

VERKKOKAUPPA.COM OYJ FINANCIAL STATEMENTS RELEASE

January – December 2021



FINANCIAL STATEMENT RELEASE for 1 January – 31 December 2021

SOLID PERFORMANCE DURING 2021 – LAST QUARTER IN A CHALLENGING MARKET ENVIRONMENT

Verkkokauppa.com Oyj – Financial Statement Release 10 February 2022, 8:00 a.m. EET

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

October – December 2021 in brief

- Revenue was EUR 168.9 million (176.0)
- Gross profit was EUR 26.2 million (26.7) or 15.5% of revenue (15.1%)
- Operating profit (EBIT) was EUR 5.3 million (6.2) or 3.2% of revenue (3.5%)
- Comparable operating profit was EUR 5.3 million (6.2) or 3.2% of revenue (3.5%)
- Net profit was EUR 4.0 million (4.7)
- Earnings per share were EUR 0.09 (0.10)
- Investments were EUR 1.9 million euros (0.4)
- Operating cash flow was EUR 4.6 million (10.4)

January – December 2021 in brief

- Revenue was EUR 574.5 million (553.6)
- Gross profit was EUR 91.2 million (88.4) or 15.9% of revenue (16.0%)
- Operating profit (EBIT) was EUR 20.3 million (19.6) or 3.5% of revenue (3.5%)
- Comparable operating profit was EUR 20.3 million (20.4) or 3.5% of revenue (3.7%)
- Net profit was EUR 15.1 million (14.6)
- Earnings per share were EUR 0.34 (0.33)
- Investments were EUR 4.9 million (1.4)
- Operating cash flow was EUR 6.7 million (16.9)
- The Board of Directors proposes to the Annual General Meeting that a total dividend of EUR 0.246 per share be paid for the financial year 2021. The total dividend is to be divided into a payment of EUR 0.060 per share following the Annual General meeting. In addition, it is proposed to the AGM to authorize the Board of Directors to decide at its discretion the distribution of total of EUR 0.186 per share to be divided in three quarterly instalments.

KEY RATIOS	10–12/2021	10–12/2020	Change %	1–12/2021	1–12/2020	Change %
EUR million						
Revenue	168.9	176.0	-4.0%	574.5	553.6	3.8%
Gross profit	26.2	26.7	-1.8%	91.2	88.4	3.1%
Gross margin, %	15.5%	15.1%		15.9%	16.0%	
EBITDA	6.6	7.5	-12.1%	25.3	24.6	2.8%
EBITDA, %	3.9%	4.3%		4.4%	4.4%	
Operating profit	5.3	6.2	-14.0%	20.3	19.6	3.6%
Operating margin, %	3.2%	3.5%		3.5%	3.5%	
Comparable operating profit	5.3	6.2	-14.0%	20.3	20.4	-0.5%
Comparable operating margin, %	3.2%	3.5%		3.5%	3.7%	
Net profit	4.0	4.7	-14.4%	15.1	14.6	3.2%
Investments	1.9	0.4	360.5%	4.9	1.4	257.9%
Operating cash flow	4.6	10.4	-55.5%	6.7	16.9	-60.5%

FINANCIAL GUIDANCE FOR 2022

The company expects the revenue to be between EUR 590–640 million (EUR 574.5 million) and adjusted operating profit (adjusted EBIT) to be between EUR 19–25 million (EUR 20.4 million) in 2022.

CEO PANU PORKKA'S REVIEW



" We have spent the year determinedly moving toward the objectives of our renewed strategy and vision to maintain position as a leader in e-commerce through continuous innovation and development."

- Panu Porkka, CEO, Verkkokauppa.com

The year 2021 provided some exceptional circumstances due to the coronavirus pandemic. Verkkokauppa.com's revenue reached a new record level at EUR 574.5 million. This growth was driven in particular by corporate sales, which increased by 19 percent, year-on-year. The pandemic further boosted consumer preference for online shopping, and online sales increased by 13.5 percent to previous year. Getting customers used to online shopping and helping them find the delivery methods best suited to them from range of services, helped make their day-to-day lives easier and more convenient.

