

Tokmanni Group's Business Review for 1 January–31 March 2024

Strong growth in challenging market conditions

FIRST QUARTER 2024 HIGHLIGHTS

- Tokmanni Group revenue grew by 42.4% (4.7%) and was EUR 339.2 million (238.2)
- Like-for-like revenue increased by 1.7% (2.7%)
- Comparable gross profit totalled EUR 115.4 million (75.5) with the comparable gross margin being 34.0% (31.7%)
- Comparable EBIT amounted to EUR -5.1 million (-2.2), representing -1.5% of revenue (-0.9%)
- Cash flow from operating activities amounted to EUR -40.0 million (-12.9)
- Earnings per share, diluted was EUR -0.20 (-0.07)

OUTLOOK FOR 2024 UNCHANGED

In 2024, Tokmanni Group expects its revenue to be EUR 1,660–1,760 million. Comparable EBIT is expected to be EUR 110–130 million.

TOKMANNI GROUP'S PRESIDENT AND CEO MIKA RAUTIAINEN

Strong growth due to Dollarstore, fixed costs had a negative impact on earnings

In the first quarter of 2024, Tokmanni Group's revenue grew by 42.4% to EUR 339.2 million. This significant growth is due to the acquisition that took place in August last year. Like-for-like revenue increased by 1.7% (2.7%). Growth in sales of grocery products of 4.7% boosted like-for-like sales. Customers' purchasing power and confidence in their own finances remained low, and our customers were increasingly attracted by low prices and interesting promotions.

The Tokmanni and Dollarstore integration is progressing according to plan. The main focus is on the consolidation of purchases at Group level. Our target is to achieve annual synergies of more than EUR 15 million by the end of 2025. The synergies achieved by the end of March are already 6.7 million euros on an annual basis.

Tokmanni segment's revenue grew by 4.2% to EUR 248.1 in the first quarter. Like-for-like revenue grew by 1.7%. Comparable customer visits increased slightly on the previous year, while the comparable average basket size increased by 1.2%. The good sales development was driven by the timing of Easter, which was at the end of March this year, whereas in the comparison period it was in early April. Comparable gross margin was 32.8% (31.7%). Comparable EBIT was EUR -1.7 million (-1.9).

Dollarstore segment's revenue was EUR 91.1 million in the first quarter. Like-for-like revenue increased by 1.8% in local currencies. Comparable customer visits decreased slightly from the previous year, while the comparable average basket size increased by 3.4%. Comparable gross margin was 37.4%. Comparable EBIT was EUR -2.8 million.

The first quarter is the weakest quarter of the year in terms of sales and profitability for both Tokmanni and Dollarstore. However, both segments performed reasonably well in the current market environment.

The start of the second quarter has been affected by events in the Red Sea and political strikes, among other things. At Tokmanni, this was reflected as clear shortages in shelf availability and additional costs. The spring season, which is Tokmanni's second most important sales period, only started properly at the beginning of May in southern Finland.

Key figures (Dollarstore included in from 1 August 2023 onwards)

	1-3/2024	1-3/2023	Change%	1-12/2023
Revenue, MEUR	339.2	238.2	42.4%	1,392.7
Like-for-like revenue development, %	1.7	2.7		1.1
Customer visit development, %	1.5	4.9		0.7
Gross profit, MEUR	115.4	76.0	52.0%	486.9
Gross profit, %	34.0	31.9		35.0
Comparable gross profit, MEUR	115.4	75.5	52.7%	489.5
Comparable gross profit, %	34.0	31.7		35.2
Operating expenses, MEUR	-89.4	-59.4	50.4%	-301.2
Comparable operating expenses, MEUR	-89.4	-59.2	51.0%	-298.1
EBITDA, MEUR	26.9	17.4	54.0%	189.9
EBITDA, %	7.9	7.3		13.6
Comparable EBITDA, MEUR	26.8	17.2	55.4%	195.6
Comparable EBITDA, %	7.9	7.2		14.0
Operating profit (EBIT), MEUR	-5.0	-2.0	-147.5%	93.0
Operating profit (EBIT), %	-1.5	-0.8		6.7
Comparable EBIT, MEUR	-5.1	-2.2	-128.2%	98.8
Comparable EBIT, %	-1.5	-0.9		7.1
Net financial items, MEUR	-9.1	-3.3	179.7%	-24.7
Capital expenditure, MEUR	5.9	18.3	-68.0%	238.7
Net cash from operating activities, MEUR	-40.0	-12.9		220.2
Net debt, MEUR	807.5	437.0		730.4
Net debt without lease liabilities, MEUR	235.3	147.1		165.3
Net debt / comparable EBITDA *	3.9	2.8		3.7
Net debt / comparable EBITDA without lease liabilities *	2.3	1.6		1.6
Return on capital employed, %	9.8	12.4		11.2
Return on equity, %	18.7	25.6		22.2
Equity ratio, %	18.6	26.9		18.8
Number of shares, weighted average during the financial period (thousands)	58,820	58,816		58,819
Diluted number of shares, weighted average during the financial period (thousands)	58,879	58,862		58,878
Earnings per share, basic (EUR/share)	-0.20	-0.07		0.92
Earnings per share, diluted (EUR/share)	-0.20	-0.07		0.92
Personnel at the end of the period	6,128	4,107		6,206
Personnel on average in the period (FTE)	4,219	2,923		3,706

