

VERKKOKAUPPA.COM OYJ INTERIM REPORT

January – September 2021



INTERIM REPORT for 1 January – 30 September 2021

STRONG GROWTH IN ONLINE AND CORPORATE SALES

Verkkokauppa.com Oyj – Interim report 22 October 2021, 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.

July – September 2021 in brief

- Revenue was 141.0 million euros (129.3)
- Gross profit was 20.9 million euros (20.9) or 14.8% of revenue (16.2%)
- Operating profit (EBIT) was 4.7 million euros (5.6) or 3.3% of revenue (4.3%)
- Comparable operating profit was 4.7 million euros (5.6) or 3.3% of revenue (4.3%)
- Profit for the period was 3.5 million euros (4.2)
- Earnings per share was 0.08 euros (0.09)
- Investments were 0.8 million euros (0.3)
- Operating cash flow was 7.6 million euros (5.5)
- The Board of Directors decided, according to authorization, to pay the 3rd dividend installment of 0.059 euros per share on 2 November 2021.

January – September 2021 in brief

- Revenue was 405.6 million euros (377.6)
- Gross profit was 65.0 million euros (61.8) or 16.0% of revenue (16.4%)
- Operating profit (EBIT) was 15.0 million euros (13.4) or 3.7% of revenue (3.5%)
- Comparable operating profit was 15.0 million euros (14.2) or 3.7% of revenue (3.8%)
- Profit for the period was 11.1 million euros (10.0)
- Earnings per share was 0.25 euros (0.22)
- Investments were 3.0 million euros (0.9)
- Operating cash flow was 2.0 million euros (6.5)

KEY RATIOS	7-9/2021	7-9/2020	Change %	1-9/2021	1-9/2020	Change %	1-12/2020
Eur million							
Revenue	141.0	129.3	9.1%	405.6	377.6	7.4%	553.6
Gross profit	20.9	20.9	-0.3%	65.0	61.8	5.3%	88.4
Gross margin, %	14.8%	16.2%		16.0%	16.4%		16.0%
EBITDA	5.9	6.8	-13.7%	18.7	17.1	9.3%	24.6
EBITDA, %	4.2%	5.3%		4.6%	4.5%		4.4%
Operating profit (EBIT)	4.7	5.6	-17.0%	15.0	13.4	11.8%	19.6
Operating margin, %	3.3%	4.3%		3.7%	3.5%		3.5%
Comparable operating profit	4.7	5.6	-17.0%	15.0	14.2	5.5%	20.4
Comparable operating margin, %	3.3%	4.3%		3.7%	3.8%		3.7%
Net profit	3.5	4.2	-17.9%	11.1	10.0	11.5%	14.6
Investments	0.8	0.3	199.2%	3.0	0.9	213.3%	1.4
Operating cash flow	7.6	5.5	38.6%	2.0	6.5	-68.6%	16.9

FINANCIAL GUIDANCE FOR 2021 REMAINS UNCHANGED

The company expects the revenue to be between 570–620 million euros (554 million euros) and comparable operating profit to be between 20–26 million euros (20.4 million euros) in 2021.

CEO PANU PORKKA'S REVIEW

Verkkokauppa.com's growth continued in the third quarter of the year. Our market share grew substantially in a moderately growing market. Measures to promote sales, such as our exciting and strongly expanding assortment and fast delivery solutions, succeeded. There was strong growth thanks to consumers and business customers. In addition, the export business, which slowed during the pandemic picked up and is now on a growth path. Revenue for the quarter increased by 9.1 percent and totaled EUR 141.0 million.

Our work for a smooth and reliable online customer experience has made an excellent progress, and an increasing number of online visitors ended up shopping. Success during the back-to-school season boosted online sales, which grew by 19 percent in July to September. Growth came from almost all product categories, particularly popular were computers and games. In the evolving product categories, sports equipment, toys and home & lighting did well. The strategic growth area, corporate business (B2B), increased strongly – 22 percent in the quarter. Growth came from the customer segments of large as well as small and medium sized enterprises.

Verkkokauppa.com's gross profit in the third quarter was at the same level as the comparison period and was EUR 20.9 million representing 14.8 percent of total sales. The gross margin was weakened by the tight competitive environment, especially in large core product categories such as phones, computers and large and small household appliances. In addition, the share of low-margin product categories of total sales increased. The operating profit declined from the comparison period and was EUR 4.7 million.

In August, we announced that we were strengthening our management team to support strategy implementation and business development. Jyrki Tulokas was appointed Chief Technology Officer. Kalle Koutajoki, previously Verkkokauppa.com's Chief Sales Officer, was appointed Chief Strategy and Development Officer, and Pekka Litmanen was appointed Chief Experience Officer (CXO). With these reinforcements, we are investing in strategy execution and the company's key strategic development projects.

Promoting responsible working conditions and environmental practices have been priorities of Verkkokauppa.com's sustainability focus areas. In September, to contribute to this objective, the company joined an international amfori BSCI sustainability platform to help ensure and monitor human rights and labor rights in its own brand's procurement chains in cooperation with suppliers.

At the end of September, the company held its first ever Capital Market Day. This event focused on strategy implementation, leverage of our wide assortment and the company's own technological backbone, which offers a competitive advantage. In addition, for the first time, we declared the CO2 emissions from our own activities; there is a significant downward trend thanks to energy efficiency measures and transition to renewable energy.

We are confident about our business at the end of the year. In-depth preparation for the upcoming campaign season, good availability of our wide assortment and versatile delivery services will support the growth. The company believes that it is well positioned and will be a relative winner in the "new normal" business environment. We believe that online shopping will continue to grow steadily even after the pandemic. Consumers found new product groups in online stores, which they are typically used to buying in physical stores. This change in consumer behavior is an essential contributor to the company's long-term goals and the strategic decision to expand its assortment.