Q4 revenue declined by 4.0 percent from a strong comparative period and stood at EUR 168.9 million. The quarter was dominated by the campaign season, which started in November. Demand for the period was lower than expected and below that of previous year. Christmas sales also started on a more quiet note and the Omicron variant kept customers from visiting the stores. The consumer electronic market, measured by GfK*, declined by 7.9 percent during the quarter. Also, sales in certain product categories were affected by availability challenges. One of our strategic growth areas, corporate sales, remained buoyant in the fourth quarter, with a year-on-year increase of 11 percent. Best-selling product categories were computers, gaming, toys and sports products.

Lower sales during fourth quarter affected profitability with the operating profit (EBIT) declining to EUR 5.3 million. Despite a tough market, the year-on-year gross profit margin improved to 15.5 percent of sales.

We have spent the year determinedly moving toward the objectives of our renewed strategy and vision to maintain

position as a leader in e-commerce through continuous innovation and development. Investment in warehouse automation at Jätkäsaari and the increase in the number of own brand products in the assortment have both been executed rapidly. AutoStore warehouse automation will be ramped up during the Spring as planned. Also, the first acquisition in the company's history, announced yesterday, will significantly accelerate the development and efficient sourcing of own brand products. These are important steps on the journey toward the long-term growth target of EUR 1 billion in revenue by the end of 2025. We will continue to develop our business in the long term, focusing on customer experience and service, resulting in profitable growth.

I remain confident about the future. We have adapted to a constantly changing market and been able to respond quickly to new customer needs and changing consumer behavior.

I would like to thank our staff for the past year. We have survived a challenging year with varying degrees of exceptional measures, while maintaining a high level of service. This has required flexibility and a determined service attitude from everybody in the company.

* GfK panel market. GfK is an independent intelligence platform and consulting service for the consumer products industry (www.gfk.com).

FINANCIAL DEVELOPMENT

REVENUE AND PROFITABILITY

EUR million	10-12/2021	10-12/2020	Change%	1-12/2021	1-12/2020	Change%
Revenue	168.9	176.0	-4.0%	574.5	553.6	3.8%
Operating profit	5.3	6.2	-14.0%	20.3	19.6	3.6%
Operating margin, % of revenue	3.2%	3.5%		3.5%	3.5%	
- advisory costs related to transfer to official list of Nasdaq Helsinki	0.0	0.0		0.0	0.8	
Comparable operating profit	5.3	6.2	-14.0%	20.3	20.4	-0.5%
Comparable operating margin, % of revenue	3.2%	3.5%		3.5%	3.7%	

Share of sales

	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Customer segments				
Consumer	72%	77%	72%	74%
B2B	20%	18%	21%	18%
Export	7%	6%	7%	8%
Sales channels			0%	0%
On-line	63%	62%	61%	56%
Off-line	30%	33%	32%	36%
Website visits, million	25.1	29.9	80.0	87.0

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

October-December 2021

In October–December 2021, Verkkokauppa.com's revenue declined by 4.0 percent year on year, totaling 168.9 million euros (176). The campaign season, which was characteristic of the last quarter of the year, was quieter than expected. In addition, the Corona situation, which significantly deteriorated in December, affected our customer's visits in brick and mortar stores. The best-selling product categories were computers, games and sports as well as toys.

During the fourth quarter, share of Verkkokauppa.com's online sale represented 63 percent of the total sales (62%). Visits to the Verkkokauppa.com website declined year on year, totaling 25.1 million (29.9) during the fourth quarter. However, the company succeeded well in converting many online visitors to regular buying customers during the comparison period, with an improvement in conversion rate. Sales to corporate customers (B2B) increased 10.7 percent, representing 20 percent of total sales (18%). The export business picked up during the campaign season and its share of total sales was 7 percent (6%). Revenue excluding export declined in October–December 5.4 percent.

The proceeds from consumer financing were 1.2 million euros (1.0) including both interest income and fee income.

Personnel costs decreased in October–December by 7.2 percent to 9.7 million euros (10.4). In the comparison period, personnel costs were higher due to COVID year bonus paid to all personnel. During the reporting period, other operating expenses increased slightly to 10.1 million euros (8.9). Logistics and warehouse related costs were higher to mitigate possible availability shortages as well as to prepare for high season sales and campaigns.