* Rolling 12 months comparable EBITDA

PRELIMINARY FINANCIAL IMPACT OF DOLLARSTORE ACQUISITION AND PRELIMINARY PURCHASE PRICE ALLOCATION

Dollarstore financials have been included in Tokmanni Group financials starting from 1 August 2023. Dollarstore consists of the Dollarstore and Big Dollar stores. Tokmanni consists of the Tokmanni, Miny, Click Shoes and Shoe House stores, as well as the Tokmanni and Click Shoes online stores. Based on refined preliminary calculations the impact of Dollarstore purchase price allocation on Tokmanni Group figures is the following: The preliminary fair valuation of Dollarstore immaterial rights and owned assets will add EUR 47.0 million to the balance sheet, which will be depreciated and amortised in accordance with Tokmanni Group's accounting principles over periods varying from 15 to 20 years. The annual impact of these amortisations and depreciations is around EUR 2,5 million per year on Tokmanni Group's EBIT. The impact of inventory fair valuation will be reported in items affecting comparability and will not impact comparable EBIT but will impact EBIT and earnings per share. The fair valuation is EUR 3.2 million and it was recorded as an expense over six months starting from August 2023.

ADJUSTMENTS AFFECTING COMPARABILITY

Tokmanni Group reports EBITDA and EBIT as its key performance indicators and makes adjustments to improve comparability and provide a better view of Tokmanni Group's operational performance. EBITDA is not a key indicator according to IFRS accounting standards and it represents operating profit before depreciation and amortisation. Comparable EBITDA and EBIT represent the same indicators excluding items that Tokmanni Group's management considers to be exceptional and non-recurring. The items include changes in the fair value of electricity and currency derivatives, which are adjusted by Tokmanni Group as they are unrealised gains or losses related to Tokmanni Group's open cash flow hedge positions, and hence not related to Tokmanni Group's operational performance during the review periods. In addition, other non-recurring costs related to acquired businesses and companies are included in the items affecting comparability.

Tokmanni Group's management uses the comparable EBITDA margin and comparable EBIT margin as key performance indicators when evaluating Tokmanni Group's and its segments' underlying operational performance.

Adjustments affecting comparability

MEUR	1-3/2024	1-3/2023	1-12/2023
Gross profit	115.4	76.0	486.9
Changes in fair value of currency derivatives	-0.6	-0.4	-0.3
Change in the fair value of inventory related to purchase price allocation, preliminary	0.5	0.0	2.9
Comparable Gross Profit	115.4	75.5	489.5
Operating expenses	-89.4	-59.4	-301.2
Changes in fair value of electricity derivatives	0.0	0.0	0.0
Non-recurring expenses related to business acquisitions	0.0	0.2	3.1
Comparable operating expenses	-89.4	-59.2	-298.1
EBITDA	26.9	17.4	189.9
Operating profit (EBIT)	-5.0	-2.0	93.0
Changes in fair value of currency derivatives	-0.6	-0.4	-0.3
Changes in fair value of electricity derivatives	0.0	0.0	0.0
Non-recurring expenses related to business acquisitions	0.0	0.2	3.1
Change in the fair value of inventory related to purchase price allocation, preliminary	0.5	0.0	2.9
Comparable EBITDA	26.8	17.2	195.6
Comparable operating profit (adj. EBIT)	-5.1	-2.2	98.8

MARKET DEVELOPMENT

According to the statistics of the Finnish Grocery Trade Association FGTA (www.pty.fi), the total sales of department store and hypermarket chains increased by 4.5% in the first quarter of 2024. Grocery sales increased, while non-grocery sales decreased. It is important to note that the statistics compiled by the FGTA only cover part of the market relevant for Tokmanni segment.

