

# VERKKOKAUPPA.COM OYJ HALF-YEAR REPORT

January – June 2023



**HALF-YEAR REPORT for 1 January – 30 June 2023**
**SOLID IMPLEMENTATION OF PROFIT IMPROVEMENT PROGRAM CONTINUED**

Verkkokauppa.com Oyj

Half-year Report

20 July 2023, 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.

**April – June 2023 in brief**

- Revenue was EUR 112.8 million (125.7)
- Gross profit was EUR 18.8 million (19.4) or 16.7% of the revenue (15.4%).
- Operating profit (EBIT) was EUR 0.8 million (-0.9) or 0.7% of revenue (-0.7%)
- Comparable operating profit was EUR 1.0 million (-0.2) or 0.8% of revenue (-0.2%)
- The items impacting comparability include EUR 0.1 million (0.7) one-time cost related to the e-ville.com acquisition
- Net profit was EUR 0.2 million (-1.1)
- Earnings per share were EUR 0.00 (-0.02)
- Investments were EUR 0.3 million euros (4.3)
- Operating cash flow was EUR 3.2 million (0.3)

**January – June 2023 in brief**

- Revenue was EUR 234.8 million (250.4)
- Gross profit was EUR 39.1 million (38,6) or 16.6% of the revenue (15.4%).
- Operating profit (EBIT) was EUR 0.9 million (-0.2) or 0.4% of revenue (-0.1%)
- Comparable operating profit was EUR 2.3 million (0.7) or 1.0% of revenue (0.3%)
- The items impacting comparability include EUR 1.5 million related to restructuring and the additional purchase price of e-ville.com acquisition (EUR 0.9 million related to e-ville.com acquisition)
- Net profit was EUR -0.2 million (-0.9)
- Earnings per share were EUR -0.01 (-0.02)
- Investments were EUR 1.3 million euros (5.7)
- Operating cash flow was EUR -0.4 million (-16.5)

KEY RATIOS	4-6/2023	4-6/2022	Change	1-6/2023	1-6/2022	Change	1-12/2022
Eur million							
Revenue	112.8	125.7	-10.2 %	234.8	250.4	-6.2 %	543.1
Gross profit	18.8	19.4	-0.5 MEUR	39.1	38.6	0.5 MEUR	80.6
Gross margin, %	16.7%	15.4%	1.3 pp	16.6%	15.4%	1.2 %-pp.	14.8%
EBITDA	2.3	0.5	1.9 MEUR	3.9	2.5	1.5 MEUR	7.8
EBITDA, %	2.1%	0.4%	1.7 pp	1.7%	1.0%	0.7 %-pp.	1.4%
Operating profit	0.8	-0.9	1.7 MEUR	0.9	-0.2	1.1 MEUR	2.3
Operating margin, %	0.7%	-0.7%	1.4 pp	0.4%	-0.1%	0.5 %-pp.	0.4%
Comparable operating profit	1.0	-0.2	1.1 MEUR	2.3	0.7	1.7 MEUR	3.5
Comparable operating margin, %	0.8%	-0.2%	1.0 pp	1.0%	0.3%	0.7 %-pp	0.6%
Net profit	0.2	-1.1	1.2 MEUR	-0.2	-0.9	0.6 MEUR	0.3
Investments	0.3	4.3	-3.9 MEUR	1.3	5.7	-4.4 MEUR	9.3
Operating cash flow	3.2	0.3	2.9 MEUR	-0.4	-16.5	16.1 MEUR	1.5

## FINANCIAL GUIDANCE FOR 2023 INTACT

In 2023, the company expects the revenue to decline (2022: EUR 543.1 million) and comparable operating profit (comparable EBIT) to improve (2022: EUR 3.5 million) compared to 2022.

## CEO PANU PORKKA'S REVIEW



*“Solid implementation of profit improvement program continued. Improved operational efficiency, changes in the assortment and other numerous measures to improve profitability all contributed to a positive impact on earnings performance.”*

During the first half of 2023, we focused on strengthening competitiveness amidst weak demand in the market. Solid implementation of profit improvement program continued. Improved operational efficiency, changes in the assortment and other numerous measures to improve profitability all contributed to a positive impact on earnings performance.

The market environment remained challenging in the second quarter and price competition intensified compared with first quarter. High cost inflation and interest rates have clearly reduced purchasing power and kept consumers more price-conscious and prudent in their purchasing decisions. The economic uncertainty also had a negative impact on demand from small & medium-sized corporate customers. Summer season sales got off to a rather sluggish start, and the hoped-for pick-up in sales during the season was largely not realized.

Group revenue in the second quarter declined by 10.2 percent and was EUR 112.8 million. Both consumer and corporate sales were lower than in the comparison period. Online sales fell by 9.9 percent and accounted for 62 percent of sales. Within various product categories, home appliances and gaming sold well, while demand for computers and phones was weaker than in the comparison period. The company's comparable operating profit improved during the second quarter and stood at EUR 1.0 million, corresponding to 0.8 percent of net sales.

Despite the declining demand, we managed to control stock levels while ensuring efficient goods flows. In the spring, we further improved delivery speed to customers. Thanks to logistics automation, we are the only e-commerce operator offering 600,000 Helsinki metropolitan residents delivery of more than 30,000 products within one hour from ordering to customer doorstep.

Developing online customer experience and extensive renewal of functionalities of our online store have proceeded according to plan. Significant improvements supporting sales have been tested during the

spring and are now fully applied. During the reporting period, we implemented a dynamic pricing tool covering a part of the assortment. This ensures that prices remain competitive at all times.

During the first half of the year, we have been evaluating current strategy in a strongly changed operating environment and identified needs for updates. We will continue to work on selected themes during the fall and publish an update on strategy and financial targets during the second half of the year.