Operating profit (EBIT) in October–December decreased 0.9 million euros, totaling 5.3 million euros (6.2), representing 3.2 percent of revenue (3.5%). Profitability was impacted especially by a decline in sales. Comparable operating profit was 5.3 million euros (6.2) and profit for the period 4.0 million euros (4.7).

For the final quarter, earnings per share were 0.09 euros (0.10) in October–December.

January–December 2021

In January–December, Verkkokauppa.com's revenue grew by 3.8 percent year on year, totaling a record high level, 574.5 million euros (553.6).

The proceeds from consumer financing were 4.3 million euros (3.6) including both interest income and fee income. The credit loss allowance was 0.8 million euros (1.1) at the end of December.

Personnel costs increased in January–December by 2.8 percent to 36.6 million euros (35.6). 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 30.3 million euros (28.8).

In January–December, operating profit increased by 0.7 million euros, totaling 20.3 million euros (19.6), representing 3.5 percent of revenue (3.5%). Comparable operating profit was 20.3 million euros (20.4) and profit for the period 15.1 million euros (14.6). In the comparison period, 0.8 million euros of costs relating to the stock listing process impacted comparability.

Earnings per share were 0.34 euros (0.25) in January–December.

FINANCE AND INVESTMENTS

Operating cash flow was 6.7 million euros (16.9) in January–December 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 shortages, 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 4.9 million euros (1.4) in January–December 2021. The majority of investments were directed to the Jätkäsaari automation warehouse project. During the reporting period the company capitalized 0.4 million euros (0.6) in salary costs. In January–December, a dividend of EUR 20.1 million (9.6) in total was distributed to shareholders.

Verkkokauppa.com has revolving credit facilities totaling 20 million euros, which have not been utilized.

PERSONNEL

During the reporting period, the number of employees increased, and the total number of employees was 825 (818) at the end of December 2021. This includes both full- and part-time employees.

During 2021, Verkkokauppa.com has focused on developing the competence of personnel, e.g. through coaching and work community coaching, as well as purposeful improvement of the employer image to attract and engage the right competencies in our work community. The company has invested in the overall well-being of personnel, e.g. occupational safety and the annual well-being survey and the measures related to surveys' results.

SUSTAINABILITY

In 2021, Verkkokauppa.com promoted its goals in several priority areas of corporate responsibility work: Verkkokauppa.com introduced the updated operating principles and implemented online training on the operating principles for all personnel, which will be part of new employees' induction in the future. By the end of the year, 82 percent of the employees had completed the training.

Promoting responsible working conditions and environmental practices is one of the priorities of Verkkokauppa.com's responsibility work. To promote this goal, Verkkokauppa.com joined the international amfori BSCI sustainability platform as of September 1, 2021. Membership helps the company to develop and monitor the implementation of human and labor rights in its own brand supply chains in cooperation with suppliers. In addition, the company invests in extending the life of its own branded products by improving their serviceability.

Verkkokauppa.com's emissions calculation for its own greenhouse gas emissions was presented at the company's Capital Markets Day (CMD) on 29 September 2021. The company has been investing in energy efficiency and renewable energy for years to minimize emissions from its own operations (Scope 1 and 2), and the declining trend is forecasted to continue in 2021 and 2022. The 2021 emissions calculation are for Scope 1 and 2. The company estimates that the largest climate impacts of operations will arise from other indirect emissions from operations (Scope 3), which the company is mapping currently.

SHARE TRADING AND SHARES

Trading of Verkkokauppa.com shares on the Nasdaq Helsinki Ltd began on 5 June 2020.