According to the statistics of the Swedish Food Retailers' Federation (<https://www.svenskdagligvaruhandel.se/>), the Food Retail Index increased by 6.4% in the first quarter of 2024. Sales of brick-and-mortar stores increased by 6.5% and online sales by 4.8%. The Food Retail Index measures sales growth in the grocery trade and does not include specialised food stores or service trade. It is important to note that the statistics compiled by the Swedish Food Retailers Federation only cover part of the market relevant for Dollarstore segment.

TOKMANNI GROUP'S STORE NETWORK

At the end of March 2024, Tokmanni Group had a total of 372 stores (31 December 2023: 372). In Finland Tokmanni Group had 201 Tokmanni, 28 Click Shoes, 2 Shoe House and 6 Miny stores. In Sweden Tokmanni Group had 131 Dollarstore stores and in Denmark 4 Big Dollar stores.

Tokmanni Group's stores	31 March 2024	31 March 2023	31 December 2023
Tokmanni segment	237	231	238
Tokmanni	201	199	201
Click Shoes and Shoe House	30	28	31
Miny	6	4	6
Dollarstore segment	135		134
Dollarstore	131		130
Big Dollar	4		4
Total	372	231	372

More information about Tokmanni Group's store network is available on the Group's website at <https://ir.tokmanni.fi/en>.

FINANCIAL DEVELOPMENT

Reporting structure

Tokmanni Group consists of Tokmanni and Dollarstore segments as well as Group functions and eliminations. Tokmanni segment consists of the Tokmanni stores, Miny stores, Click Shoes stores and Shoe House stores, as well as the Tokmanni and Click Shoes online stores. Click Shoes' and Shoe House's financials have been included in Tokmanni Group financials starting from 1 March 2023. Dollarstore segment consists of the Dollarstore and Big Dollar stores. Dollarstore financials have been included in Tokmanni Group financials starting from 1 August 2023. Due to Dollarstore's unusual accounting period and lack of IFRS financial statement reporting, Tokmanni Group does not publish figures for Dollarstore's comparison period, with the exception of revenue growth and certain operational figures.

Seasonality

Tokmanni Group's business is subject to seasonality, which has a significant effect on its revenue, profitability, and cash flow. In general, Tokmanni Group's revenue, profitability and cash flow are lowest in the first quarter and highest in the fourth quarter due to Christmas sales.

TOKMANNI GROUP

Revenue

Revenue, MEUR	1-3/2024	1-3/2023	Change %	1-12/2023
Tokmanni	248.1	238.2	4.2	1,208.6
Dollarstore*	91.1			184.1
Group functions and eliminations	0.0			-0.1
Total	339.2	238.2	42.4	1,392.7

* Dollarstore financials have been included in Tokmanni Group financials starting from 1 August 2023.

January–March 2024

In the first quarter Tokmanni Group's revenue grew by 42.4% (4.7%) to EUR 339.2 million (238.2). Sales of Tokmanni Group's grocery products grew by 4.7% compared to the corresponding period of the previous year. The proportion of grocery sales was 56.9% (56.3%) of total sales. The grocery figures include Dollarstore sales from the comparison period.

Tokmanni Group's like-for-like revenue grew by 1.7% (2.7%). The like-for-like change in percentage is calculated in local currencies, and the comparison period includes Dollarstore's figures.

Tokmanni Group's like-for-like customer visits decreased by 0.2% (+2.9%), and the total number of customers grew by 1.5% (4.9%) compared to the corresponding period of the previous year. The like-for-like average basket size increased by 1.9% to EUR 18.81 (18.46).

Profitability

Comparable EBIT, MEUR	1-3/2024	1-3/2023	Change %	1-12/2023
Tokmanni	-1.7	-1.9	10.1	87.8
Dollarstore*	-2.8			12.6
Group functions and eliminations	-0.6	-0.3	-96.9	-1.6
Total	-5.1	-2.2	-128.2	98.8

* Dollarstore financials have been included in Tokmanni Group financials starting from 1 August 2023.