## FINANCIAL DEVELOPMENT

### REVENUE AND PROFITABILITY

EUR million	4-6/2023	4-6/2022	Change	1-6/2023	1-6/2022	Change	1-12/2022
Revenue	112.8	125.7	-10.2 %	234.8	250.4	-6.2 %	543.1
Operating profit	0.8	-0.9	1.7 MEUR	0.9	-0.2	11 MEUR	2.3
Operating margin, % of revenue	0.7%	-0.7%	1.4 pp	0.4%	-0.1%	0.5 pp	0.4%
- costs related to comparable operating result	0.1	0.7	-0.6 MEUR	1.5	0.9	0.6 MEUR	1.2
Comparable operating profit	1.0	-0.2	1.1 MEUR	2.3	0.7	1.7 MEUR	3.5
Comparable operating margin, % of revenue	0.8%	-0.2%	1.0 pp	1.0%	0.3%	0.7 pp	0.6%

### Share of sales, %

	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
<b>Customer segments</b>					
Consumer	69%	68%	68%	68%	69%
B2B	25%	26%	25%	26%	24%
Export	7%	6%	7%	6%	7%
<b>Sales channels</b>					
On-line	62%	63%	62%	62%	61%
Off-line	32%	32%	31%	32%	32%
<b>Product categories</b>					
Core categories	83%	82%	85%	85%	84%
Evolving categories	17%	18%	15%	15%	16%
Website visits, million	15.4	18.7	33.1	38.7	82.4

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

Core categories includes IT (with sub product groups like computers, peripherals, components), Entertainment (TV and video, Audio and hifi, gaming and musical instruments), Mobile devices (telecom, cameras and watches), and small & major domestic appliances. Evolving categories are growing in our assortment, and include sports, home and lightning, food and drink, toys, baby and family, BBQ and cooking, pets and luggage and travel.

### April-June 2023

In April–June 2023, Verkkokauppa.com’s revenue declined by 10.2 percent year on year, totaling EUR 112.8 million (125.7). Sales declined due to lower demand than in the previous year in both consumer and corporate customer segments. Consumer sales declined by 10.3 percent, and sales for corporate customers by 14.8 percent from the comparison period. Consumer sales share of total sales was 69 percent (68%), and corporate sales share was 25 percent (26%).

Sales of core categories declined by 10.0 percent and their share of sales was 83 percent (82%). Especially sales of small household appliances and gaming increased, while sales of mobile devices and IT categories fell from the comparison period. Sales of evolving categories declined by 16.0 percent, and their share of Group sales was 17 percent (18%). Among the evolving categories, sports and travel categories sold better than in the comparison period.

Verkkokauppa.com’s online sales fell by 9.9 percent. Online accounted for 62 percent of all sales (63%). The sales in stores declined by 14.5 percent and accounted for 32 percent (32%) of the company's sales. Export sales was in line with the comparison period and its share of Group sales was 7 percent (6%).

The revenue from customer financing services was EUR 1.6 million (1.1), including both interest income and commissions.



Personnel costs declined by 16.7 percent in April-June and amounted to EUR 8.3 million (10.0). The decline was mainly a result of the change negotiations carried out in the spring and the successful adaptation of store and logistics personnel to quieter demand. Other operating expenses for the review period declined by 8.7 percent and amounted to EUR 8.3 million (9.1). Expenses were partly reduced as a result of profit improvement program measures. In the comparison period other operating expenses included e-ville.com acquisition costs.

The company's operating profit (EBIT) in April-June improved by EUR 1.7 million and totaled EUR 0.8 million (-0.9) and its share of revenue was 0.7 percent (-0.7%). Comparable operating profit improved by EUR 1.1 million from the comparison period and was EUR 1.0 million (-0.2). Operating profit was improved by numerous measures implemented within the framework of the profit improvement program. Comparability was impacted by EUR 0.1 million (0.7) related to e-ville.com acquisition. The result for the period was EUR 0.2 million (-1.1).

Earnings per share in the second quarter were EUR 0.00 (-0.02).

### January-June 2023

In January-June 2023, Verkkokauppa.com's revenue declined by 6.2 percent year on year, totaling EUR 234.8 million (250.4).

The revenue from customer financing services was EUR 3.0 million (2.4), including both interest income and commissions. Credit loss provisions increased and amounted to EUR 1.0 million (0.8) at the end of June.

Personnel costs declined by 3.9 percent in January-June and amounted to EUR 19.2 million (20.0). Personnel costs include EUR 1.0 million in restructuring costs. Other operating expenses in the review period amounted to EUR 16.2 million (16.5). The fixed costs were increased by the general cost inflation, while the efficiency measures implemented in relation to the profit improvement program, declined the costs.

The company's operating profit (EBIT) in January-June improved by EUR 1.1 million and totaled EUR 0.9 million (-0.2) and its share of revenue was 0.4 percent (-0.1%). Comparable operating profit improved by EUR 1.7 million from the comparison period and was EUR 2.3 million (0.7). Items impacting comparability in the reporting period were in total EUR 1.5 million, including restructuring provision of EUR 1.2 million and the remaining related to e-ville.com acquisition. In the reference period, items impacting comparability were EUR 0.9 million euros related to e-ville.com acquisition. The result for the period was EUR -0.2 million (-0.9).

Earnings per share in the first half were EUR -0.01 (-0.02).

### FINANCE AND INVESTMENTS

On 30 June, the operating cash flow totaled EUR -0.4 million (-16.5). Operating cash flow before the change in working capital was EUR 3.7 million (3.2). The operating cash flow was mainly impacted by the positive development of EBITDA and working capital.

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

Investments totaled EUR 1.3 million euros (5.7) in the first half of 2023. The investments were mainly aimed at the online renewal project and business analytics related development. During April-June, the company capitalized EUR 0.3 million (0.1) of wage costs in the balance sheet.

At the end of June 2023, Verkkokauppa.com group had a total of EUR 22.6 million (25.0) of loans from financial institutions. The company has revolving credit facilities totaling EUR 25 million, which have not been utilized and that are valid until 2025.

## PERSONNEL

At the end of June 2023, the total number of employees was 695 (815). This includes both full and part-time employees.