FINANCIAL DEVELOPMENT

REVENUE AND PROFITABILITY

EUR million	7-9/ 2021	7-9/ 2020	Change%	1-9/ 2021	1-9/ 2020	Change%	1-12/ 2020
Revenue	141.0	129.3	9.1%	405.6	377.6	7.4%	553.6
Operating profit (EBIT)	4.7	5.6	-17.0%	15.0	13.4	11.8%	19.6
Operating margin, %	3.3%	4.3%		3.7%	3.5%		3.5%
- advisory costs related to transfer to official list of Nasdaq Helsinki	-	-		-	0.8		0.8
Comparable operating profit	4.7	5.6	-17.0%	15.0	14.2	5.5%	20.4
Comparable operating margin, %	3.3%	4.3%		3.7%	3.8%		3.7%

Share of sales

	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	FY 2020
Customer segments					
Consumer	72%	76%	72%	72%	74 %
B2B	22%	18%	21%	18%	18 %
Export	6%	7%	7%	10%	8 %
Sales channels					
On-line	59%	54%	60%	53%	56 %
Off-line	35%	40%	33%	38%	36 %
Website visits, million	17.6	19.8	54.9	57.1	87.0

Sales includes orders and deliveries in transit. On-line and off-line sales exclude export sales.

July-September 2021

In July-September 2021, Verkkokauppa.com's revenue grew by 9.1 percent year on year, totaling 141.0 million euros (129.3). Sales of computers, games, sports, toys as well as home and lighting were particularly strong.

During the third quarter, Verkkokauppa.com's online sale increased 18.7 percent year on year, representing 59 percent of total sales (54%). Visits to the Verkkokauppa.com website declined year on year, totaling 17.6 million (19.8) during the third quarter. However, the company succeeded well in converting many online visitors to regular buying customers during the comparison period, with an improvement of conversion rate. Sales to corporate customers (B2B) increased 22.0 percent, representing 22 percent of total sales (18%). The export business returned to the growth path once travel restrictions were relieved, and export sales increased 4.5 percent during the period, representing 6 percent of total sales (7%). Revenue excluding exports, increased during July-September by 8.1 percent.

The company-financed customer financing proceeds were 1.1 million euros (0.9) including both interest income and fee income.

Personnel costs increased in July-September by 4.5 percent to 8.5 million euros (8.1). The increase resulted mainly from IT as well as purchasing and assortment handling functions. During the reporting period, other operating expenses increased slightly to 6.8 million euros (6.1).

Operating profit (EBIT) in July-September decreased 1.0 million euros, totaling 4.7 million euros (5.6), representing 3.3 percent of revenue (4.3%). Profitability was impacted by the highly competitive environment, especially in core product categories such as phones, computers, and large and small household appliances. In addition, the share of low-margin product categories of total sales increased. Comparable operating profit was 4.7 million euros (5.6) and profit for the period 3.5 million euros (4.2).

Earnings per share were 0.08 euros (0.09) in July–September.

January–September 2021

In January–September, Verkkokauppa.com’s revenue grew by 7.4 percent year on year, totaling 405.6 million euros (377.6).

The company-financed customer financing proceeds were 3.1 million euros (2.6) including both interest income and fee income. The credit loss allowance was 0.7 million euros (1.0) at the end of September.

Personnel costs increased in January–September by 7.0 percent to 26.9 million euros (25.1). The increase came mainly from IT as well as from purchasing and assortment handling functions. During the reporting period, other operating expenses increased slightly to 20.2 million euros (19.9).

In January-September, operating profit increased by 1.6 million euros, totaling 15.0 million euros (13.4), representing 3.7 percent of revenue (3.5%). Comparable operating profit was 15.0 million euros (14.2) and profit for the period 11.1 million euros (10.0).

Earnings per share were 0.25 euros (0.22) in January–September.

FINANCE AND INVESTMENTS

Operating cash flow was 2.0 million euros (6.5) in January–September 2021. Operating cash flow was impacted by change in working capital. Drivers for change in working capital were mainly growth in inventories when mitigating possible availability shortage, preparing for high season sales and campaigns.

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

Investments totaled 3.0 million euros (0.9) in January–September 2021. Majority of investments are directed to the Jätkäsaari automation warehouse project. During the reporting period the company invested and capitalized 0.3 million euros (0.5) in salary costs. In January-September, a dividend of EUR 17.5 million (7.1) in total was distributed to shareholders.

Verkkokauppa.com has revolving credit facilities totaling 20 million euros, which have not been utilized. Of these credit facilities, 15 million euros are for three years, and five million euros for five years as of 1 July 2019.

PERSONNEL

During the reporting period, the number of employees increased, the total number of employees was 736 (700) at the end of September 2021. This includes both full- and part-time employees.

SUSTAINABILITY

Promoting responsible working conditions and environmental practices has been one of the priorities of Verkkokauppa.com's sustainability objectives. To contribute to this objective, Verkkokauppa.com joined the international amfori BSCI sustainability platform as of September 1, 2021. Being a part of this platform helps the company develop and enforce human rights and labor rights in its own brand's supply chains in cooperation with suppliers. In addition, the company will invest in extending the life of its products under its own brand by improving the possibilities for servicing them.

Verkkokauppa.com's calculation for greenhouse gas emissions generated by its own activities was declared in the company's Capital Market Day at the end of September. The company has been focusing for years on minimizing emissions from its own operations (Scopes 1 and 2), and a downward trend is forecast to continue in 2021 and 2022. In 2020, the company's Scope 1 and 2 emissions totaled 481 tons of CO₂ and the emission intensity was relatively low considering the industry: 0.87 tons CO₂/million euros. The company estimates that the largest climate impact of operations will result from other indirect emissions from its activities (Scope 3); the company is currently researching these.

Verkkokauppa.com aims to communicate openly and transparently. At the end of September, the company launched a website at verkkokauppa.com/vastuullisuus (currently in Finnish) that offers information about its corporate responsibility work.

