.9%	1.1%	1.2%
Net result, eur million	-1.0	-0.4	0.2	1.1	1.2	2.1
Interest-bearing net debt, eur million	20.1	25.6	22.8	20.3	6.1	6.1
Investments, eur million	0.3	1.0	0.3	0.4	0.2	1.9
Equity ratio, %	16.7%	15.8%	16.5%	16.9%	16.2%	16.2%
Gearing, %	72.7%	98.2%	87.2%	74.2%	21.5%	21.5%
Personnel at the end of period*	644	720	695	640	677	677
Basic earnings per share, euros	-0.02	-0.01	0.00	0.03	0.03	0.05
Diluted earnings per share, euros	-0.02	-0.01	0.00	0.03	0.03	0.05
Number of issued shares, 1,000 pcs	45,355	45,355	45,355	45,355	45,355	45,355
Number of treasury shares, 1,000 pcs	133	258	171	159	146	146
Weighted average number of shares outstanding, 1,000 pcs	45,222	45,096	45,183	45,195	45,209	45,209
Diluted weighted average number of shares outstanding, 1,000 pcs	45,372	45,354	45,252	45,264	45,277	45,277

\*The number of personnel includes both full- and part-time employees.



**Formulas for key ratios**

<b>KEY RATIO</b>	<b>DEFINITIONS</b>		
<b>GROSS PROFIT</b>	Revenue – materials and services		Gross profit shows the profitability of the sales
<b>GROSS MARGIN, %</b>	$(\text{Revenue} - \text{materials and services}) / \text{Revenue}$	x 100	Gross margin measures the profitability of the sales of Verkkokauppa.com Group
<b>EBITDA</b>	Operating profit + depreciation + amortization		EBITDA shows the operational profitability
<b>EBITDA, %</b>	$(\text{Operating profit} + \text{depreciation} + \text{amortization}) / \text{Revenue}$	x 100	EBITDA measures the operational profitability of Verkkokauppa.com Group
<b>OPERATING PROFIT</b>	Result for the period before income taxes and net finance income and costs		Operating profit shows result generated by operating activities
<b>OPERATING MARGIN, %</b>	$\text{Operating profit} / \text{Revenue}$	x 100	Operating margin measures operational efficiency of Verkkokauppa.com Group
<b>ITEMS AFFECTING COMPARABILITY</b>	Material items which are not part of normal operating activities such as expenses related to restructuring costs including workforce redundancy and other restructuring costs, impairment losses of fixed assets, gain or losses recognized from disposals of fixed assets/businesses, transaction costs related to business acquisition, compensations for damages and legal proceedings		
<b>COMPARABLE OPERATING PROFIT</b>	Comparable operating profit is profit adjusted with items affecting comparability		Comparable operating profit allows comparison of operating profit in different periods without the impact of extraordinary items not related to normal business operations
<b>COMPARABLE OPERATING PROFIT MARGIN %</b>	$\text{Comparable operating profit} / \text{revenue}$	x 100	Comparable operating margin measures comparable operational efficiency of Verkkokauppa.com Group
<b>EQUITY RATIO, %</b>	$\text{Total equity} / \text{Balance sheet total} - \text{advance payments received}$		Equity ratio measures Verkkokauppa.com Group's solvency, ability to bear losses and ability to meet commitments in the long run
<b>INTEREST-BEARING NET BEDT</b>	Interest-bearing debts (lease liabilities, loans from financial institutions) - cash and cash equivalents		Interest-bearing net debt measures Verkkokauppa.com Group's indebtedness



<b>GEARING, %</b>	Interest-bearing debts (lease liabilities, loans from financial institutions) – cash and cash equivalents/ Total equity	x 100	Gearing measures the relation of equity and interest-bearing net debt of Verkkokauppa.com Group and shows the indebtedness of the company
<b>INVESTMENTS</b>	Increases in intangible assets, property, plant and equipment during the financial period		Investments provides additional information regarding operating cash flow demands
<b>NET INVESTMENT</b>	Investments in intangible and tangible assets - proceeds from the sale of fixed assets. Net investments do not include non-capitalized / work in progress		
<b>EARNINGS PER SHARE, BASIC</b>	Profit for the period attributable to equity holders of the company / Weighted average number of shares outstanding		Earnings per shares measures the profit for the period attributable to equity holders of the Group
<b>EARNINGS PER SHARE, DILUTED</b>	Profit for the period attributable to equity holders of the company / Weighted average number of shares outstanding + dilutive potential shares		



### Reconciliation of alternative key ratios

EUR million	1-3/ 2024	1-3/ 2023	1-12/ 2023
Operating profit	-0.4	0.0	4.7
Items affecting comparability	0.9	1.3	1.4
<b>Comparable operating profit</b>	<b>0.5</b>	<b>1.4</b>	<b>6.1</b>

EUR million	1-3/ 2024	1-3/ 2023	1-12/ 2023
Earn-out Additional purchase price	0.1	0.1	0.2
The Office of the Data Protection Ombudsman - An administrative fine	0.9	-	-
Restructuring	0.0	1.2	1.2
<b>Items affecting comparability total</b>	<b>0.9</b>	<b>1.3</b>	<b>1.4</b>

### Sales distribution – comparison year quarterly information

The sales distribution information (page 3) has been renewed. The sales is now presented in euros (previously share of sales, %). Private label sales is new information. Export sales, which was earlier presented separately, is now included in customer segments. The geographical split of the revenue is presented in Note 1.3. Previously, the online/offline division did not include export sales, now it is included respectively. Sales is for products delivered and in transit.

Sales, EUR million	Q1/23	Q2/23	Q3/23	Q4/23	2023
<b>Customer segments</b>					
Consumers	79.0	75.3	83.1	106.6	344.1
B2B (inc. wholesale)	40.2	33.9	31.8	40.7	146.7
<b>Sales channels</b>					
Online	75.9	69.9	73.1	97.9	316.8
Offline	43.3	39.4	41.8	49.4	173.9
<b>Product categories</b>					
Core categories*	105.1	93.2	103.2	127.2	428.6
Other product categories	14.1	16.1	11.7	20.1	62.1
Own brands**	5.6	7.4	6.0	9.6	28.5
Website visits, million	19.5	16.9	17.9	25.4	79.8

\*Core categories include five main categories: IT, Entertainment, mobile devices, SDA, MDA.

\*\* Own brands are included in Core and other product categories accordingly.