January–March 2024

In the first quarter of 2024, Tokmanni Group's gross profit amounted to EUR 115.4 million (76.0), and the gross margin was 34.0% (31.9%). Comparable gross profit was EUR 115.4 million (75.5), corresponding to a comparable gross margin of 34.0% (31.7%). The Group's gross profit in the first quarter was boosted above all by Dollarstore's gross profit, but Tokmanni segment's improved gross profit also supported the overall growth.

Tokmanni Group's operating expenses in the first quarter were EUR 89.4 million (59.4), or 26.4% (24.9%) of revenue. The increase in operating expenses resulted mainly from the integration of Dollarstore's operating expenses into Tokmanni Group's consolidated figures. Expenses were also increased by higher property

costs and personnel expenses. Personnel expenses represented EUR 53.1 million (33.5), or 15.7% of revenue (14.1%). Comparable operating expenses were EUR 89.4 million (59.2), or 26.4% of revenue (24.9%).

The Group's EBITDA in the first quarter totalled EUR 26.9 million (17.4), corresponding to an EBITDA margin of 7.9% (7.3%). Comparable EBITDA totalled EUR 26.8 million (17.2), and the comparable EBITDA margin was 7.9% (7.2%).

Tokmanni Group's depreciation amounted to EUR 31.9 million (19.5). The growth mainly reflected the impact of IFRS 16 due to the growth of the store network. Depreciation excluding preliminary depreciation of tangible and intangible assets (PPA) arising from the acquisitions amounted to EUR 31.1 million. EUR 0.7 million was recognised for preliminary depreciation of tangible and intangible assets (PPA) arising in the acquisitions.

The Group's EBIT in the first quarter totalled EUR -5.0 million (-2.0), corresponding to an EBIT margin of -1.5% (-0.8%). Comparable EBIT was EUR -5.1 million (-2.2), and the comparable EBIT margin was -1.5% (-0.9%). The increase in operating expenses reduced the EBIT.

Tokmanni Group's net financial items totalled EUR -9.1 million (3.3). The result before taxes was EUR -14.1 million (-5.3). Taxes for the period amounted to EUR 2.1 million (1.0). The net result was EUR -12.1 million (-4.3). The main reasons for the weaker result compared with the previous year were the increase in operating expenses, the increase in depreciation and higher finance costs.

Diluted earnings per share were EUR -0.20 (-0.07).

Balance sheet, financing and cash flow

At the end of March 2024, Tokmanni Group's inventories amounted to EUR 370.8 million (300.7). At the end of the review period, Tokmanni segment's inventories amounted to EUR 271.6 million (300.7) and Dollarstore segment's inventories amounted to EUR 99.1 million.

Consolidated cash flow from operating activities amounted to EUR -40.0 million (-12.9) in the first quarter of 2024. The development in the cash flow from operating activities was affected especially by the change in the value of inventories year-on-year. The company had a total of EUR 211.0 million (139.6) in credit facilities, consisting of loan agreements with financial institutions and a commercial paper programme. Cash and cash equivalents amounted to EUR 18.8 million (4.2), and the Group's financial position is solid.

At the end of March 2024, Tokmanni Group's interest-bearing debt totalled EUR 826.3 million (441.2), including EUR 220.0 million (100.4) in non-current loans from financial institutions and EUR 35.0 million (51.4) in current loans from financial institutions and a commercial paper programme. The remainder of the liabilities mainly consist of lease agreement liabilities reported under IFRS 16. The Group's net debt without lease liabilities was EUR 235.3 million (147.1). The figure increased mainly due to acquisitions and investments in store sites.

Tokmanni Group's ratio of net debt to comparable EBITDA excluding the impact of IFRS 16 was 2.3 at the end of March 2024 (1.6). Tokmanni Group's target is to maintain an efficient capital structure. The long-term goal is to keep the ratio of net debt to comparable EBITDA, excluding the impact of IFRS 16, below 2.25 at year-end.

Tokmanni Group's equity ratio was 18.6% (26.9%) at the end of March 2024.

Capital expenditure

Tokmanni Group's capital expenditure in the first quarter of 2024 totalled EUR 5.9 million (18.3). Capital expenditure was related to the expansion, development and maintenance of the store network and the development of digital services. The figures for the comparison period include, in addition to the costs related to the construction of the Moreeni logistics centre and the road connection, the acquisition of the business operations of Jyskän Varastomyymälä Oy and the acquisition of the entire share capital of the Finnish shoe retail chains Click Shoes Oy and Shoe House Oy.

