



Q2

**Half-Year Financial Report
January–June 2024**

Tokmanni Group Corporation Half-Year Financial Report January–June 2024

Tight market and late start of spring season impacted revenue and EBIT

SECOND QUARTER 2024 HIGHLIGHTS

- Tokmanni Group's revenue grew by 32.5% (4.0%) and was EUR 422.5 million (318.9)
- Like-for-like revenue decreased by 2.4% (+1.0%)
- Comparable gross profit was EUR 155.2 million (115.1) and comparable gross profit % was 36.7% (36.1%)
- Comparable EBIT amounted to EUR 27.9 million (28.5), 6.6% of revenue (8.9%)
- Cash flow from operating activities amounted to EUR 43.9 million (79.8)
- Earnings per share, diluted was EUR 0.25 (0.33)

JANUARY–JUNE 2024 HIGHLIGHTS

- Tokmanni Group's revenue grew by 36.7% (4.3%) and was EUR 761.7 million (557.1)
- Like-for-like revenue decreased by 0.6% (+1.7%)
- Comparable gross profit was EUR 270.6 million (190.6) and comparable gross profit % was 35.5% (34.2%)
- Comparable EBIT amounted to EUR 22.8 million (26.2), 3.0% of revenue (4.7%)
- Cash flow from operating activities amounted to EUR 4.0 million (66.8)
- Earnings per share, diluted was EUR 0.05 (0.26)

GUIDANCE FOR 2024

Guidance for 2024 (updated on 23 July 2024)

In 2024, Tokmanni Group expects its revenue to be EUR 1,650–1,730 million. Comparable EBIT is expected to be EUR 98–118 million.

Previous guidance for 2024 (issued on 13 February 2024)

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

Customers cautious in tight economic climate

Sluggish consumer demand was reflected in second quarter sales and performance in both Finland and Sweden. Customers' confidence in their own finances remained low, which was reflected in a decline in like-for-like customer visits in stores and smaller average basket size. Moreover, the spring season started late, and we were unable to make up for lost sales in May and June. The Group's consolidated gross margin was at a good level and fixed costs remained well under control.

In the second quarter, Tokmanni Group's revenue grew by 32.5% to EUR 422.5 million due to the acquisition of Dollarstore. Like-for-like revenue decreased by 2.4% (+1.0%). Grocery sales increased by 1.3% and accounted for 53.7% of total sales. Comparable gross margin was 36.7% (36.1%). Comparable EBIT was EUR 27.9 million (28.5).

Dollarstore and Tokmanni will benefit significantly from the economies of scale arising from sourcing, purchasing and distribution. Together, we can offer our customers in Finland, Sweden and Denmark an even better and more optimised product assortment and lower prices. Although the economy and market conditions are challenging at the moment, Dollarstore is the spearhead of our expansion in current and potential new markets. We expect Tokmanni's growth to come from the main product groups and like-for-like sales growth.

Tokmanni and Dollarstore integration is progressing according to plan. By the end of June, the annual synergies achieved already amounted to EUR 9.9 million. By the end of 2025, we aim to generate annual synergies of more than EUR 15 million. We will continue our good work on consolidating purchasing at group level. In Sweden and Denmark, in addition to expansion, we are focusing on concept development by broadening our product assortment, for example. The aim is to attract new customer groups to Dollarstore and to strengthen the offering for existing customers.

We estimate that the increase in the VAT rate in Finland in early September will slow down the strengthening of consumer demand. This will naturally affect sales growth expectations for the second half of the year. During the second half of the year, we will focus on increasing sales and customer visits, in addition to the integration of Tokmanni and Dollarstore.