Verkkokauppa.com share (VERK) in Nasdaq Helsinki stock exchange in 2021:

No. of shared traded	Share of no. of total shares, %	Total value, EUR million	Last, EUR	High, EUR	Low, EUR	Average, EUR
20,923,735	46.4	170.9	7.13	10.34	6.61	8.17

Verkkokauppa.com Market Capitalization and Shareholders

	31 December 2021
Market capitalization (excl. Own shares), EUR million	319.0
Number of shareholders	18,811
Nominee registrations and direct foreign shareholders, %	11.6
Households, %	53.2
Financial and insurance corporations, %	16.3
Other Finnish investors, %	18.8

At the end of the year, the company's largest shareholders were Samuli Seppälä (35.4%), Varma Mutual Pension Insurance Company (8.6%), Mandatum Life Insurance Company Limited (4.9%), Ilmarinen Mutual Pension Insurance Company (4.8%) and Nordea Small Cap Fund (3.1%).

On 31 December 2021, the share capital was EUR 100,000 and the total number of shares in the company was 45,065,130 including 323,397 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 0.72% of all shares. In January-December 2021, the company transferred a total of 29,501 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 Verkkokauppa.com's shares, under which Rite has the right to buy a total of 4,400,000 shares of Verkkokauppa.com from Samuli Seppälä. The call option is valid until 20 April 2022. As a result of the agreement Christoffer Häggblom's indirect holding of Verkkokauppa.com'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 the company's history. During the event, company management presented the road toward a revenue of one billion euros, strategy execution and how the company is capitalizing on the shift to online by leveraging its most exciting assortment as well as company's own technology backbone. In addition, for the first time, CO₂ emissions from Verkkokauppa.com's own activities were disclosed, 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. For more detailed information on the 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 was 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 31 December 2021, Verkkokauppa.com Oyj held 323,397 treasury shares.

VERKKOKAUPPA.COM'S MANAGEMENT TEAM

On 24 August, Verkkokauppa.com announced that the company was strengthening 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 the 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 the following members as of 11 October 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

COMPANY STRATEGY AND FINANCIAL TARGETS

On 12 February 2021, the company announced its updated strategy and long-term (2021–2025) financial targets. In line with the refined strategy, Verkkokauppa.com is aiming for a revenue of EUR one billion and an operating profit (EBIT) margin of 5% by the end of 2025. At the same time, Verkkokauppa.com continues its dividend policy, according to which the company pays an increasing dividend to its owners on a quarterly basis. We regularly report on the progress and performance of the strategy in relation to the strategic goals.

Verkkokauppa.com's vision is to remain a pioneer in e-commerce for decades to come through continuous innovation and development.

CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORTS

Verkkokauppa.com publishes a separate corporate governance statement and remuneration report for 2021 in accordance with the recommendations of the Finnish Corporate Governance Code. The report also covers other key areas of governance. The documents will be available on Verkkokauppa.com's website separately from the Board of Directors' report no later than the week beginning 28 February 2022 (week 9).

DISCLOSURE OF NON-FINANCIAL INFORMATION

Verkkokauppa.com will publish its reporting on non-financial information, including information on the taxonomy of sustainable financing, in accordance with the Finnish Accounting Act, as part of the Board of Directors' report no later than on the week beginning 28 February 2022.

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 Report was considered, and the Board members and CEO were discharged from liability with respect to the 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.

Verkkokauppa.com's Board

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.

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.

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, Verkkokauppa.com's 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.

The 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 16 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 was 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.

OTHER EVENTS DURING THE YEAR

The composition of the Shareholders' Nomination Board was announced on 21 June 2021 comprising Samuli Seppälä, Founder of Verkkokauppa.com, representing himself; Erkkä Kohonen, Senior Portfolio Manager, appointed by Varma Mutual Pension Insurance Company; Jukka Järvelä, Portfolio Manager, Equities, Sampo Oyj, nominated by Mandatum Life Insurance Company Limited and Arja Talma, the Chair of the Board of Directors acting as an expert member.

EVENTS AFTER THE REPORTING PERIOD

On 9 February 2022, Verkkokauppa.com announced the acquisition of e-ville.com online store. The acquisition supports Verkkokauppa.com's strategy to strengthen and expand its assortment in own brands. The purchase price amounts to approximately EUR 5.3 million, of which EUR 3.3 million will be paid in cash and EUR 2.0 million in new shares to be issued in a directed share issue to the seller at closing. The parties have also agreed to additional purchase price installments of up to approximately EUR 6.7 million payable solely if the combined sales of own brand products exceeds set target levels during 2022, 2023 and/or 2024. The total aggregate purchase price can amount to EUR 12.0 million at the maximum.