## SUSTAINABILITY

In April 2023, Verkkokauppa.com launched a trade-in Service, which promotes the circular economy, allowing customers to sell their used electronic devices back, receiving a credit corresponding to the value of the device to their customer account. The service operates entirely online, which lowers the threshold for recycling functional used devices and promotes the extension of the life cycles of electronic devices. During the launch phase, the service will cover smartphones, smartwatches, tablets and laptops, and the company is actively developing the service to expand the range of tradeable products. After the trade-in, Verkkokauppa.com will take care of the used device based on the condition inspection either for sale to a new user or, alternatively, for its correct recycling. The trade-in service is part of Verkkokauppa.com's responsibility program to support its customers in making responsible choices and to offer products and services that support the circular economy.

Verkkokauppa.com has expanded its range of second-hand products to more than a hundred items. The range marketed under the FWD logo covers used computers, tablets, phones, and laptop docks. Used products are sourced as close as possible, from the Finnish and Nordic markets.

## SHARE TRADING AND SHARES

Verkkokauppa.com share (VERK) in Nasdaq Helsinki stock exchange in January-June 2023:

No. of shares traded	Share of no. of total shares, %	Total value of traded shares, EUR million	Last, EUR	High, EUR	Low, EUR	Average, EUR
4,532,395	9.99	12,138,631	2.59	2.79	2.43	2.68

### Verkkokauppa.com Market Capitalization and Shareholders

	30 June 2023
Market capitalization (excl. own shares), EUR million	117.5
Number of shareholders (of which nominee shareholders)	21,353 (9)
Nominee registrations and direct foreign shareholders, %	10.72
Households, %	56.82
Financial and insurance corporations, %	13.68
Other Finnish investors, %	18.77

At the end of March, the company's largest shareholders were Samuli Seppälä (34.2%), Varma Mutual Pension Insurance Company (8.5%), Mandatum Life Insurance Company Limited (4.9%), Ilmarinen Mutual Pension Insurance Company (4.8%) and Nordea Small Cap Fund (3.1%).

On 30 June 2023, the share capital was EUR 100,000 and the total number of shares in the company was 45,354,532 including 171 459 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 0.38 percent of all shares. During the first half of the year, the company transferred a total of 99 798 treasury shares as part of the remuneration of Board members and key employees.

### Share-related authorizations

On 30 June 2023, the Board of Directors had valid authorization to decide on the repurchase of a maximum of 4,535,453 own shares in one or several installments and to decide on a share issue of a maximum of 4,535,453 shares by one or more decisions. The proposed maximum authorized number represents ten percent of the total number of shares in the company.

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

## FLAGGING NOTIFICATIONS

26 April 2023, Verkkokauppa.com published a flagging notification of a change in shareholding according to Chapter 9, Section 10 of the Finnish Securities Market Act. Mandatum Life Insurance Company's holding in Verkkokauppa.com shares have been transferred within the Mandatum Group from Mandatum Life Insurance Company to an UCITS fund under Mandatum Fund Management S.A. As a result of the transfer, Mandatum Life Insurance Company's holding in Verkkokauppa.com Oyj declined to less than 5 percent. Despite the flagging notification, the total ownership of the Mandatum Group has not changed as a result of the transaction in such a way that the ownership would have exceeded or fallen below a flagging threshold.

## LONG-TERM INCENTIVE PLANS

Verkkokauppa.com have had share-based incentive plan for the CEO and members of the Management Team, the Performance Matching Share Plan 2020–2022. The program ended in 2022, but the last payment installment was made in the second quarter of 2023.

On 11 May 2023, The Board of Directors of Verkkokauppa.com Oyj decided to establish a new share-based incentive plan (Performance Matching Share Plan 2023–2027) for the CEO and the members of the Management Team of the company. The Board will decide annually on the commencement and details of a performance period. The aim of the new plan is to align the objectives of the shareholders and the management in order to increase the value of the company in the long-term, to encourage the management to personally invest in the company's shares, to retain the target group at the company, and to offer them a competitive incentive plan in which the participants may earn shares as a reward for performance and their personal investment.

For more detailed information on the share-based incentive plan, see Note 1.11.

## ANNUAL GENERAL MEETING 2023

The Annual General Meeting of Verkkokauppa.com Oyj was held in Helsinki on 30 March 2023. The AGM adopted the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2022 and approved the company's remuneration report for governing bodies as well as authorized the Board of Directors to decide on a repurchase of the company's own shares and the issuance of shares. PricewaterhouseCoopers Oy was elected as the Company's auditor and as the auditor-in-charge will serve Mikko Nieminen. In addition, the AGM approved shareholders' nomination board's proposals concerning Board and auditor selection and remuneration. Also, the Articles of Association was amended such that the general meeting may be held as a so-called remote meeting.

### Board composition in 2023

The AGM confirmed as the amount of board members to be seven. Johan Ryding, Kai Seikku, Samuli Seppälä and Arja Talma (Chairperson) were re-elected for the next term. Additionally, Robin Bade, Henrik Pankakoski and Kati Riikonen were elected as new members for the next term.

The compositions of the Board committees were decided to be as follows: members of the Audit Committee are Kai Seikku (Chairperson), Arja Talma (Vice Chairperson), Henrik Pankakoski and Kati Riikonen. Members of the remuneration committee are Arja Talma (Chairperson), Robin Bade, Johan Ryding and Kai Seikku.

Verkkokauppa.com's stock exchange release published on 30 March 2023 on the decisions of the Annual General Meeting, is available on the company's investor website.

## DIVIDEND

On 30 March 2023, Verkkokauppa.com Oyj's Annual General Meeting resolved that the Company deviates from its dividend distribution policy and that no dividend be distributed from the profit of the 2022 financial year.

#### **CHANGE IN VERKKOKAUPPA.COM'S MANAGEMENT TEAM**

On 2 May 2023, Verkkokauppa.com announced that Vesa Järveläinen, Commercial Director of Verkkokauppa.com and a member of the Management Team, has decided to leave the company. He will continue with Verkkokauppa.com approximately until the autumn.

#### **PROFIT IMPROVEMENT PROGRAM AND CHANGE NEGOTIATIONS**

On 16 January 2023, Verkkokauppa.com launched a profit improvement program to secure its profitability and in connection to that the company initiated change negotiations in January 2023. The annualized profit improvement goal is in a total of approximately EUR 10 million, of which around EUR 5-8 million is expected to be realized in 2023.