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

	4-6/ 2024	4-6/ 2023	Change %	1-6/ 2024	1-6/ 2023	Change %	1-12/ 2023
Revenue, MEUR	422.5	318.9	32.5%	761.7	557.1	36.7%	1,392.7
Like-for-like revenue development, %	-2.4	1.0		-0.6	1.7		1.1
Customer visit development, %	-0.2	0.4		0.6	2.4		0.7
Gross profit, MEUR	155.2	115.3	34.6%	270.6	191.2	41.5%	486.9
Gross profit, %	36.7	36.1		35.5	34.3		35.0
Comparable gross profit, MEUR	155.2	115.1	34.9%	270.6	190.6	41.9%	489.5
Comparable gross profit, %	36.7	36.1		35.5	34.2		35.2
Operating expenses, MEUR	-96.4	-67.7	42.4%	-185.7	-127.1	46.1%	-301.2
Comparable operating expenses, MEUR	-96.4	-67.7	42.4%	-185.7	-126.9	46.4%	-298.1
EBITDA, MEUR	59.6	48.5	22.8%	86.4	65.9	31.1%	189.9
EBITDA, %	14.1	15.2		11.3	11.8		13.6
Comparable EBITDA, MEUR	59.6	48.3	23.4%	86.4	65.5	31.8%	195.6
Comparable EBITDA, %	14.1	15.1		11.3	11.8		14.0
Operating profit (EBIT), MEUR	27.8	28.7	-2.9%	22.8	26.7	-14.3%	93.0
Operating profit (EBIT), %	6.6	9.0		3.0	4.8		6.7
Comparable EBIT, MEUR	27.9	28.5	-2.1%	22.8	26.2	-13.2%	98.8
Comparable EBIT, %	6.6	8.9		3.0	4.7		7.1
Net financial items, MEUR	-9.8	-4.2	130.9%	-18.9	-7.5	152.1%	-24.7
Capital expenditure, MEUR	12.8	15.0	-14.9%	18.6	33.3	-44.0%	238.7
Net cash from operating activities, MEUR	43.9	79.8		4.0	66.8		220.2
Net debt, MEUR				824.2	453.1		730.4
Net debt without lease liabilities, MEUR				250.0	120.2		165.3
Net debt / comparable EBITDA *				3.8	2.8		3.7
Net debt / comparable EBITDA without lease liabilities *				2.4	1.3		1.6
Return on capital employed, %				8.9	12.3		11.2
Return on equity, %				16.8	24.1		22.2
Equity ratio, %				17.8	27.5		18.8
Number of shares, weighted average during the financial period (thousands)	58,849	58,824		58,823	58,817		58,819
Diluted number of shares, weighted average during the financial period (thousands)	58,877	58,874		58,861	58,868		58,878
Earnings per share, basic (EUR/share)	0.25	0.33		0.05	0.26		0.92
Earnings per share, diluted (EUR/share)	0.25	0.33		0.05	0.26		0.92
Personnel at the end of the period				7,299	5,004		6,206
Personnel on average in the period (FTE)	4,695	3,311		4,457	3,117		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 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	4-6/ 2024	4-6/ 2023	1-6/ 2024	1-6/ 2023	1-12/ 2023
Gross profit	155.2	115.3	270.6	191.2	486.9
Changes in fair value of currency derivatives	0.0	-0.2	-0.6	-0.6	-0.3
Change in the fair value of inventory related to purchase price allocation	0.0		0.5		2.9
Comparable Gross Profit	155.2	115.1	270.6	190.6	489.5
Operating expenses	-96.4	-67.7	-185.7	-127.1	-301.2
Non-recurring expenses related to business acquisitions				0.2	3.1
Comparable operating expenses	-96.4	-67.7	-185.7	-126.9	-298.1
EBITDA	59.6	48.5	86.4	65.9	189.9
Operating profit (EBIT)	27.8	28.7	22.8	26.7	93.0
Changes in fair value of currency derivatives	0.0	-0.2	-0.6	-0.6	-0.3
Non-recurring expenses related to business acquisitions				0.2	3.1
Change in the fair value of inventory related to purchase price allocation	0.0		0.5		2.9
Comparable EBITDA	59.6	48.3	86.4	65.5	195.6
Comparable operating profit (adj. EBIT)	27.9	28.5	22.8	26.2	98.8