The transaction will close in the beginning of April 2022 and the acquired business operations will be consolidated into Verkkokauppa.com's figures from the beginning of the second quarter of 2022. E-ville's operations are estimated to have a positive impact of EUR 5–8 million on Verkkokauppa.com's revenue in 2022.

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, circumstances impacting export trade, availability of products, and the competitive environment. The company's business operations are also influenced by risks and uncertainties relating to, for example, business strategy, company transactions, 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.

General uncertainty in the global economy and with it the uncertainty of the financial market behavior in Finland, Europe and the world may adversely affect Verkkokauppa.com's business and growth opportunities. Inflation and a possible tightening of monetary policy may have to an increasing extent an impact on consumer confidence in the economy and thus on consumer behavior.

The COVID-19 pandemic continues to affect people's lives. We estimate that new virus variants and a possible re-emergence of the pandemic could have an impact on the company's operations in the short-term. The resurgence of the pandemic could lead to uncertainty in household confidence in the economy and this could have an impact on consumer purchasing behavior. Challenges in the production chain and logistics efficiency, including for example, availability of products and certain components, as well as containers, continue. On the other hand, we have prepared for the availability shortages with optimizing our stock levels accordingly.

BUSINESS OUTLOOK

Verkkokauppa.com's business operations are estimated to develop positively. The company believes that it will benefit from online shift and 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 sales in the online channel have shown 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 travel opens up, we expect to see a reopening of export business. At the same time it's possible that consumers may direct their spending towards services and travelling. We estimate that many side effects caused by the pandemic, such as component shortages, may still have an impact on the availability of some products through 2022. The resurgence of the pandemic could lead to uncertainty in household confidence in the economy and this could have an impact on consumer purchasing behavior.

The economic growth in the early part of the year will be slower impacted by pandemic related restrictions*. We estimate that this may have an impact on consumers behavior and demand during first half. In addition to the pandemic, it's more difficult to estimate the outlook and predict the demand due to uncertainties related to overall economic development, inflation, availability of products and geopolitical situation.

*source: Economic survey from the Finland's Ministry of Finance, winter 2021: <http://urn.fi/URN:ISBN:978-952-367-886-6>

FINANCIAL GUIDANCE FOR 2022

The company expects revenue to be between EUR 590–640 million (EUR 574.5 million) and comparable operating profit to be between EUR 19–25 million (EUR 20.4 million) in 2022.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

The company's distributable funds on 31 December 2021 were EUR 35,080,298.13.

The Board of Directors proposes to the Annual General Meeting that Verkkokauppa.com Oyj's profit of EUR 15,093,137.88 for the financial year be transferred to the retained earnings account. The Board of Directors proposes to the Annual General Meeting that a total dividend of EUR 0.246 per share be paid for the financial year 2021, divided into a dividend of EUR 0,060 per share to be paid in accordance with the Annual General meeting. In addition to that, to authorize the Board of Directors to decide at its discretion the distribution of quarterly dividend in total not exceeding EUR 0.186 per share. The proposal is based on the company's result in 2021 and its liquidity position.

Verkkokauppa.com continues its dividend policy, according to which the company pays an increasing dividend to its owners on a quarterly basis.

VERKKOKAUPPA.COM'S ANNUAL GENERAL MEETING 2022

Annual general meeting is planned to be held on Thursday 24 March 2022. The Board of Directors will summon the meeting separately later.

Helsinki, Finland, 10 February 2022

Verkkokauppa.com Oyj
Board of Directors

NEWS CONFERENCES

A press conference for analysts, investors and media will be held in Finnish over Livestream webcast on Thursday, 10 February 2022 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 over Livestream webcast on Thursday, 10 February 2022 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:

- The Financial Statements for 2021 during the week beginning 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.

More information:

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www.verkkokauppa.com

Verkkokauppa.com empowers its customers to follow their passion by providing a wide product assortment of around 80,000 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 75 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 750 people and its shares are listed on the Nasdaq Helsinki stock exchange with the ticker VERK.