On 9 March 2023, Verkkokauppa.com completed change negotiations that were started in January. Change negotiations were initiated in accordance with the Co-operation Act in order to reform the organization's structures and align the number of personnel and costs to the prevailing demand situation. The negotiations covered the entire personnel of Verkkokauppa.com. As a result of the negotiations, the workforce in Verkkokauppa.com was reduced by 75 employees. In addition to personnel reductions, the company will temporarily lay off all company officers, senior officers and management, for a period of 14 days. The planned measures aim to achieve annual savings of EUR 6 million in personnel costs. Of the savings, EUR 3-4 million are expected to be realized in the second half of 2023 and in full in 2024. The planned restructuring is estimated to result in costs of approximately EUR 1.2 million.

#### **COMPANY STRATEGY**

During the first half of the year, Verkkokauppa.com has been evaluating current strategy in a strongly changed operating environment and the company has identified needs for updates. The company's management will continue to work on the strategy during the autumn and will publish an update to the current strategy and financial targets during the second half of the year.

#### **COMPOSITION OF THE SHAREHOLDERS' NOMINATION BOARD**

At its organizational meeting on 27 June 2023, the following members of the Nomination Board were appointed: Samuli Seppälä, Founder of Verkkokauppa.com, representing himself; Erkka Kohonen, Senior Portfolio Manager, appointed by Varma Mutual Pension Insurance Company; Jukka Järvelä, Head of Equities, Mandatum Asset Management, nominated by Mandatum Life Insurance Company Limited. Arja Talma participates as an expert member in the role of the Chairperson of the Board of Verkkokauppa.com Oyj. The Chair of the Nomination Board is Erkka Kohonen.

The Nomination Board consists of three members, which represent the three largest shareholders and who hold the largest number of votes of all votes in the Verkkokauppa.com on the last banking day in May preceding the next Annual General Meeting. The chairperson of the Board acts as an expert member of the Nomination Board.

#### **EVENTS AFTER THE REPORTING PERIOD**

There is no events after the reporting period.



## **SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES**

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

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

Verkkokauppa.com is also subject to macroeconomic and geopolitical risks that could impact its operations and financial performance. Uncertainties related to geopolitical conflicts, the crisis in Ukraine, and global macroeconomic factors such as inflation and the development of financial markets can weaken purchasing power and investment ability of consumers and corporates during the latter half of 2023. Slowed economic growth in Finland can also impact the company's operations and financial performance. At the moment, the visibility of economic development is limited.

## **FINANCIAL GUIDANCE FOR 2023**

In 2023, Verkkokauppa.com expects the revenue to decline (2022: EUR 543.1 million) and comparable operating profit (comparable EBIT) to improve (2022: EUR 3.5 million) compared to 2022.

Helsinki, Finland, 20 July 2023

**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, 20 July 2023 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, 20 July 2023 at 11:00 a.m. (EEST). Questions can be sent beforehand or during the presentation via e-mail to [investors@verkkokauppa.com](mailto:investors@verkkokauppa.com).

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

## COMPANY RELEASES AND EVENTS

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

- Interim report for January–September 2023 on Thursday 26 October 2023
- Financial statements bulleting for the year 2023 on Thursday 8 February 2024.

### More information:

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**Verkkokauppa.com** empowers its customers to follow their passion by providing a wide product assortment of around 75,000 products. Verkkokauppa.com Oyj serves its retail and corporate customers through its webstore, megastores 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 around 700 people and its shares are listed on the Nasdaq Helsinki stock exchange with the ticker VERK.

## VERKKOKAUPPA.COM OYJ INTERIM FINANCIAL INFORMATION 1 Jan – 30 June 2023

## Group consolidated statement of comprehensive income

EUR thousand	Note	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
<b>Revenue</b>	<b>1.3</b>	<b>112,842</b>	<b>125,681</b>	<b>234,802</b>	<b>250,436</b>	<b>543,117</b>
Other operating income		126	198	307	357	908
Materials and services		-93,994	-106,312	-195,724	-211,809	-462,522
Employee benefit expenses		-8,327	-9,996	-19,219	-19,991	-40,233
Depreciation and amortization		-1,534	-1,388	-3,074	-2,711	-5,552
Other operating expenses		-8,299	-9,087	-16,236	-16,526	-33,434
<b>Operating profit</b>		<b>813</b>	<b>-904</b>	<b>857</b>	<b>-244</b>	<b>2,285</b>
Finance income		6		13	2	16
Finance costs		-517	-538	-1,035	-899	-1,686
<b>Profit before income taxes</b>		<b>302</b>	<b>-1,442</b>	<b>-165</b>	<b>-1,141</b>	<b>615</b>
Income taxes		-127	386	-71	282	-291
<b>Profit for the period</b>		<b>176</b>	<b>-1,056</b>	<b>-237</b>	<b>-859</b>	<b>324</b>
<b>Profit for the period attributable to</b>						
Equity holders of the company		176	-1,056	-237	-859	324
<b>Earnings per share calculated from the profit attributable to equity holders</b>						
Earnings per share, basic (EUR)		0.00	-0.02	-0.01	-0.02	0.01
Earnings per share, diluted (EUR)		0.00	-0.02	-0.01	-0.02	0.01

## Other comprehensive income

EUR thousand	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
<b>Profit for the period</b>	<b>176</b>	<b>-1,056</b>	<b>-237</b>	<b>-859</b>	<b>324</b>
<b>Items that may be reclassified to profit or loss</b>					
Translation differences	17	24	17	24	30
<b>Items that will not be reclassified to profit or loss</b>					
Realized changes in fair values of equity investments	-	72	-	72	72
Taxes	-	-14	-	-14	-14
<b>Other comprehensive income after taxes, total</b>		<b>58</b>		<b>58</b>	<b>58</b>
<b>Comprehensive income for the period</b>	<b>193</b>	<b>-974</b>	<b>-219</b>	<b>-777</b>	<b>412</b>
<b>Comprehensive income for the period</b>					
Equity holders of the company	193	-974	-219	-777	412