TOKMANNI SEGMENT

Tokmanni segment includes the Tokmanni, Miny, Click Shoes and Shoe House stores, as well as Tokmanni and Click Shoes online stores. The figures of Click Shoes and Shoe House have been consolidated with those of Tokmanni Group as of 1 March 2023.

	1-3/2024	1-3/2023	1-12/2023
Revenue, MEUR	248.1	238.2	1,208.6
Like-for-like revenue, %	1.7	2.7	0.7
Comparable gross profit, MEUR	81.3	75.5	415.5
Comparable gross profit, %	32.8	31.7	34.4
Comparable EBIT, MEUR	-1.7	-1.9	87.8
Comparable EBIT, %	-0.7	-0.8	7.3
Return on capital employed, %, rolling 12 months	12.2	12.9	12.5
Inventories at the end of period, MEUR	271.6	300.7	248.8
Capital expenditure, MEUR	4.7	18.3	236.5
Personnel on average in the period (FTE)	3,001	2,919	3,160
Number of stores at the end of period	237	231	238

Revenue

January–March 2024

In the first quarter, Tokmanni segment's revenue grew by 4.2% (4.7%) to EUR 248.1 million (238.2). The good sales development was driven by the timing of Easter, which was at the end of March this year, whereas in the comparison period it was in early April. Measured as a percentage, the sales of the toy and car care departments grew the most. On the other hand, customers purchased markedly fewer products related to leisure and home interior decoration compared to the corresponding period of the previous year. Sales of grocery products grew by 4.2%. The proportion of grocery sales was 55.9% (55.5%) of Tokmanni segment's total sales.

The proportion of Tokmanni segment's B2B sales was 3.4% (3.5%) of revenue. Revenue from B2B sales grew by 1.8% (20.9%). Tokmanni's online sales accounted for 1.4% (1.2%) of the segment's revenue. Online revenue increased by 20.3% (-21.5%).

Tokmanni segment's like-for-like revenue increased by 1.7% (2.7%). Like-for-like customer visits in stores grew by 0.5% (2.9%), and the total number of customers grew by 2.1% (4.9%). The like-for-like average basket size increased by 1.2% to EUR 20.39 (20.15).

The brands managed by Tokmanni segment (private label products, exclusive brands, and non-branded products) represented 29.6% (30.5%) of sales in the first quarter. Direct imports accounted for 23.9% of

sales (25.1%). These can be broken down into products purchased using Tokmanni segment's sourcing company in Shanghai, China, which accounted for 16.9% (18.2%), and other direct imports, which accounted for 7.0% (6.8%).

Profitability

January–March 2024

In the first quarter of 2024, Tokmanni segment's gross profit amounted to EUR 81.9 million (76.0), and the gross margin was 33.0% (31.9%). Comparable gross profit was EUR 81.3 million (75.5), corresponding to a comparable gross margin of 32.8% (31.7%). The significant clearance sales for winter apparel in the clothing segment reduced the gross margin in the comparison period.

Tokmanni segment's operating expenses in the first quarter totalled EUR 63.4 million (59.1), or 25.6% of revenue (24.8%). Comparable operating expenses were EUR 63.4 million (58.9), or 25.6% of revenue (24.7%). The increase in expenses was driven in particular by the rise in property costs and marketing and personnel expenses. Personnel expenses represented EUR 35.9 million (33.3) of total operating expenses, or 14.5% of revenue (14.0%).

Tokmanni segment's EBITDA in the first quarter totalled EUR 19.3 million (17.7), which corresponds to an EBITDA margin of 7.8% (7.4%). Comparable EBITDA totalled EUR 18.7 million (17.5), and the comparable EBITDA margin was 7.5% (7.4%).

Tokmanni segment's EBIT in the first quarter totalled EUR -1.1 million (-1.7), corresponding to an EBIT margin of -0.5% (-0.7%). Comparable EBIT was EUR -1.7 million (-1.9), and the comparable EBIT margin was -0.7% (-0.8%).

Tokmanni segment's capital expenditure in January–March totalled EUR 4.7 million (18.3).

DOLLARSTORE SEGMENT

The financial figures of the Dollarstore business have been consolidated with those of Tokmanni Group as of 1 August 2023. Dollarstore segment consists of the Dollarstore and Big Dollar stores.