SHARE TRADING AND SHARES

During the reporting period, 15,671,298 shares were exchanged on the official list of Nasdaq Helsinki Ltd, representing 34.8 percent of all shares in the company. The highest share price was 10.34 euros and the lowest 6.76 euros. The average price in share trading was 8.45 euros. The total share trading was 132.4 million euros. The closing price was 7.90 euros, and the market capitalization of all shares was 353.4 million euros at the end of the period.

On 30 September 2021, the share capital was EUR 100,000 and the total number of shares in the company was 45,065,130 including 327,999 treasury shares held by the company. The treasury shares have no voting rights, and no dividend is paid on them. The treasury shares accounted for 0.73% of all shares. In January-September 2021, the company transferred a total of 24,899 treasury shares as part of the remuneration of Board members and key employees.

The Board holds a valid authorization to issue a maximum of 4,506,513 shares in a share issue by one or several decisions (share issue authorization of 2021). The Board utilized its share issue authorization solely for transferring shares as part of the remuneration of Board members.

FLAGGING NOTIFICATIONS

On 22 July 2021, Verkkokauppa.com received a notification in accordance with the Chapter 9, Section 10 of the Finnish Securities Market Act. The notification of major holding was triggered by an option agreement concluded on 21 July 2021 between Rite Ventures Finland AB, a company ultimately controlled by Christoffer Häggblom, and Samuli Seppälä regarding the Company's shares, under which Rite has the right to buy a total of 4,400,000 shares of the Company from Samuli Seppälä. The call option is valid until 20 April 2022. As a result of the agreement Christoffer Häggblom's indirect holding of the Company's shares and votes through financial instruments exceeded the 5 percent threshold and the holding of shares and votes, both direct and indirect, together with the indirect holding through financial instruments exceeded the 10 percent threshold.

CAPITAL MARKETS DAY

On 29 September 2021, Verkkokauppa.com hosted its first Capital Markets Day in company's history. Due to the pandemic, the event was arranged virtually and broadcasted live to domestic and foreign analysts, investors, and shareholders. During the event, company management presented the road toward a revenue of one billion euro, strategy execution and how the company is capitalizing on the shift to online by leveraging its most exciting assortment as well as our own technology backbone. In addition, for the first time, CO2 emissions from our own activities were declared, in which a significant downward trend was seen thanks to energy efficiency measures and transition to renewable energy. A recording of the event and presentation materials are available on the company's investor website: <https://investors.verkkokauppa.com/en/capital-markets-day>

LONG-TERM INCENTIVE PLANS

Verkkokauppa.com has two share-based incentive plans for the CEO and members of the Management Team, the Matching Share Plan 2018–2020 and the Performance Matching Share Plan 2020–2022. The aim of the plans is to align the objectives of the shareholders and management to increase the company's value in the long term, encourage management to personally invest in the company shares, retain the members of the Management Team and offer them a competitive reward plan that is based on acquiring, earning, and accumulating the company's shares. For more detailed information on share-based incentive plans, see Note 1.10.

In March 2021, the Board of Directors of Verkkokauppa.com resolved on a directed share issue without consideration of the payment of share rewards in the first matching period of the Matching Share Plan 2018–2020. The resolution on the directed share issue without consideration is based on the authorization granted by the Annual General Meeting held on 31 March 2020. In the directed share issue without consideration, a total of 15,000 treasury shares were transferred to five key employees on 2 March 2021.

No new shares will be issued in connection with the payment of the share rewards and therefore the resolution has no diluting effect. On 30 September 2021, Verkkokauppa.com Oyj held 327,999 treasury shares.

CHANGES IN MANAGEMENT TEAM

On 24 August, Verkkokauppa.com announced that the company strengthen its management team to support strategy implementation and business development. Jyrki Tulokas was appointed Chief Technology Officer of Verkkokauppa.com. Kalle Koutajoki, Verkkokauppa.com's Chief Sales Officer, was appointed to a new position of Chief Strategy and Development Officer. Pekka Litmanen was appointed as Chief Experience Officer (CXO). Henrik Weckström, CTO, moved to a new role within the company.

As a result of these appointments, the Verkkokauppa.com management team will comprise following members as of October 11, 2021:

Panu Porkka, CEO

Mikko Forsell, CFO

Miika Heinonen, Logistics Director

Vesa Järveläinen, Commercial Director

Kalle Koutajoki, Chief Strategy and Development Officer

Pekka Litmanen, Chief Experience Officer

Seppo Niemelä, Marketing and Communications Director

Saara Tikkanen, HR Director

Jyrki Tulokas, Chief Technology Officer

ANNUAL GENERAL MEETING 2021

The Annual General Meeting was held in Helsinki on 25 March 2021. The financial statements for the year 2020 were approved, the Remuneration Policy was considered, and the Board members and CEO were discharged from liability with respect to financial year 2020. It was resolved to pay a dividend of 0.056 euros per share and an additional dividend of 0.22 euros per share (i.e., in total a dividend of 0.276 euros per share). Dividends to be paid by the company total 12,345,341.17 euros.

The Annual General Meeting authorized the Board of Directors to decide at its discretion the distribution of a maximum dividend of a total of 0.174 euros per share. The authorization is valid until the opening of the next Annual General Meeting.

In accordance with the proposal of the Shareholders' nomination committee, the number of Board members was confirmed as seven. Christoffer Häggblom, Kai Seikku, Samuli Seppälä and Arja Talma were re-elected for the next term. Additionally, Mikko Kärkkäinen, Frida Ridderstolpe and Johan Ryding were elected as new members for the next term.

The Annual General Meeting decided to approve the Company's amended Remuneration Policy and Remuneration Report.

In accordance with the proposal of the shareholders nomination committee, the annual fees payable to the members of the Board of Directors as well as members of the Board committees was confirmed by the Annual General Meeting.

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 and Christoffer Häggblom as Vice Chairperson of the Board.