**Consolidated Statement of financial position**

EUR thousand	Note	30 June 2023	31 Dec 2022
<b>Non-current assets</b>			
Intangible assets		5,090	3,831
Goodwill		2,846	2,846
Property, plant and equipment		6,293	6,752
Right-of-use assets	1.5	12,061	12,866
Deferred tax assets		1,334	1,380
Trade receivables	1.6/1.7	6,645	5,615
Other non-current receivables		386	397
<b>Non-current assets, total</b>		<b>34,656</b>	<b>33,687</b>
<b>Current assets</b>			
Inventories		69,972	74,767
Trade receivables	1.6/1.7	30,884	28,833
Loans receivable			427
Other receivables		2,515	2,691
Income tax receivables		869	898
Accrued income		7,898	9,679
Cash and cash equivalents	1.7	15,525	21,210
<b>Current assets, total</b>		<b>127,663</b>	<b>138,506</b>
<b>Total assets</b>		<b>162,320</b>	<b>172,193</b>
<b>Equity</b>			
Share capital		100	100
Treasury shares		-922	-1,410
Invested unrestricted equity fund		27,535	27,472
Translation differences		38	26
Retained earnings		-367	-42
Profit for the period		-237	324
<b>Total equity</b>		<b>26,148</b>	<b>26,470</b>
<b>Non-current liabilities</b>			
Lease liabilities	1.7	10,808	12,334
Liabilities to credit institutions		20,000	23,750
Deferred tax liabilities		90	106
Provisions		642	745
<b>Non-current liabilities, total</b>		<b>31,570</b>	<b>36,965</b>
<b>Current liabilities</b>			
Lease liabilities	1.7	4,929	4,477
Liabilities to credit institutions		2,600	394
Advance payments received		3,995	4,963

Trade payables	1.7	67,952	66,834
Other current liabilities		6,788	11,634
Accrued liabilities		18,338	20,457
<b>Current liabilities, total</b>		<b>104,602</b>	<b>108,758</b>
<b>Total liabilities</b>		<b>136,172</b>	<b>145,724</b>
<b>Total equity and liabilities</b>		<b>162,320</b>	<b>172,193</b>

#### Group consolidated cash flow statement

EUR thousand	1-6/ 2023	1-12/ 2022
<b>Cash flow from operating activities</b>		
Profit before income taxes	-165	615
Adjustments		
Depreciation and impairment	3,074	5,552
Finance income and costs	1,022	1,670
Other adjustments	-242	704
Cash flow before change in working capital	3,689	8,541
Change in working capital		
Increase(-) / decrease(+) in non-current non-interest-bearing trade receivables	-1,020	-1,761
Increase (-) / decrease (+) in trade and other receivables	-96	-2,274
Increase (-) / decrease (+) in inventories	4,795	14,086
Increase (+) / decrease (-) in current liabilities	-6,901	-12,445
Cash flow before financial items and taxes	466	6,148
Interest paid	-431	-615
Interest received	13	16
Interest of lease liabilities	-482	-1,071
Income tax paid	-13	-2,967
<b>Cash flow from operating activities</b>	<b>-445</b>	<b>1,511</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries	427	-4,571
Purchases of property, plant and equipment	-170	-2,773
Purchases of intangible assets	-1,559	-2,254
Proceeds from equity investments		339
<b>Cash flow from investing activities</b>	<b>-1,303</b>	<b>-9,260</b>
<b>Cash flow from financing activities</b>		
Decrease (-) in lease liabilities	-2,379	-4,237
Dividends paid		-11,066
Proceeds from long-term loans		25,000
Payments to long-term loans		-1,250
Proceeds from short-term loans		5,030
Payments to short-term loans	-1,544	-5,531
<b>Cash flow from financing activities</b>	<b>-3,923</b>	<b>7,946</b>
<b>Increase (+) / decrease (-) in cash and cash equivalents</b>	<b>-5,670</b>	<b>198</b>
Cash and cash equivalents at beginning of reporting period	21,210	20,917
Translation differences	-15	
Cash and cash equivalents at end of reporting period	15,526	21,210



**Group statement of changes in equity**

<b>A</b> Share capital	<b>D</b> Fair value reserve
<b>B</b> Treasury shares	<b>E</b> Retained earnings
<b>C</b> Invested unrestricted equity fund	<b>F</b> Total equity

EUR thousand	A	B	C	D	E	F
<b>Equity 1 Jan 2023</b>	<b>100</b>	<b>-1,410</b>	<b>27,472</b>		<b>308</b>	<b>26,470</b>
Profit for the period	-	-	-	-	-237	-237
Transaction differences	-	-	-	-	17	17
<b>Comprehensive income for the period, total</b>	-	-	-		-219	-219
Disposal of treasury shares -Board fees	-	101	63	-	-101	63
Share-based incentives	-	387	-	-	-553	-166
<b>Transactions with owners, total</b>	-	<b>488</b>	<b>63</b>		<b>-654</b>	<b>-103</b>
<b>Equity 30 June 2023</b>	<b>100</b>	<b>-922</b>	<b>27,535</b>		<b>-566</b>	<b>26,148</b>
EUR thousand	A	B	C	D	E	F
<b>Equity 1 Jan 2022</b>	<b>100</b>	<b>-1,611</b>	<b>25,938</b>		<b>11,255</b>	<b>35,683</b>
Profit for the period	-	-	-	-	324	324
Transaction differences	-	-	-	-	30	30
Changes in fair values of equity investments	-	-	-		58	58
<b>Comprehensive income for the period, total</b>	-	-	-		413	413
Dividend distribution	-	-	-	-	-11,068	-11,068
Share issue or gratuitous investment in unrestricted equity	-	-	1,403	-	-	1,403
Disposal of treasury shares -Board fees	-	125	131	-	-125	131
Share-based incentives	-	75	-	-	-167	-92
<b>Transactions with owners, total</b>	-	<b>200</b>	<b>1,534</b>		<b>-11,360</b>	<b>-9,626</b>
<b>Equity 31 Dec 2022</b>	<b>100</b>	<b>-1,410</b>	<b>27,472</b>		<b>308</b>	<b>26,470</b>

## Notes

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

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

Verkkokauppa.com Oyj's Interim Report for January– June 2023 has been prepared in line with IAS 34, 'Interim Financial Reporting' should be read in conjunction with Verkkokauppa.com Oyj's Financial Statements for 2022, published on 3 March 2023. Verkkokauppa.com Oyj has applied the same accounting principles in the preparation of this Interim Financial Report as in its Financial Statements for 2022.