MARKET DEVELOPMENT

According to the statistics of the Finnish Grocery Trade Association FGTA (<http://www.pty.fi>), the total sales of department store and hypermarket chains increased by 0.2% in the second quarter of 2024. Grocery sales increased, while non-grocery sales decreased. According to the statistics of the FGTA the total sales of department store and hypermarket chains grew by 2.2% in January–June 2024. 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 2.2% in the second quarter of 2024. Sales of brick-and-mortar stores increased by 2.1% and online sales by 5.0%. 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 June 2024, Tokmanni Group had a total of 377 stores (31 December 2023: 372). In Finland, Tokmanni Group had 202 Tokmanni, 31 Click Shoes, 2 Shoe House and 6 Miny stores. In Sweden, Tokmanni Group had 131 Dollarstore stores, and in Denmark, 5 Big Dollar stores.

Tokmanni Group stores	30 June 2024	30 June 2023	31 December 2023
Tokmanni segment	241	235	238
Tokmanni	202	200	201
Click Shoes and Shoe House	33	29	31
Miny	6	6	6
Dollarstore segment	136		134
Dollarstore	131		130
Big Dollar	5		4
Total	377	235	372

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

As for the Miny concept, Tokmanni is focusing on Miny shop-in-shop departments. The Miny store in Espoo's Lippulaiva shopping centre was closed in July following the expiry of the lease agreement. The Miny stores in Jyväskylä and Lappeenranta will be closed in August due to the expiry of their leases. In Jyväskylä, a Click Shoes store will open at the end of September in the location previously occupied by Miny.

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 Tokmanni stores, Miny stores, Click Shoes stores and Shoe House stores, as well as 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 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	4–6/2024	4–6/2023	Change %	1–6/2024	1–6/2023	Change %	1–12/2023
Tokmanni	316.1	318.9	-0.9	564.2	557.1	1.3	1,208.6
Dollarstore*	106.6			197.7			184.1
Group functions and eliminations	-0.2			-0.2			-0.1
Total	422.5	318.9	32.5	761.7	557.1	36.7	1,392.7

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

April–June 2024

In the second quarter of 2024, Tokmanni Group's revenue grew by 32.5% (4.0%) to EUR 422.5 million (318.9). Sales of Tokmanni Group's grocery products grew by 1.3% compared to the corresponding period of the previous year. The proportion of grocery sales was 53.7% (53.0%) of total sales. The grocery figures include Dollarstore sales from the comparison period.

Tokmanni Group's like-for-like revenue decreased by 2.4% (+1.0%). 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 2.1% (-1.3%), and the total number of customers decreased by -0.2% (+0.4%) compared to the corresponding period of the previous year. The like-for-like average basket size decreased by 0.4% to EUR 19.66 (19.73).

January–June 2024

In January–June 2024, Tokmanni Group's revenue increased by 36.7% (4.3%) and was EUR 761.7 (557.1) million. Sales of Tokmanni Group's grocery products grew by 3.0% compared to the corresponding period of the previous year. The proportion of grocery sales was 55.2% (54.5%) of total sales. The grocery figures include Dollarstore sales from the comparison period.

Tokmanni Group's like-for-like revenue decreased by 0.6% (+1.7%). 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 1.2% (+0.5%), and the total number of customers grew by 0.6% (2.4%) compared to the corresponding period of the previous year. The like-for-like average basket size increased by 0.6% to EUR 19.25 (19.14).