Board members Kai Seikku (Chairperson), Arja Talma (Vice Chairperson) and Christoffer Häggblom were elected as members of the Audit Committee. Board members Christoffer Häggblom (Chairperson), Kai Seikku and Arja Talma were elected as members of the Remuneration Committee.

The Annual General Meeting also approved the amended Charter of the Shareholders' Nomination Board.

The Authorized Public Accountants PricewaterhouseCoopers Oy was re-elected as auditor, which specified that Authorized Public Accountant Ylva Eriksson will act as the Principal Auditor.

The Annual General Meeting approved the Board authorizations to decide the repurchase of company shares and a share issue.

Verkkokauppa.com published a stock exchange release on the decisions of the Annual General Meeting and the decisions of the constitutive meeting of the Board of Directors on 25 March 2021. The stock exchange release is available on the company's investor pages.

DIVIDEND

On 25 March 2021, the Annual General Meeting resolved to pay a dividend of 0.056 euros per share and an additional dividend of 0.22 euros per share, in total, the dividend payment was 0.276 euros per share (12,345,341.17 euros in total). The dividend payment date was 7 April 2021.

Verkkokauppa.com's Annual General Meeting authorized the Board of Directors to decide at its discretion the distribution of dividends not exceeding 0.174 euro per share to be paid in three instalments during 2021.

The Board resolved on 23 April 2021 to pay a dividend of 0.057 euros per share (2,549,581.33 euros in total). The dividend payment date was 4 May 2021.

The Board resolved on 15 July 2021 to pay a dividend of 0.058 euros per share (2,594,497,70 euros in total). The dividend payment date was 27 July 2021.

The Board resolved on 22 October 2021 to pay a dividend of 0.059 euros per share (2,639,490,73 euros in total). The dividend payment date is 2 November 2021.

Following the distribution of dividends resolved on 22 October 2021 by the Board, the Company does not have any valid authorizations for distribution of dividends.

REFINED STRATEGY FOR VERKKOKAUPPA.COM

On 12 February 2021, the company announced its refined strategy and long-term financial targets (for the period of 2021–2025). With the refined strategy, Verkkokauppa.com targets a revenue of one billion euros and a 5 percent EBIT margin by the end of 2025. At the same time, Verkkokauppa.com will continue its policy of distributing a quarterly growing dividend to shareholders.

Verkkokauppa.com's vision is to remain as a pioneer of ecommerce in the coming decades through continuous innovation and development.

SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES

Verkkokauppa.com's risks and uncertainties reflect the operating environment and general consumer behavior, for example, demand for consumer electronics, export trade situation, and the competitive environment. The company's business operations are also influenced by risks and uncertainties relating to, for example, business strategy, investments, procurement and logistics, information technology, and other operative aspects of the business. These risks and uncertainties may affect the company's operations, financial position, and performance both positively and negatively. Risks and uncertainties have been presented in more detail in the Annual Report.

Uncertainty in the economic development and the financial market behavior in Finland, Europe and the world may adversely affect Verkkokauppa.com's business and growth opportunities. The COVID-19 pandemic continues to affect people's lives and we estimate that the impact on the company's operations will be confronted still in short term. Challenges in the supply chain efficiency, including for example, availability of containers, as well as certain components and products continue. On the other hand, we have prepared for the coming high campaign season and availability shortages with larger than normal stock levels. Risks and uncertainties relate also to a more positive outcome in the pandemic, strong shift of consumer to online sales, may momentarily deteriorate our ability to deliver on expected timeframe during the high campaign season.

BUSINESS OUTLOOK FOR 2021

Verkkokauppa.com's business operations are estimated to develop positively. The company believes that it will succeed in further growing its market share in the chosen categories. The strong balance sheet enables the company to continue expanding its operations in accordance with its strategy.

The company has benefited from the shifting consumer behavior accelerated by the COVID-19 pandemic, as the sales in the online channel have shown robust growth. The company estimates that the increasing shift of customers to online sales is permanent.

The effects of the COVID-19 pandemic will gradually begin to ease as vaccine coverage increases. As travelling opens, we will begin to see a slight increase in the export business. We estimate that many side effects caused by the pandemic, such as component shortages, including graphics cards, and congested freight services, may have an impact on the availability of some products in the remainder of the year.

The outlook is subject to macroeconomic uncertainty and as well as the prevailing pandemic and the post-pandemic period.

FINANCIAL GUIDANCE FOR 2021 REMAINS UNCHANGED (published on 12 February 2021)

The company expects revenue to be between 570–620 million euros (554 million euros) and comparable operating profit to be between 20–26 million euros (20.4 million euros) in 2021.

NEWS CONFERENCES

A press conference for analysts, investors and media will be held in Finnish in a Livestream webcast on Friday, 22 October 2021 at 10:00 a.m. (EEST), in which Verkkokauppa.com's CEO Panu Porkka will present the developments in the reporting period.

A press conference in English will be held in a Livestream webcast on Friday, 22 October 2021 at 11:00 a.m. (EEST). Questions can be sent beforehand or during the presentation via e-mail to investors@verkkokauppa.com.

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

COMPANY RELEASES AND EVENTS

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

- 2021 Financial statements on 10 February 2022
- The Financial Statements for 2021 during the week starting on 28 February (week 9) in 2022
- AGM on 24 March 2022
- Interim report for January – March 2022 on Thursday 28 April 2022
- Half-year financial report for January – June 2022 on Thursday 14 July 2022
- Interim report for January – September 2022 on Thursday 27 October 2022
- Financial statements bulletin for the year 2022 on Thursday 9 February 2023.

Helsinki, Finland, 21 October 2021

Verkkokauppa.com Oyj

Board of Directors

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Verkkokauppa.com empowers its customers to follow their passion by providing a wide product assortment of around 70,000 products. Verkkokauppa.com Oyj serves its retail and corporate customers through its webstore, megastores, 24h kiosk and network of collection points as well as fast deliveries and various services. As Finland's most popular and most visited domestic online retailer, its deliveries cover around 70 percent of the Finnish population within the next day. The Company has four megastores: in Oulu, Pirkkala, Raisio, and Helsinki, where its headquarters is also located. Verkkokauppa.com employs more than 700 people and its shares are listed on the Nasdaq Helsinki stock exchange with the ticker VERK.