	1-3/2024	1-3/2023	8-12/2023
Revenue, MEUR	91.1		184.1
Like-for-like revenue, %	1.8		3.8
Comparable gross profit, MEUR	34.1		74.1
Comparable gross profit, %	37.4		40.2
Comparable EBIT, MEUR	-2.8		12.6
Comparable EBIT, %	-3.0		6.8
Return on capital employed, %, rolling 12 months *			
Inventories at the end of period, MEUR	99.1		94.1
Capital expenditure, MEUR	1.2		2.2
Personnel on average in the period (FTE)	1,209		
Number of stores at the end of period	135		134

* Not countable

Revenue

January–March 2024

Dollarstore segment's revenue increased to EUR 91.1 million in the first quarter. In local currencies, revenue grew by 4.1% compared to the corresponding period of the previous year. Measured as a percentage, sales of storage products and toys and products related to various celebrations grew the most. On the other hand, sales of various lighting and electronic products and furniture were markedly lower than in the previous year. Sales of grocery products grew by 6.0% compared to the corresponding period of the previous year in local currencies. The proportion of grocery sales was 59.5% of Dollarstore's total sales.

Like-for-like revenue increased by 1.8% in local currencies. Like-for-like customer visits in stores decreased by 1.5%, and the total number of customers grew by 0.2% compared to the corresponding period of the previous year. The like-for-like average basket size increased by 3.4% to EUR 15.59.

The brands managed by Dollarstore segment (private label products, exclusive brands, and non-branded products) represented 4.9% of sales in the first quarter.

Profitability

January–March 2024

In the first quarter, Dollarstore segment's gross profit amounted to EUR 33.6 million, and the gross margin was 36.8%. Comparable gross profit was EUR 34.1 million, corresponding to a comparable gross margin of 37.4%.

Dollarstore segment's operating expenses for the first quarter totalled EUR 25.4 million, or 27.9% of revenue. Comparable operating expenses were EUR 25.4 million, or 27.9% of revenue. Personnel expenses represented EUR 16.9 million of total operating expenses, or 18.5% of revenue.

Dollarstore segment's EBITDA in the first quarter totalled EUR 8.2 million, which corresponds to an EBITDA margin of 9.0%. Comparable EBITDA totalled EUR 8.7 million, and the comparable EBITDA margin was 9.6%.

Dollarstore segment's EBIT in the first quarter totalled EUR -3.3 million, corresponding to an EBIT margin of -3.6%. Comparable EBIT was EUR -2.8 million, and the comparable EBIT margin was -3.0%.

Dollarstore segment's capital expenditure in January–March totalled EUR 1.2 million.

PERSONNEL

Tokmanni Group had 6,128 (4,107) employees at the end of March 2024. 4,229 employees worked in Finland (4,107), 1,839 in Sweden and 60 in Denmark. Personnel on average during the accounting period (FTE) was 4,219 (2,923).

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

Tokmanni Group Corporation's Annual General Meeting was held in Mäntsälä, Finland on 23 April 2024. The resolutions and other materials are available on Tokmanni Group's website at <https://ir.tokmanni.fi/en/investors/corporate-governance/general-meeting/yhtiokokous2024>.

RISKS AND BUSINESS UNCERTAINTIES

Tokmanni Group's risks and uncertainties are discussed in detail in the Report by the Board of Directors for 2023 and in the Financial Statements Bulletin as well as Tokmanni Group's website at <https://ir.tokmanni.fi/en/investors/tokmanni-as-an-investment/riskienhallinta>.

Mäntsälä 17 May 2024

Tokmanni Group Corporation

Board of Directors

ANALYST AND PRESS CONFERENCE

Tokmanni Group's President and CEO Mika Rautiainen and CFO Tapio Arimo will present the report to analysts, investors and media representatives on the publication day at 10:00 am (Finnish time). The live webcast can be accessed via Tokmanni Group's website at <https://ir.tokmanni.fi/en/investors> or through the link below. On-demand version of the presentation will be available on the company's website later during the same day.

Webcast link: <https://rajucast.tv/tokmanni-group/business-review-for-january-march-2024/>

The participants can also join a telephone conference that will be arranged in conjunction with the live webcasts. The participants are asked to dial in 5-10 minutes prior to starting time using the phone number and password below.