Profitability

Comparable EBIT, MEUR	4–6/2024	4–6/2023	Change %	1–6/2024	1–6/2023	Change %	1–12/2023
Tokmanni	26.5	28.8	-7.9	24.8	26.9	-7.7	87.8
Dollarstore*	2.1			-0.6			12.6
Group functions and eliminations	-0.8	-0.3	147.8	-1.4	-0.6	123.6	-1.6
Total	27.9	28.5	-2.1	22.8	26.2	-13.2	98.8

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

April–June 2024

In the second quarter of 2024, Tokmanni Group's gross profit amounted to EUR 155.2 million (115.3), and the gross margin was 36.7% (36.1%). Comparable gross profit was EUR 155.2 million (115.1), corresponding to a comparable gross margin of 36.7% (36.1%). The Group's second-quarter gross profit increase was driven above all by Dollarstore's gross profit.

Tokmanni Group's operating expenses were EUR 96.4 million (67.7), or 22.8% of revenue (21.2%). The increase in operating expenses resulted mainly from the integration of Dollarstore segment's operating expenses into Tokmanni Group's consolidated figures. Expenses also increased due to higher property costs and marketing expenses. Personnel expenses represented EUR 59.0 million (39.6), or 14.0% of revenue (12.4%). Comparable operating expenses were EUR 96.4 million (67.7), or 22.8% of revenue (21.2%).

The Group's EBITDA amounted to EUR 59.6 million (48.5), corresponding to an EBITDA margin of 14.1% (15.2%). Comparable EBITDA totalled EUR 59.6 million (48.3), and the comparable EBITDA margin was 14.1% (15.1%).

Tokmanni Group's depreciation amounted to EUR 31.7 million (19.8). The growth mainly reflected the impact of IFRS 16 due to acquisitions and the growth of the store network. Depreciation excluding preliminary depreciation of tangible and intangible assets (PPA) arising from the acquisitions amounted to EUR 31.0 million (19.8). EUR 0.7 million was recognised for preliminary depreciation of tangible and intangible assets (PPA) arising in the acquisitions.

Consolidated EBIT was EUR 27.8 million (28.7), corresponding to an EBIT margin of 6.6% (9.0%). Comparable EBIT was EUR 27.9 million (28.5), and the comparable EBIT margin was 6.6% (8.9%). The increase in operating expenses reduced the EBIT.

Tokmanni Group's net financial items totalled EUR 9.8 million (4.2). The result before taxes was EUR 18.0 million (24.4). Taxes for the period amounted to EUR 3.3 million (4.8). The net result was EUR 14.8 million (19.6).

Diluted earnings per share were EUR 0.25 (0.33).

January–June 2024

In January–June 2024, Tokmanni Group's gross profit amounted to EUR 270.6 million (191.2), and the gross margin was 35.5% (34.3%). Comparable gross profit was EUR 270.6 million (190.6), corresponding to a comparable gross margin of 35.5% (34.2%). The Group's gross profit in January–June 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 were EUR 185.7 million (127.1), or 24.4% of revenue (22.8%). The increase in operating expenses resulted mainly from the integration of Dollarstore segment's operating expenses into Tokmanni Group's consolidated figures. Expenses were also increased by higher property costs and marketing and personnel expenses. Personnel expenses represented EUR 112.1 million (73.1), or 14.7% of revenue (13.1%). Comparable operating expenses were EUR 185.7 million (126.9), or 24.4% of revenue (22.8%).

Consolidated EBITDA amounted to EUR 86.4 million (65.9), corresponding to an EBITDA margin of 11.3% (11.8%). Comparable EBITDA totalled EUR 86.4 million (65.5), and the comparable EBITDA margin was 11.3% (11.8%).

Tokmanni Group's depreciation amounted to EUR 63.6 million (39.3). The growth mainly reflected the impact of IFRS 16 due to acquisitions and the growth of the store network. Depreciation excluding preliminary depreciation of tangible and intangible assets (PPA) arising from the acquisitions amounted to EUR 62.1 million (39.2). EUR 1.5 million was recognised for preliminary depreciation of tangible and intangible assets (PPA) arising in the acquisitions.