Distribution:

Nasdaq Helsinki

Main media

www.verkkokauppa.com

VERKKOKAUPPA.COM OYJ INTERIM REPORT 1 Jan – 30 Sep 2021

Income statement

EUR thousand	Note	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
Revenue	1.3	141,039	129,321	405,576	377,627	553,636
Other operating income		265	127	774	370	558
Materials and services		-120,184	-108,394	-340,565	-315,874	-465,222
Employee benefit expenses		-8,468	-8,105	-26,902	-25,140	-35,560
Depreciation and amortization		-1,244	-1,228	-3,719	-3,704	-5,010
Other operating expenses		-6,756	-6,116	-20,203	-19,899	-28,818
Operating profit		4,652	5,606	14,961	13,380	19,583
Finance income		2	5	5	8	11
Finance costs		-321	-339	-1,012	-1,059	-1,423
Profit before income taxes		4,333	5,272	13,953	12,329	18,171
Income taxes		-868	-1,055	-2,851	-2,369	-3,550
Profit for the period		3,464	4,218	11,103	9,960	14,622
Profit for the period attributable to						
Equity holders of the company		3,464	4,218	11,103	9,960	14,622
Earnings per share calculated from the profit attributable to equity holders						
Earnings per share, basic (EUR)		0.08	0.09	0.25	0.22	0.33
Earnings per share, diluted (EUR)		0.08	0.09	0.25	0.22	0.32

Statement of comprehensive income

EUR thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
Profit for the period	3,464	4,218	11,103	9,960	14,622
Comprehensive income for the period	3,464	4,218	11,103	9,960	14,622
Comprehensive income for the period					
Equity holders of the company	3,464	4,218	11,103	9,960	14,622

Statement of financial position

EUR thousand	Note	30 Sep 2021	31 Dec 2020
Non-current assets			
Intangible assets		1,185	835
Property, plant and equipment		3,859	2,222
Right-of-use assets	1.5	16,683	17,347
Equity investments		266	266
Deferred tax assets		1,294	1,349
Trade receivables	1.6/1.7	3,210	3,201
Other non-current receivables		425	425
Non-current assets, total		26,923	25,646
Current assets			
Inventories		79,184	75,384
Trade receivables	1.6/1.7	20,939	18,650
Other receivables		2,055	1,462
Accrued income		7,363	9,446
Cash and cash equivalents	1.7	21,761	43,099
Current assets, total		131,302	148,041
Total assets		158,225	173,687
Equity			
Share capital		100	100
Treasury shares		-1,628	-2,206
Invested non-restricted equity fund		25,905	25,816
Retained earnings		-1,206	2,217
Profit for the period		11,103	14,622
Total equity		34,274	40,549
Non-current liabilities			
Lease liabilities	1.7	17,130	18,045
Provisions		891	766
Non-current liabilities, total		18,021	18,811
Current liabilities			
Lease liabilities	1.7	3,949	3,883
Advance payments received		5,062	8,475
Trade payables	1.7	71,076	70,171
Other current liabilities		8,380	12,296
Accrued liabilities		16,210	18,039
Income tax liabilities		1,252	1,463
Current liabilities, total		105,930	114,327
Total liabilities		123,951	133,138
Total equity and liabilities		158,225	173,687

Statement of cash flows

EUR thousand	1-9/ 2021	1-9/ 2020	1-12/ 2020
Cash flow from operating activities			
Profit before income taxes	13,953	12,329	18,171
Adjustments			
Depreciation and impairment	3,719	3,704	5,010
Finance income and costs	1,008	1,051	1,384
Other adjustments	236	390	458
Cash flow before change in working capital	18,917	17,475	25,025
Change in working capital			
Increase (-) / decrease (+) in non-current non-interest-bearing trade receivables	-9	-428	-1,309
Increase (-) / decrease (+) in trade and other receivables	-799	-67	-4,371
Increase (-) / decrease (+) in inventories	-3,800	1,022	-8,682
Increase (+) / decrease (-) in current liabilities	-8,252	-9,042	9,576
Cash flow before financial items and taxes	6,057	8,959	20,239
Interest paid	-100	-54	-66
Interest received	4	6	5
Interest of lease liabilities	-912	-1,004	-1,323
Income tax paid	-3,006	-1,411	-1,970
Cash flow from operating activities	2,042	6,496	16,884
Cash flow from investing activities			
Purchases of property, plant and equipment	-2,325	-445	-769
Purchases of intangible assets	-638	-541	-587
Cash flow from investing activities	-2,963	-986	-1,356
Cash flow from financing activities			
Decrease (-) in lease liabilities	-2,928	-2,881	-3,821
Dividends paid	-17,489	-7,138	-9,597
Acquisition of treasury shares	-	-1,505	-1,505
Cash flow from financing activities	-20,417	-11,524	-14,923
Increase (+) / decrease (-) in cash and cash equivalents	-21,338	-6,014	604
Cash and cash equivalents at beginning of reporting period	43,099	42,495	42,495
Cash and cash equivalents at end of reporting period	21,761	36,481	43,099

Statement of changes in equity

A Share capital	D Fair value reserve
B Treasury shares	E Retained earnings
C Invested non-restricted equity fund	F Total equity

EUR thousand	A	B	C	D	E	F
Equity 1 Jan 2021	100	-2,206	25,816	0	16,839	40,549
Profit for the period	-	-	-	-	11,103	11,103
Changes in fair values of equity investments	-	-	-	-	-	0
Comprehensive income for the period, total	-	-	-	-	11,103	11,103
Dividend distribution	-	-	-	-	-17,489	-17,489
Acquisition of treasury shares	-	-	-	-	-	0
Disposal of treasury shares -Board fees	-	518	88	-	-518	88
Share-based incentives	-	60	-	-	-38	23
Transactions with owners, total	-	578	88	-	-18,045	-17,378
Equity 30 Sep 2021	100	-1,628	25,905	0	9,897	34,274