VERKKOKAUPPA.COM FINANCIAL STATEMENTS RELEASE 1 Jan – Dec 31, 2021

Income statement

EUR thousand	Note	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Revenue	1.3	168,938	176,009	574,514	553,636
Other operating income		148	188	922	558
Materials and services		-142,758	-149,348	-483,323	-465,222
Employee benefit expenses		-9,669	-10,419	-36,570	-35,560
Depreciation and amortization		-1,264	-1,306	-4,983	-5,010
Other operating expenses		-10,060	-8,920	-30,263	-28,818
Operating profit		5,335	6,203	20,296	19,583
Finance income		1	3	6	11
Finance costs		-340	-363	-1,352	-1,423
Profit before income taxes		4,996	5,842	18,949	18,171
Income taxes		-1,005	-1,180	-3,856	-3,550
Profit for the period		3,990	4,662	15,093	14,622
Profit for the period attributable to					
Equity holders of the company		3,990	4,662	15,093	14,622
Earnings per share calculated from the profit attributable to equity holders					
Earnings per share, basic (EUR)		0.09	0.10	0.34	0.33
Earnings per share, diluted (EUR)		0.09	0.10	0.33	0.32

Statement of comprehensive income

EUR thousand	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Profit for the period	3,990	4,662	15,093	14,622
Comprehensive income for the period	3,990	4,662	15,093	14,622
Comprehensive income for the period				
Equity holders of the company	3,990	4,662	15,093	14,622

Statement of financial position

EUR thousand	Note	31 Dec 2021	31 Dec 2020
Non-current assets			
Intangible assets		1,364	835
Property, plant and equipment		5,214	2,222
Right-of-use assets	1.5	15,776	17,347
Equity investments		266	266
Deferred tax assets		1,289	1,349
Trade receivables	1.6/1.7	3,817	3,201
Other non-current receivables		425	425
Non-current assets, total		28,151	25,646
Current assets			
Inventories		87,803	75,384
Trade receivables	1.6/1.7	23,124	18,650
Other receivables		3,699	1,462
Accrued income		8,627	9,446
Cash and cash equivalents	1.7	20,917	43,099
Current assets, total		144,170	148,041
Total assets		172,321	173,687
Equity			
Share capital		100	100
Treasury shares		-1,611	-2,206
Invested unrestricted equity fund		25,938	25,816
Retained earnings		-3,838	2,217
Profit for the period		15,093	14,622
Total equity		35,683	40,549
Non-current liabilities			
Lease liabilities	1.7	16,105	18,045
Provisions		896	766
Non-current liabilities, total		17,001	18,811
Current liabilities			
Lease liabilities	1.7	4,034	3,883
Advance payments received		5,761	8,475
Trade payables	1.7	77,609	70,171
Other current liabilities		10,718	12,296
Accrued liabilities		19,778	18,039
Income tax liabilities		1,738	1,463
Current liabilities, total		119,638	114,327
Total liabilities		136,639	133,138
Total equity and liabilities		172,321	173,687

Statement of cash flows

EUR thousand	1-12/ 2021	1-12/ 2020
Cash flow from operating activities		
Profit before income taxes	18,949	18,171
Adjustments		
Depreciation and impairment	4,983	5,010
Finance income and costs	1,347	1,384
Other adjustments	299	458
Cash flow before change in working capital	25,578	25,025
Change in working capital		
Increase(-) / decrease(+) in non-current non-interest-bearing trade receivables	-615	-1,309
Increase (-) / decrease (+) in trade and other receivables	-5,892	-4,371
Increase (-) / decrease (+) in inventories	-12,419	-8,682
Increase (+) / decrease (-) in current liabilities	4,885	9,576
Cash flow before financial items and taxes	11,537	20,239
Interest paid	-155	-66
Interest received	5	5
Interest of lease liabilities	-1,198	-1,323
Income tax paid	-3,521	-1,970
Cash flow from operating activities	6,668	16,884
Cash flow from investing activities		
Purchases of property, plant and equipment	-3,951	-769
Purchases of intangible assets	-903	-587
Cash flow from investing activities	-4,854	-1,356
Cash flow from financing activities		
Decrease (-) in lease liabilities	-3,868	-3,821
Dividends paid	-20,129	-9,597
Acquisition of treasury shares	-	-1,505
Cash flow from financing activities	-23,996	-14,923
Increase (+) / decrease (-) in cash and cash equivalents	-22,182	604
Cash and cash equivalents at beginning of reporting period	43,099	42,495
Cash and cash equivalents at end of reporting period	20,917	43,099