On 1 April 2022, Verkkokauppa.com Oyj completed the acquisition of the Finnish online store e-ville.com. With the acquisition, Verkkokauppa.com Oyj became group's parent company, and company prepares financial reviews as a group and consolidated financial statements. The group's structure is described in Verkkokauppa.com Oyj's financial statement note 7.20.

Verkkokauppa.com Oyj has not adopted any other new accounting policies during 2023 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.

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

Exchange rate differences are treated in the reporting as following:

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

### 1.2 Segment reporting

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

### 1.3 Revenue from contracts with customers

The revenue streams of the company consist of the sale of goods and services. There are more than 80,000 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 obligation

	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022
EUR thousand				
At a point in time	111,164	124,284	232,723	247,873
Over time	1,677	1,397	2,079	2,563
<b>Revenue, total</b>	<b>112,842</b>	<b>125,681</b>	<b>234,802</b>	<b>250,436</b>

##### Revenue by external customer location

	4-6/ 2023	1-3/ 2023	1-6/ 2023	1-6/ 2022
EUR thousand				
Finland	105,602	118,058	217,002	236,385
Rest of the world	7,239	7,236	17,800	14,051
<b>Revenue by external customer location</b>	<b>112,842</b>	<b>121,960</b>	<b>234,802</b>	<b>250,436</b>

##### Income recognized from customer financing

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

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

	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022
EUR thousand				
Interest income recognized using effective interest rate method	991	761	1,854	1,576
Other income from company-financed customer financing	622	375	1,175	788
<b>Income from company-financed Apuraha, total</b>	<b>1,614</b>	<b>1,136</b>	<b>3,029</b>	<b>2,365</b>

### 1.4 Seasonality of business

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

### 1.5 Right-of-use assets

EUR thousand	30 June 2023	31 Dec 2022
Carrying amount 1.1.	12,866	15,776
Increases		130
Increase/decrease due to remeasurement	1,303	814
Disposals		-43
Depreciation	-2,108	-3,812
<b>Carrying amount at the end of period</b>	<b>12,061</b>	<b>12,866</b>

The remeasurements made during 2023 and 2022 relate to index adjustments and renegotiated rental agreements.

### 1.6 Trade receivables

EUR thousand	30 June 2023		30 June 2022		31 Dec 2022	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Not due	32,568	423	22,217	209	29,984	259
Past due 1-60 days	5,705	408	4,375	279	4,942	323
Past due 61-120 days	151	76	293	216	211	114
Past due over 121 days	201	189	121	117	155	147
<b>Total</b>	<b>38,626</b>	<b>1,096</b>	<b>27,006</b>	<b>820</b>	<b>35,291</b>	<b>843</b>

### 1.7 Financial assets and liabilities by measurement category

30 June 2023	Recognized at fair value through other comprehensive income			At amortized cost	Lease liabilities	Carrying amount
EUR thousand						
<b>Non-current financial assets</b>						
Equity investments (level 3)				-	-	
Trade receivables and other financial receivables			-	7,031	-	7,031
<b>Non-current financial assets, total</b>				<b>7,031</b>	-	<b>7,031</b>
<b>Current financial assets</b>						
Trade receivables			-	30,884	-	30,884
Loans receivable						
Cash and cash equivalents			-	15,525	-	15,525
<b>Current financial assets, total</b>			-	<b>46,409</b>	-	<b>46,409</b>
<b>Financial assets by measurement category, total</b>				<b>53,441</b>	-	<b>53,441</b>
<b>Non-current financial liabilities</b>						
Lease liabilities (level 2)			-	-	10,808	10,808
Liabilities to credit institutions				20,000	-	20,000
<b>Non-current financial liabilities, total</b>			-	<b>20,000</b>	<b>10,808</b>	<b>30,808</b>
<b>Current financial liabilities</b>						
Lease liabilities (level 2)			-	-	4,929	4,929
Liabilities to credit institutions				2,600	-	2,600

Trade payables	-	67,952	-	67,952
<b>Current financial liabilities, total</b>	-	<b>70,552</b>	<b>4,929</b>	<b>75,481</b>
<b>Financial liabilities by measurement category, total</b>	-	<b>90,552</b>	<b>15,736</b>	<b>106,289</b>

31 Dec 2022				
EUR thousand	Recognized at fair value through other comprehensive income	At amortized cost	Lease liabilities	Carrying amount
<b>Non-current financial assets</b>				
Equity investments (level 3)	0	-	-	0
Trade receivables and other financial receivables	-	6,012	-	6,012
<b>Non-current financial assets, total</b>	<b>0</b>	<b>6,012</b>	-	<b>6,012</b>
<b>Current financial assets</b>				
Trade receivables	-	28,833	-	28,833
Cash and cash equivalents	-	427	-	427
<b>Current financial assets, total</b>	-	<b>21,210</b>	-	<b>21,210</b>
<b>Financial liabilities by measurement category, total</b>	<b>0</b>	<b>50,470</b>	-	<b>50,470</b>
<b>Non-current financial liabilities</b>				
Lease liabilities (level 2)	-	-	12,334	12,334
Loans from financial institutions	-	23,750	-	23,750
<b>Non-current financial liabilities, total</b>	-	<b>23,750</b>	<b>12,334</b>	<b>36,084</b>
<b>Current financial liabilities</b>				
Lease liabilities (level 2)	-	-	4,477	4,477
Trade payables	-	394	-	394
Loans from financial institutions	-	66,834	-	66,834
<b>Current financial liabilities, total</b>	-	<b>67,228</b>	-	<b>71,705</b>
<b>Financial liabilities by measurement category, total</b>	<b>0</b>	<b>90,978</b>	<b>16,812</b>	<b>107,789</b>

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

## 1.8 Dividends

The company has not paid a dividend during the review period.