EUR thousand	A	B	C	D	E	F
Equity 1 Jan 2020	100	-701	25,707	0	11,457	36,563
Profit for the period	-	-	-	-	14,622	14,622
Changes in fair values of equity investments	-	-	-	-	-	0
Comprehensive income for the period, total	-	-	-	-	14,622	14,622
Dividend distribution	-	-	-	-	-9,597	-9,597
Acquisition of treasury shares	-	-1,505	-	-	-	-1,505
Disposal of treasury shares -Board fees	-	-	109	-	-	109
Share-based incentives	-	-	-	-	358	358
Transactions with owners, total	-	-1,505	109	-	-9,239	-10,635
Equity 31 Dec 2020	100	-2,206	25,816	0	16,839	40,549

EUR thousand	A	B	C	D	E	F
Equity 1 Jan 2020	100	-701	25,707	0	11,457	36,563
Profit for the period	-	-	-	-	9,960	9,960
Changes in fair values of equity investments	-	-	-	-	-	0
Comprehensive income for the period, total	-	-	-	-	9,960	9,960
Dividend distribution	-	-	-	-	-7,138	-7,138
Acquisition of treasury shares	-	-1,505	-	-	-	-1,505
Disposal of treasury shares -Board fees	-	-	83	-	-	83
Share-based incentives	-	-	-	-	267	267
Transactions with owners, total	-	-1,505	83	-	-6,871	-8,293
Equity 30 Sep 2020	100	-2,206	25,790	0	14,545	38,229

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 Financial Report for January–September 2021 has been prepared in line with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with Verkkokauppa.com Oyj's financial statements for 2020, published on 3 March 2021. Verkkokauppa.com Oyj has applied the same accounting principles in the preparation of this Interim Financial Report as in its Financial Statements for 2020.

Verkkokauppa.com Oyj has not adopted any new accounting policies during 2021 that would have a material impact on this Interim Financial Report.

The information presented in this Interim Financial 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.

Management judgement related to the choice and application of accounting policies and measures following the COVID-19

The preparation of this Interim Financial Report required management to make judgements, estimates assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

Since the outbreak of COVID-19 pandemic the company has started several initiatives to secure business continuity and staff safety. The company is monitoring and reporting on the COVID-19 situation on a frequent basis. As the conditions surrounding the COVID-19 pandemic are constantly changing, it is still difficult to estimate its impact on the economy, consumer demand as well as purchase behavior, B2B sales and wholesale. The company monitor customers' payment behavior and the development of account receivables on a monthly basis and has managed credit limits and potential credit losses. No significant changes have been observed in customers' payment behavior. COVID-19 has also not had a significant effect on inventory turnover or impairment. There have been no significant changes in the Company's leases or payment terms because of COVID-19 that would have affected the company's right-of-use assets or their lease liabilities. The current strong cash position and unused RCF facilities (20.0 million euros) will secure business continuity even under these exceptional circumstances.

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 65,000 products in 26 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 obligations

	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
EUR thousand					
At a point in time	139,916	128,217	402,202	374,508	549,062
Over time	1,124	1,104	3,374	3,119	4,574
Revenue, total	141,039	129,321	405,576	377,627	553,636

Revenue by external customers' location

	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
EUR thousand					
Finland	131,642	120,393	378,340	340,241	506,185
Rest of the world	9,397	8,929	27,236	37,386	47,451
Revenue by external customers' location	141,039	129,321	405,576	377,627	553,636

Income recognized from customer financing

The company presents all income from customer financing as part of revenue in the primary financial statements.

The table below presents the income recognized from company-financed Apuraha customer financing divided into income recognized using the effective interest rate method and other income. Other income consists of other fees.

	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
EUR thousand					
Interest income recognized using effective interest rate method	697	536	2,021	1,449	2,034
Other income from company-financed customer financing	382	342	1,124	1,191	1,558
Income from company-financed Apuraha, total	1,079	878	3,145	2,640	3,592

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	30 Sep 2021	31 Dec 2020
Carrying amount 1.1.	17,347	18,770
Increases	1,202	2,221
Increase/decrease due to remeasurement	1,019	201
Disposals	-141	-62
Depreciation	-2,744	-3,783
Carrying amount at the end of period	16,683	17,347

The remeasurements made during 2021 and 2020 relate to index adjustments and renegotiated rental agreements.

1.6 Trade receivables

EUR thousand	30 Sep 2021		30 Sep 2020		31 Dec 2020	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Not due	20,555	193	14,639	612	17,964	656
Past due 1-60 days	3,977	226	3,495	284	4,878	357
Past due 61-120 days	106	70	46	28	84	61
Past due over 121 days	221	221	35	35	49	49
Total	24,859	710	18,215	959	22,975	1,123

1.7 Financial assets and liabilities by measurement category

30 Sep 2021	Recognized at fair value through other comprehensive income			At amortized cost	Lease liabilities	Carrying amount
EUR thousand						
Non-current financial assets						
Equity investments (level 3)		266	-	-	-	266
Trade receivables and other financial receivables		-	3,635	-	-	3,635
Non-current financial assets, total		266	3,635	-	-	3,902
Current financial assets						
Trade receivables		-	20,939	-	-	20,939
Cash and cash equivalents		-	21,761	-	-	21,761
Current financial assets, total		-	42,701	-	-	42,701
Financial assets by measurement category, total		266	46,336	-	-	46,602
Non-current financial liabilities						
Lease liabilities (level 2)		-	-	17,130	-	17,130
Non-current financial liabilities, total		-	-	17,130	-	17,130