Statement of changes in equity

A Share capital	D Fair value reserve
B Treasury shares	E Retained earnings
C Invested unrestricted 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	-	-	-	-	15,093	15,093
Changes in fair values of equity investments	-	-	-	-	-	0
Comprehensive income for the period, total	-	-	-	-	15,093	15,093
Dividend distribution	-	-	-	-	-20,129	-20,129
Acquisition of treasury shares	-	-	-	-	-	0
Disposal of treasury shares -Board fees	-	-	122	-	-	122
Share-based incentives	-	595	-	-	-13	47
Transactions with owners, total	-	595	122	-	-20,677	-19,960
Equity 31 Dec 2021	100	-1,611	25,938	0	11,255	35,683

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

Notes

1.1 Accounting principles applied in this Financial Statements Release

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 Financial Statements Release for January–December 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 Financial Statements Release 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 Financial Statements Release.

The information presented in this Financial Statements Release 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 Financial Statements Release 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

EUR thousand	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
At a point in time	167,222	174,554	569,424	549,062
Over time	1,715	1,455	5,090	4,574
Revenue, total	168,938	176,009	574,514	553,636

Revenue by external customer location

EUR thousand	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Finland	156,614	165,945	534,954	506,185
Rest of the world	12,324	10,065	39,560	47,451
Revenue by external customer location	168,938	176,009	574,514	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.

EUR thousand	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Interest income recognized using effective interest rate method	757	585	2,778	2,034
Other income from company-financed customer financing	416	366	1,540	1,558
Income from company-financed Apuraha, total	1,174	951	4,318	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	31 Dec 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	-3,650	-3,783
Carrying amount at the end of period	15,776	17,347

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

1.6 Trade receivables

EUR thousand	31 Dec 2021		31 Dec 2020	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Not due	22,771	229	17,964	656
Past due 1-60 days	4,629	280	4,878	357
Past due 61-120 days	135	87	84	61
Past due over 121 days	233	233	49	49
Total	27,769	829	22,975	1,123

1.7 Financial assets and liabilities by measurement category

31 Dec 2021	Recognized at fair value through other comprehensive income			Carrying amount
EUR thousand	At amortized cost	Lease liabilities		
Non-current financial assets				
Equity investments (level 3)	266	-	-	266
Trade receivables and other financial receivables	-	4,241	-	4,241
Non-current financial assets, total	266	4,241	-	4,508
Current financial assets				
Trade receivables	-	23,124	-	23,124
Cash and cash equivalents	-	20,917	-	20,917
Current financial assets, total	-	44,041	-	44,041
Financial assets by measurement category, total	266	48,282	-	48,549
Non-current financial liabilities				
Lease liabilities (level 2)	-	-	16,105	16,105
Non-current financial liabilities, total	-	-	16,105	16,105
Current financial liabilities				
Lease liabilities (level 2)	-	-	4,034	4,034
Trade payables	-	77,609	-	77,609
Current financial liabilities, total	-	77,609	4,034	81,644
Financial liabilities by measurement category, total	-	77,609	20,139	97,749

31 Dec 2020	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	-	3,626	-	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
	2.11.2021	0.059
Total dividends, EUR thousand		20,129

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 31 December 2021.

EUR thousand	31 Dec 2021	31 Dec 2020
Sales of goods and services		
To key management personnel and their related parties	86	77
Purchases of goods and services		
From key management personnel and their related parties	-	1

EUR thousand	31 Dec 2021	31 Dec 2020
Closing balances from purchases/sales of goods/services		
Trade receivables from key management personnel and their related parties	-	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 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 based on the plan correspond to the value of approximately 440 thousand Verkkokauppa.com Oyj shares in total (gross amount).