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Tokmanni Group in brief

Tokmanni Group Corporation is one of the leading variety discount retailers in the Nordics. Over 6,000 employees in Finland, Sweden and Denmark make customers' everyday life and special occasions easier by offering a versatile and up-to-date assortment of nordic and international brand-name products and other high-quality products at prices that are always affordable. With more than 370 Tokmanni, Dollarstore, Big Dollar, Miny, Click Shoes and Shoe House stores and online stores, the Group is always close to its customers. In 2023, Tokmanni Group's revenue was EUR 1,392.7 million and comparable EBIT amounted to EUR 98.8 million. The Group's shares are listed on Nasdaq Helsinki.

Distribution

Nasdaq Helsinki

Key media

Tokmanni's Business Review for 1 January–31 March 2024

ACCOUNTING POLICIES

This Business Review has been prepared using the same accounting policies and methods of computation as in the Financial Statements for 2023. All figures in the accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The figures in the financial statement release are presented in millions of euros.

Seasonality

Tokmanni Group's business is subject to seasonality, which has a significant effect on its revenue, profitability, and cash flow. In general, Tokmanni Group's revenue, profitability and cash flow are lowest in the first quarter and highest in the fourth quarter due to Christmas sales.

Use of estimates

The preparation of the Business Review in accordance with IFRS requires the management to make estimates and assumptions that affect the amount assets and liabilities on the balance sheet, the reporting of contingent assets and liabilities, and the amounts income and expenses. Although the estimates are based on the management's best knowledge of current events and actions, the actual results may differ from the estimates.

This report is unaudited.

Consolidated income statement (MEUR)			
	1-3/2024	1-3/2023	1-12/2023
Revenue	339.2	238.2	1,392.7
Other operating income	0.8	0.9	4.2
Materials and services	-223.7	-162.2	-905.8
Employee benefits expenses	-53.1	-33.5	-174.4
Depreciation	-31.9	-19.5	-96.8
Other operating expenses	-36.3	-26.0	-126.9
Share of profit in joint ventures	0.0	0.0	0.1
Operating profit	-5.0	-2.0	93.0
Financial income	1.9	0.1	2.6
Financial expenses	-11.0	-3.3	-27.3
Profit/loss before tax	-14.1	-5.3	68.4
Income taxes	2.1	1.0	-14.4
Net result for the financial period	-12.1	-4.3	54.0
Profit for the year attributable to			
Equity holders of the parent company	-12.1	-4.3	54.0

Consolidated statement of comprehensive income (MEUR)			
	1-3/2024	1-3/2023	1-12/2023
Net result for the financial period	-12.1	-4.3	54.0
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	-7.2	0.0	8.8
Comprehensive income for the financial period, net of tax	-7.2	0.0	8.8
Comprehensive income for the financial period	-19.2	-4.3	62.8
Comprehensive income for the financial period attributable to			
Equity holders of the parent company	-19.2	-4.3	62.8

Earnings per share			
	1-3/2024	1-3/2023	1-12/2023
Equity holders of the parent company	-12.1	-4.3	54.0
Earnings per share, basic (EUR/share)	-0.20	-0.07	0.92
Earnings per share, diluted (EUR/share)	-0.20	-0.07	0.92

INFORMATION BY SEGMENT

Revenue by segment, EUR million	1-3/2024	1-3/2023	1-12/2023
Tokmanni	248.1	238.2	1,208.6
of which between the segments in total	0.0		0.1
Dollarstore	91.1		184.1
Group functions and eliminations	0.0		-0.1
Group total	339.2	238.2	1,392.7

Gross profit by segment, EUR million	1-3/2024	1-3/2023	1-12/2023
Tokmanni	81.9	76.0	415.5
Dollarstore	33.6		71.4
Group functions and eliminations	0.0		-0.1
Group total	115.4	76.0	486.9

EBIT by segment, EUR million	1-3/2024	1-3/2023	1-12/2023
Tokmanni	-1.1	-1.7	84.7
Dollarstore	-3.3		9.9
Group functions and eliminations	-0.6	-0.3	-1.6
Group total	-5.0	-2.0	93.0

Comparable EBIT by segment, EUR million	1-3/2024	1-3/2023	1-12/2023
Tokmanni	-1.7	-1.9	87.8
Dollarstore	-2.8		12.6
Group functions and eliminations	-0.6	-0.3	-1.6
Group total	-5.1	-2.2	98.8