Current financial liabilities				
Lease liabilities (level 2)	-	-	3,949	3,949
Trade payables	-	71,076	-	71,076
Current financial liabilities, total	-	71,076	3,949	75,026
Financial liabilities by measurement category, total	-	71,076	21,079	92,156

31 Dec 2020				
EUR thousand	Recognized at fair value through other comprehensive income	At amortized cost	Lease liabilities	Carrying amount
Non-current financial assets				
Equity investments (level 3)	266	-	-	266
Trade receivables and other financial receivables	-	3,626	-	3,626
Non-current financial assets, total	266	3,626	-	3,892
Current financial assets				
Trade receivables	-	18,650	-	18,650
Cash and cash equivalents	-	43,099	-	43,099
Current financial assets, total	-	61,750	-	61,750
Financial liabilities by measurement category, total	266	65,375	-	65,642
Non-current financial liabilities				
Lease liabilities (level 2)	-	-	18,045	18,045
Non-current financial liabilities, total	-	-	18,045	18,045
Current financial liabilities				
Lease liabilities (level 2)	-	-	3,883	3,883
Trade payables	-	70,171	-	70,171
Current financial liabilities, total	-	70,171	3,883	74,054
Financial liabilities by measurement category, total	-	70,171	21,928	92,099

Level 2 includes interest-bearing liabilities and derivatives and Level 3 investments in unlisted shares and funds.

1.8 Dividends

Dividends paid after the reporting period and year-on-year.

2021		
For the previous year	Date of payment	Dividend per share, EUR
	7.4.2021	0.276
	4.5.2021	0.057
	27.7.2021	0.058
Total dividends, EUR thousand		17,489

2020

For the previous year	Date of payment	Dividend per share, EUR
	9.4.2020	0.052
	6.5.2020	0.053
	4.8.2020	0.054
	3.11.2020	0.055
Total dividends, EUR thousand		9,597

1.9 Transactions with related parties

Verkkokauppa.com Oyj's related parties comprise the Board of Directors, the CEO as well as the other members of the 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 35,41% of all shares and votes in Verkkokauppa.com on 30 September 2021.

EUR thousand	30 Sep 2021	31 Dec 2020
Sales of goods and services		
To key management personnel and their related parties	58	77
Purchases of goods and services		
From key management personnel and their related parties	-	1

EUR thousand	30 Sep 2021	31 Dec 2020
Closing balances from purchases/sales of goods/services		
Trade receivables from key management personnel and their related parties	6	9
Trade payables to key management personnel and their related parties	-	-

1.10 Long-term incentive plans

Verkkokauppa.com has two separate share-based incentive plans for the CEO and the members of the Management Team. The aim of the new plans 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 shares, to retain the members of the Management Team at the company and to offer them a competitive reward plan that is based on acquiring, earning and accumulating the company's shares.

Matching Share Plan 2018-2020

In the Matching Share Plan 2018–2020, the participant may earn a number of matching shares, determined by the Board of Directors, based on their investment in Verkkokauppa.com Oyj's shares. The Matching Share Plan has two matching periods: 2018–2020 and 2019–2021. The rewards to be paid on the basis of the matching period 2018–2020 correspond to the value of maximum total of 50,000 Verkkokauppa.com Oyj's shares, and on the basis of the matching period 2019–2021 to the value of maximum total of 45,000 Verkkokauppa.com Oyj's shares, including also the proportions to be paid in cash.

In March 2021, The Board of Directors of Verkkokauppa.com Oyj resolved on a directed share issue without consideration for the payment of share rewards in the first matching period 2018-2020 of the Matching Share Plan 2018-2020. On 2 March 2021, in the directed share issue without consideration, a total of 15,000 treasury shares held by the Company was transferred to five key employees according to the terms and conditions of the Matching Share Plan 2018-2020. Additionally, a part of the reward was paid in cash intended to cover taxes and tax-related costs arising from the reward to the participant. No new shares will be issued in connection with the payment of the share rewards and therefore the resolution will have no diluting effect.

Performance Matching Share plan 2020-2022

Performance Matching Share Plan 2020–2022, a person may earn a number of matching shares based on their investment in Verkkokauppa.com Oyj’s shares and the Total Shareholder Return (TSR) of the share. The Performance Matching Share Plan includes one performance period, calendar years 2020–2022. The reward to be paid to participants is based on the achievement of the required TSR levels set by the Board of Directors. A maximum of three performance-based matching shares is paid for each allocated share. The prerequisite for participation and receiving of reward is that a participant allocates freely transferable company shares, held by them, in the plan, or acquires the company’s shares up to the number determined by the Board of Directors. Furthermore, payment of reward is based on the participant’s valid employment or service upon reward payment. As a rule, no reward will be paid if a participant’s employment or service ends before the reward payment.

The target group of the plan consists of seven persons, the CEO and six members of the Management Team. In accordance with the terms of the plan each participant is entitled to get a gross number of shares. However, a net number of shares will be paid to the participant after the company has withheld and paid the value of a part of the shares to cover the employee’s tax obligation. The rewards to be paid on the basis of the plan correspond to the value of approximately 540,000 Verkkokauppa.com Oyj shares in total (gross amount).

1.11 Guarantees and commitments

EUR thousand	30 Sep 2021	31 Dec 2020
Collateral given for own commitments		
Guarantees	3,082	3,082
Other commitments and contingent liabilities	8	8

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

1.12 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.

1.13 Subsequent events

There were no subsequent events.