1.11 Guarantees and commitments

EUR thousand	31 Dec 2021	31 Dec 2020
Collateral given for own commitments		
Guarantees	3,463	3,082
Other commitments and contingent liabilities	9	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	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	10-12/ 2020
Revenue	168,938	141,039	130,503	134,034	176,009
Other operating income	148	265	386	123	188
Materials and services	-142,758	-120,184	-108,074	-112,308	-149,348
Employee benefit expenses	-9,669	-8,468	-9,383	-9,051	-10,419
Depreciation and amortization	-1,264	-1,244	-1,241	-1,234	-1,306
Other operating expenses	-10,060	-6,756	-7,083	-6,364	-8,920
Operating profit	5,335	4,652	5,108	5,201	6,203
Finance income	1	2	2	1	3
Finance costs	-340	-321	-369	-322	-363
Profit before income taxes	4,996	4,333	4,741	4,880	5,842
Income taxes	-1,005	-868	-953	-1,029	-1,180
Profit for the period	3,990	3,464	3,788	3,851	4,662
Profit for the period attributable to					
Equity holders	3,990	3,464	3,788	3,851	4,662
Earnings per share calculated from the profit attributable to equity holders					
Earnings per share, basic (EUR)	0.09	0.08	0.08	0.09	0.10
Earnings per share, diluted (EUR)	0.09	0.08	0.08	0.09	0.10

Alternative performance measurement

In this Financial Statements Release, 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					2020				
	Q1	Q2	Q3	Q4	FY 2021	Q1	Q2	Q3	Q4	FY 2020
Revenue, thousand euros	134,034	130,503	141,039	168,938	574,514	125,255	123,050	129,321	176,009	553,636
Gross profit, thousand euros	21,727	22,429	20,856	26,180	91,191	19,420	21,405	20,928	26,661	88,413
Gross margin-%	16.2%	17.2%	14.8%	15.5%	15.9%	15.5%	17.4%	16.2%	15.1%	16.0%
EBITDA, thousand euros	6,435	6,349	5,896	6,599	25,279	4,648	5,602	6,834	7,509	24,593
EBITDA-%	4.8%	4.9%	4.2%	3.9%	4.4%	3.7%	4.6%	5.3%	4.3%	4.4%
Operating profit, thousand euros	5,201	5,108	4,652	5,335	20,296	3,418	4,356	5,606	6,203	19,583
Operating profit-%	3.9%	3.9%	3.3%	3.2%	3.5%	2.7%	3.5%	4.3%	3.5%	3.5%
Comparable operating profit, thousand euros	5,201	5,108	4,652	5,335	20,296	3,754	4,826	5,606	6,203	20,390
Comparable operating profit-%	3.9%	3.9%	3.3%	3.2%	3.5%	3.0%	3.9%	4.3%	3.5%	3.7%
Profit for the period, thousand euros	3,851	3,788	3,464	3,990	15,093	2,444	3,298	4,218	4,662	14,622
Interest-bearing net debt, thousand euros	-10,710	2,385	-682	-778	-778	-22,339	-13,024	-14,654	-21,171	-21,171
Investments, thousand euros	433	1,681	849	1,891	4,854	266	396	284	411	1,356
Equity ratio, %	20.3%	23.3%	22.4%	21.4%	21.4%	24.5%	27.4%	25.9%	24.5%	24.5%
Gearing, %	-33.5%	7.2%	-2.0%	-2.2%	-2.2%	-60.8%	-35.8%	-38.3%	-52.2%	-52.2%
Personnel at the end of period*	738	801	736	825	825	693	747	700	818	818
Basic earnings per share, euros	0.09	0.08	0.08	0.09	0.34	0.05	0.07	0.09	0.10	0.33
Diluted earnings per share, euros	0.09	0.08	0.08	0.09	0.33	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	45,065
Number of treasury shares, 1,000 pcs	336	332	328	323	323	73	353	358	353	353
Weighted average number of shares outstanding, 1,000 pcs	44,715	44,721	44,727	44,731	44,731	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	45,205	45,205	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	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Operating profit	5,335	6,203	20,296	19,583
- advisory costs related to transfer to official list of Nasdaq Helsinki	-	-	-	807
Comparable operating profit	5,335	6,203	20,296	20,390