### Dividends paid during the reference year 2022

For the previous year	Date of payment	Dividend per share, EUR
	4.4.2022	0.060
	9.5.2022	0.061
	25.7.2022	0.062
	27.10.2022	0.063
<b>Total dividends, EUR thousand</b>		<b>11 068</b>

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



## 1.9 Disclosure of acquisitions and company structure

Parent company, Verkkokauppa.com Oyj acquired 100% of eVille Distribution Oy shares on 1<sup>st</sup> of April 2022. Verkkokauppa.com Oyj's fully owned Finnish subsidiary, Arc Distribution Oy (established in February 2022), acquired 100% ownership and shares of Digi Electronics Ltd (Hong Kong) ja Digital Trading (Shenzhen) Co. Ltd (China) on 1 April 2022.

The acquisition supports Verkkokauppa.com's strategy to strengthen and expand its assortment in own brands. With the acquisition, Verkkokauppa.com gained access to an experienced sourcing organization established in Shenzhen and Hong Kong, China.

The purchase price was approximately EUR 4.0 million, of which 1.4 million in new shares (when calculated using Verkkokauppa.com Oyj's share price as of 1 April 2022) issued in a directed share issue to the seller at closing. And the rest in cash corrected with the net debt adjustment. The shares will be subject to a lock-up undertaking. The parties have also agreed to additional purchase price installments of up to approximately EUR 6.7 million, including deferred purchase price of EUR 1 million and earn-out of EUR 5.7 million, payable solely if the combined sales of own brand products exceed set target levels during 2023 and/or 2024. The total aggregate purchase price can amount to EUR 10.7 million at the maximum.

The seller has the option to receive 50 percent of the achieved earn-out in Verkkokauppa.com's shares for calendar years 2023 and/or 2024 if the earn-out metrics are to be achieved. The number of shares received by the seller are to be determined based on the volume weighted average share price of the Verkkokauppa.com's share for a 30-day period preceding of the date when the relevant metrics are confirmed.

### Purchase price

EUR thousand	Value of acquired assets
Paid in cash (in 2022)	3,250
Directed issue shares (in 2022)	1,403
Adjustments (closed in 2023)	-677
<b>Total</b>	<b>3,976</b>

As part of financing the transaction, the Board of Directors of Verkkokauppa.com resolved on a EUR 1.4 million directed share issue. The number of new shares issued was 289,402 and their subscription price, based on the volume weighted average price of Verkkokauppa.com's shares in Nasdaq Helsinki Ltd on 30-day period preceding 9 February 2022, is EUR 6.91 per share.

### The assets and liabilities recognized as a result of the acquisition are as follows:

EUR thousand	Total
Cash and cash equivalents	290.0
Trade receivables	407.0
Inventory	1,166.9
Other receivables	29.5
Prepaid expenses	825.9
Machinery and equipment	20.6
<b>Total assets</b>	<b>2,740.0</b>
Prepayments	139.7
Trade payables	330.0
Other payables/liabilities	80.7
Accrued income	38.5
Short term liabilities	1,541.7
Other long term liabilities	0.9
<b>Total liabilities</b>	<b>2,131.3</b>

<b>Acquired identifiable net assets</b>	<b>608.6</b>
Customer related intangibles	426.0
Trademarks	225.0
Goodwill	2,846.5
Deferred tax liability	-130.2
<b>Acquired net assets</b>	<b>3,975.9</b>

Acquired assets and liabilities are valued on the balance sheet on fair value on the acquisition date. EUR 0.7 million of acquired intangible assets were valued for customer relationships and trademarks. These assets will be depreciated over their useful lifetime. Goodwill is the portion of purchase price that is higher than the sum of net fair value of assets and liabilities acquired. Goodwill amounted to EUR 2.8 million and it is non-deductible in taxation.

Earn out and deferred purchase price are recorded as a cost and not part of the purchase price as these are conditional to acquired assets management obligation to work. As of 30 June 2023, management estimated the additional purchase price to amount to EUR 1.5 million of which EUR 0.3 (0.4) million was reported as costs in the review period. It is recognized as Item affecting the comparability.

#### Verkkokauppa.com company structure

	Country	Ownership of shares %	Share of votes %	Business
		30.6.2023	30.6.2023	
<b>Parent company</b>				
Verkkokauppa.com Oyj	Finland			Retail
<b>Subsidiaries</b>				
e-ville.com Distribution Oy	Finland	100%	100%	Retail
Arc Distribution Oy	Finland	100%	100%	Retail
Digi Electronics Ltd	Hong Kong	100%	100%	Retail
Digital Trading (Shenzhen) Co. Ltd	China	100%	100%	Retail

#### 1.10 Transactions with related parties

Verkkokauppa.com Group's related parties comprise the Board of Directors, the CEO as well as the other members of the Group companies Management Teams 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 34.24% of all shares and votes in Verkkokauppa.com on 30 June 2023.

EUR thousand	30 June 2023	31 Dec 2022
Sales of goods and services		
To key management personnel and their related parties	46	72
Purchases of goods and services		
From key management personnel and their related parties		-
EUR thousand	30 June 2023	31 Dec 2022
Closing balances from purchases/sales of goods/services		
Trade receivables from key management personnel and their related parties	-	5
Trade payables to key management personnel and their related parties		-

### 1.11 Long-term incentive plans

The Board of Directors of Verkkokauppa.com Oyj resolved on 11th of May to establish a new share-based incentive plan for the CEO and the members of the Management Team of the company. The aim of the new plan is to align the objectives of the shareholders and the management in order to increase the value of the company in the long-term, to encourage the management to personally invest in the company's shares, to retain the target group at the company, and to offer them a competitive incentive plan in which the participants may earn shares as a reward for performance and their personal investment.