ADDITIONAL INFORMATION

Quarterly income statement

EUR thousand	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020	7-9/ 2020
Revenue	141,039	130,503	134,034	176,009	129,321
Other operating income	265	386	123	188	127
Materials and services	-120,184	-108,074	-112,308	-149,348	-108,394
Employee benefit expenses	-8,468	-9,383	-9,051	-10,419	-8,105
Depreciation and amortization	-1,244	-1,241	-1,234	-1,306	-1,228
Other operating expenses	-6,756	-7,083	-6,364	-8,920	-6,116
Operating profit	4,652	5,108	5,201	6,203	5,606
Finance income	2	2	1	3	5
Finance costs	-321	-369	-322	-363	-339
Profit before income taxes	4,333	4,741	4,880	5,842	5,272
Income taxes	-868	-953	-1,029	-1,180	-1,055
Profit for the period	3,464	3,788	3,851	4,662	4,218
Profit for the period attributable to					
Equity holders	3,464	3,788	3,851	4,662	4,218
Earnings per share calculated from the profit attributable to equity holders					
Earnings per share, basic (EUR)	0.08	0.08	0.09	0.10	0.09
Earnings per share, diluted (EUR)	0.08	0.08	0.09	0.10	0.09

Alternative performance measurement

In this Interim Financial 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.

	2021				FY 2021	2020				FY 2020
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue, thousand euros	134,034	130,503	141,039		405,576	125,255	123,050	129,321	176,009	553,636
Gross profit, thousand euros	21,727	22,429	20,856		65,011	19,420	21,405	20,928	26,661	88,413
Gross margin-%	16.2%	17.2%	14.8%		16.0%	15.5%	17.4%	16.2%	15.1%	16.0%
EBITDA, thousand euros	6,435	6,349	5,896		18,680	4,648	5,602	6,834	7,509	24,593
EBITDA-%	4.8%	4.9%	4.2%		4.6%	3.7%	4.6%	5.3%	4.3%	4.4%
Operating profit, thousand euros	5,201	5,108	4,652		14,961	3,418	4,356	5,606	6,203	19,583
Operating profit-%	3.9%	3.9%	3.3%		3.7%	2.7%	3.5%	4.3%	3.5%	3.5%
Comparable operating profit, thousand euros	5,201	5,108	4,652		14,961	3,754	4,826	5,606	6,203	20,390
Comparable operating profit-%	3.9%	3.9%	3.3%		3.7%	3.0%	3.9%	4.3%	3.5%	3.7%
Profit for the period, thousand euros	3,851	3,788	3,464		11,103	2,444	3,298	4,218	4,662	14,622
Interest-bearing net debt, thousand euros	-10,710	2,385	-682		-682	-22,339	-13,024	-14,654	-21,171	-21,171
Investments, thousand euros	433	1,681	849		2,963	266	396	284	411	1,356
Equity ratio, %	20.3%	23.3%	22.4%		22.4%	24.5%	27.4%	25.9%	24.5%	24.5%
Gearing, %	-33.5%	7.2%	-2.0%		-2.0%	-60.8%	-35.8%	-38.3%	-52.2%	-52.2%
Personnel at the end of period*	738	801	736		736	693	747	700	818	818
Basic earnings per share, euros	0.09	0.08	0.08		0.25	0.05	0.07	0.09	0.10	0.33
Diluted earnings per share, euros	0.09	0.08	0.08		0.25	0.05	0.07	0.09	0.10	0.32
Number of issued shares, 1,000 pcs	45,065	45,065	45,065		45,065	45,065	45,065	45,065	45,065	45,065
Number of treasury shares, 1,000 pcs	336	332	328		328	73	353	358	353	353
Weighted average number of shares outstanding, 1,000 pcs	44,715	44,721	44,727		44,727	44,987	44,971	44,952	44,907	44,907
Diluted weighted average number of shares outstanding, 1,000 pcs	45,221	45,227	45,232		45,232	45,527	45,511	45,492	45,447	45,447

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

Formulas for key ratios

KEY RATIO	DEFINITIONS		
GROSS PROFIT	Revenue – materials and services		Gross profit shows the profitability of the sales
GROSS MARGIN, %	$(\text{Revenue} - \text{materials and services}) / \text{Revenue}$	x 100	Gross margin measures the profitability of the sales of Verkkokauppa.com
EBITDA	Operating profit + depreciation + amortization		EBITDA shows the operational profitability
EBITDA, %	$(\text{Operating profit} + \text{depreciation} + \text{amortization}) / \text{Revenue}$	x 100	EBITDA measures the operational profitability of Verkkokauppa.com
OPERATING PROFIT	Result for the period before income taxes and net finance income and costs		Operating profit shows result generated by operating activities
OPERATING MARGIN, %	$\text{Operating profit} / \text{Revenue}$	x 100	Operating margin measures operational efficiency of Verkkokauppa.com
ITEMS AFFECTING COMPARABILITY	Material items which are not part of normal operating activities such as expenses related to possible transfer to official list of Nasdaq Helsinki, 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		
COMPARABLE OPERATING PROFIT	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
COMPARABLE OPERATING PROFIT MARGIN %	$\text{Comparable operating profit} / \text{revenue}$	x 100	Comparable operating margin measures comparable operational efficiency of Verkkokauppa.com

EQUITY RATIO, %	Total equity / Balance sheet total – advance payments received		Equity ratio measures Verkkokauppa.com's solvency, ability to bear losses and ability to meet commitments in the long run
INTEREST-BEARING NET BEDT	Lease liabilities -cash and cash equivalents		Interest-bearing net debt measures Verkkokauppa.com's indebtedness
GEARING, %	Lease liabilities – cash and cash equivalents/ Total equity	x 100	Gearing measures the relation of equity and interest-bearing net debt of Verkkokauppa.com and shows the indebtedness of the company
INVESTMENTS	Increases in intangible assets, property, plant and equipment during the financial period		Investments provides additional information regarding operating cash flow demands
NET INVESTMENT	Investments in intangible and tangible assets - proceeds from the sale of fixed assets. Net investments do not include non-capitalized / work in progress		
EARNINGS PER SHARE, BASIC	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 company
EARNINGS PER SHARE, DILUTED	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 thousand	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
Operating profit	4,652	5,606	14,961	13,380	19,583
- advisory costs related to transfer to official list of Nasdaq Helsinki	-	-	-	807	807
Comparable operating profit	4,652	5,606	14,961	14,187	20,390