Comparable EBIT by segment, %	1-3/2024	1-3/2023	1-12/2023
Tokmanni	-0.7	-0.8	7.3
Dollarstore	-3.0		6.8
Group functions and eliminations			
Group total	-1.5	-0.9	7.1

Return on capital employed, %, rolling 12 months	1-3/2024	1-3/2023	1-12/2023
Tokmanni	12.2	12.9	12.5
Dollarstore			
Group functions and eliminations			
Group total	9.9	12.7	11.6

Inventories at the end of period, EUR million	1-3/2024	1-3/2023	1-12/2023
Tokmanni	271.6	300.7	248.8
Dollarstore	99.1		94.1
Group functions and eliminations			
Group total	370.8	300.7	342.9

Capital expenditure by segment, EUR million	1-3/2024	1-3/2023	1-12/2023
Tokmanni	4.7	18.3	236.5
Dollarstore	1.2		2.2
Group functions and eliminations			
Group total	5.9	18.3	238.7

CALCULATION OF THE GROUP'S KEY FIGURES

Like-for-like revenue development, %	=	Like-for-like revenue development is calculated by taking into account the revenue growth of stores that are not considered to be net-new and the revenue growth of relocated stores, as defined by Tokmanni Group to include: (i) new stores opened; (ii) store relocations where the store size changes by 30 per cent or more and the assortment increases or is reduced substantially; and (iii) store expansions where the store size changes by 30 per cent or more. If the store falls in one of these categories, it is regarded as a net-new or relocated store in its opening year and in the following calendar year. Tokmanni Group reduces the net amount of stores closed during the financial year from new and relocated stores.
Customer visit development, %	=	Number of customer transactions
Gross profit	=	Revenue - Materials and services
Comparable gross profit	=	Gross profit - Changes in the fair value of currency derivatives - Other non-recurring expenses
Operating expenses	=	Employee benefits expenses + Other operating expenses
Comparable operating expenses	=	Operating expenses - Changes in fair value of electricity derivatives - Other non-recurring expenses
EBITDA	=	Operating profit + Depreciation
Comparable EBITDA	=	EBITDA - Changes in fair value of currency and electricity derivatives - Other non-recurring expenses
Comparable EBIT	=	EBIT - Changes in fair value of currency and electricity derivatives - Other non-recurring expenses
Net financial items	=	Financial income - Financial expenses
Capital expenditure	=	Investments in tangible and intangible assets + Purchased subsidiary shares
Net debt	=	Interest-bearing debt - Cash and cash equivalents
Net debt without lease liabilities	=	Net debt - IFRS 16 lease liabilities
Net debt / Comparable EBITDA	=	$\frac{\text{Net debt}}{\text{Comparable EBITDA, average for the preceding 12 months}}$

Net debt / Comparable EBITDA without lease liabilities	= $\frac{\text{Net debt - IFRS 16 lease liabilities}}{\text{Comparable EBITDA without IFRS 16 liabilities, average preceding 12 months}}$
Capital employed	= $\frac{\text{Non-current assets - Deferred tax assets + Inventories + Trade and other receivables + Cash and cash equivalents - Non-current non-interest-bearing liabilities - Trade payables and other current liabilities}}{\text{Capital employed, average for the preceding 12 months}}$
Return on capital employed, %, rolling 12 months	= $\frac{\text{Comparable EBIT, average for the preceding 12 months}}{\text{Capital employed, average for the preceding 12 months}}$
Invested capital	= $\frac{\text{Balance sheet total - Deferred tax liability and other non-interest-bearing liabilities}}{\text{Invested capital, average for the preceding 12 months}}$
Return on invested capital, %	= $\frac{\text{Profit before taxes + Interest and other financial expenses (preceding 12 months)}}{\text{Invested capital, average for the preceding 12 months}}$
Return on equity, %	= $\frac{\text{Net result for the preceding 12 months}}{\text{Equity, average for the preceding 12 months}}$
Number of personnel	= Number of personnel at the end of the period
Number of personnel on average, converted into full-time employees	= Average number of personnel converted into full-time employees
Equity ratio	= $\frac{\text{Equity}}{\text{Balance sheet total - Advances received}}$

CALCULATION OF THE GROUP'S PER-SHARE DATA

Earnings per share, basic	= $\frac{\text{Net profit}}{\text{Number of shares, weighted average during the period}}$
Earnings per share, diluted	= $\frac{\text{Net profit}}{\text{Diluted number of shares, weighted average during the period}}$