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

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

The target group of the plan consists of nine persons (the CEO and all members of the Management Team). The gross rewards from the first performance period 2023–2025 correspond to the value of an approximate maximum total of 229,000 Verkkokauppa.com Oyj shares, including the proportion to be paid in cash.

Previous Verkkokauppa.com's share-based incentive plan, the Performance Matching Share Plan 2020–2022, ended on 31 December 2022 and the payments were realized as during Q2.

### 1.12 Guarantees and commitments

EUR thousand	30 June 2023	31 Dec 2022
<b>Collateral given for own commitments</b>		
Guarantees	1 909	3,463
<b>Other commitments and contingent liabilities</b>	34	9

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

### 1.13 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 Interim reports.

### 1.14 Subsequent events

No Subsequent events.

## ADDITIONAL INFORMATION

### Quarterly income statement

EUR thousand	4-6/ 2023	1-3/ 2023	10-12/ 2022	7-9/ 2022	1-6/ 2022	1-3/ 2022
<b>Revenue</b>	<b>112,842</b>	<b>121,960</b>	<b>154 917</b>	<b>137,764</b>	<b>125,681</b>	<b>124,755</b>
Other operating income	126	181	336	215	198	159
Materials and services	-93,994	-101,729	-133 043	-117,669	-106,312	-105,497
Employee benefit expenses	-8,327	-10,891	-11 116	-9,126	-9,996	-9,995
Depreciation and amortization	-1,534	-1,540	-1 415	-1,426	-1,388	-1,323
Other operating expenses	-8,299	-7,937	-8 875	-8,033	-9,087	-7,439
<b>Operating profit</b>	<b>813</b>	<b>44</b>	<b>804</b>	<b>1,725</b>	<b>-904</b>	<b>660</b>
Finance income	6	7	10	4		2
Finance costs	-517	-519	-417	-370	-538	-361
<b>Profit before income taxes</b>	<b>302</b>	<b>-468</b>	<b>397</b>	<b>1,359</b>	<b>-1,442</b>	<b>301</b>
Income taxes	-127	56	124	-697	386	-104
<b>Profit for the period</b>	<b>176</b>	<b>-412</b>	<b>521</b>	<b>662</b>	<b>-1,056</b>	<b>197</b>
<b>Profit for the period attributable to</b>						
Equity holders	176	-412	521	662	-1,056	197
<b>Earnings per share calculated from the profit attributable to equity holders</b>						
Earnings per share, basic (EUR)	0.00	-0.01	0,01	0.01	-0.02	0.00
Earnings per share, diluted (EUR)	0.00	-0.01	0,01	0.01	-0.02	0.00

### Alternative performance measurement

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

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

Alternative performance measures do not substitute the IFRS key ratios.

	2023			2022				Q1-Q4 2022
	Q1	Q2	Q1-Q2 2023	Q1	Q2	Q3	Q4	
Revenue, eur million	122.0	112.8	234.8	124.8	125.7	137.8	154.9	543.1
Gross profit, eur million	20.2	18.8	39.1	19.3	19.4	20.1	21.9	80.6
Gross margin-%	16.6%	16.7%	16.6%	15.4%	15.4%	14.6%	14.1%	14.8%
EBITDA, eur million	1.6	2.3	3.9	2.0	0.5	3.2	2.2	7.8
EBITDA-%	1.3%	2.1%	1.7%	1.6%	0.4%	2.3%	1.4%	1.4%
Operating profit, eur million	0.04	0.8	0.9	0.7	-0.9	1.7	0.8	2.3
Operating profit-%	0.04%	0.7%	0.4%	0.5%	-0.7%	1.3%	0.5%	0.4%
Comparable operating profit, eur million	1.4	1.0	2.3	0.9	-0.2	2.1	0.8	3.5
Comparable operating profit- %	1.1%	0.8%	1.0%	0.7%	-0.2%	1.5%	0.5%	0.6%
Profit for the period, eur million	-0.4	0.2	-0.2	0.2	-1.1	0.7	0.5	0.3
Interest-bearing net debt, eur million	25.6	22.8	22.8	18.2	28.6	29.8	19.7	19.7
Investments, eur million	1.0	0.3	1.3	1.4	4.3	1.0	2.6	9.3
Equity ratio, %	15.8%	16.5%	16.5%	20.2%	18.2%	16.3%	15.8%	15.8%
Gearing, %	98.2%	87.2%	87.2%	54.7%	92.4%	103.2%	74.6%	74.6%
Personnel at the end of period*	720	695	695	753	815	761	838	838
Basic earnings per share, euros	-0.01	0.00	-0.01	0.00	-0.02	0.01	0.01	0.01
Diluted earnings per share, euros	-0.01	0.00	-0.01	0.00	-0.02	0.01	0.01	0.01
Number of issued shares, 1,000 pcs	45,355	45,355	45,355	45,065	45,355	45,355	45,355	45,355
Number of treasury shares, 1,000 pcs	258	171	171	298	290	282	271	271
Weighted average number of shares outstanding, 1,000 pcs	45,096	45,183	45,183	44,747	45,047	45,073	45,083	45,083
Diluted weighted average number of shares outstanding, 1,000 pcs	45,354	45,252	45,252	45,189	45,473	45,439	45,342	45,342

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



## Formulas for key ratios

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

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

#### Reconciliation of alternative key ratios

EUR thousand	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Operating profit	0.8	-0.9	0.9	-0.2	2.3
- costs related to comparable operating result	0.1	0.7	1.5	0.9	1.2
<b>Comparable operating profit</b>	<b>1.0</b>	<b>-0.2</b>	<b>2.3</b>	<b>0.7</b>	<b>3.5</b>

#### Items affecting comparability

EUR million	4-6/ 2023	4-6/ 2022	1-6/ 2023	1-6/ 2022	1-12/ 2022
Direct costs of acquiring businesses	0.0	0.4	0.0	0.6	0.8
Earn-out Additional purchase price	0.1	0.4	0.3	0.4	0.4
Restructuring reservation	0.0	-	1.2	-	-
<b>Costs related to comparable operating result total</b>	<b>0.1</b>	<b>0.7</b>	<b>1.5</b>	<b>0.9</b>	<b>1.2</b>