Consolidated EBIT was EUR 22.8 million (26.7), corresponding to an EBIT margin of 3.0% (4.8%). Comparable EBIT was EUR 22.8 million (26.2), and the comparable EBIT margin was 3.0% (4.7%). The increase in operating expenses reduced the EBIT.

Tokmanni Group's net financial items totalled EUR 18.9 million (7.5). The result before taxes was EUR 3.9 million (19.1). Taxes for the period amounted to EUR 1.2 million (3.8). The net result was EUR 2.7 million (15.3). 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 0.05 (0.26).

Balance sheet, financing and cash flow

At the end of June 2024, Tokmanni Group's inventories amounted to EUR 390.9 million (292.0). At the end of the review period, Tokmanni segment's inventories amounted to EUR 285.4 million (292.0) and Dollarstore segment's inventories amounted to EUR 105.4 million.

The Group's cash flow from operating activities amounted to EUR 43.9 million (79.8) in the second quarter of 2024. Cash flow amounted to EUR 4.0 million (66.8) in January–June. Cash flow from operating activities was affected especially by the change in the inventories year-on-year. The company had a total of EUR 201.3 million (212.0) in credit facilities, consisting of loan agreements with credit institutions and a

commercial paper programme. Cash and cash equivalents stood at EUR 13.9 million (8.9) at the end of June, and the financial position is stable.

At the end of June 2024, Tokmanni Group's interest-bearing debt totalled EUR 838.1 million (461.9), including EUR 220.0 million (100.3) in non-current loans from financial institutions and EUR 44.7 million (29.2) in current loans from credit institutions and commercial paper programmes. 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 250.0 million (120.2). 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 2.4 at the end of June 2024 (1.3). Tokmanni Group's target is 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 17.8% (27.5%) at the end of June 2024.

Capital expenditure

Tokmanni Group's capital expenditure in the second quarter of 2024 totalled EUR 12.8 million (15.0). Capital expenditure was related to the expansion, development and maintenance of the store network, as well as the development of digital services. The figures for the comparison period include the costs related to the construction of the Moreeni logistics centre and the road connection. Capital expenditure for January–June 2024 totalled EUR 18.6 million (33.3).

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.

	4–6/2024	4–6/2023	1–6/2024	1–6/2023	1–12/2023
Revenue, MEUR	316.1	318.9	564.2	557.1	1,208.6
Like-for-like revenue, %	-2.9	1.0	-0.9	1.8	0.7
Comparable gross profit, MEUR	114.5	115.1	195.8	190.6	415.5
Comparable gross profit, %	36.2	36.1	34.7	34.2	34.4
Comparable EBIT, MEUR	26.5	28.8	24.8	26.9	87.8
Comparable EBIT, %	8.4	9.0	4.4	4.8	7.3
Return on capital employed, %, rolling 12 months			11.8	13.0	12.5
Inventories at the end of period, MEUR			285.4	292.0	248.8
Capital expenditure, MEUR	10.5	15.0	15.2	33.3	236.5
Personnel on average in the period (FTE)	3,451	3,307	3,226	3,113	3,160
Number of stores at the end of period			241	235	238

Revenue

April–June 2024

In the second quarter, Tokmanni segment's revenue decreased by 0.9% (+4.0%) to EUR 316.1 million (318.9). Measured as a percentage, the biggest growth took place in the sales of shoes, food and pet products. On the other hand, customers purchased fewer products related to home interior decoration and the kitchen and clothes compared to the corresponding period of the previous year. Sales of grocery

products grew by 0.4%. The proportion of grocery sales was 52.9% (52.3%) of Tokmanni segment's total sales.

The proportion of Tokmanni segment's B2B sales was 3.2% (3.1%) of revenue. Revenue from B2B sales grew by 2.2% (-4.2%). Tokmanni's online sales accounted for 1.6% (1.7%) of revenue. Online revenue decreased by 6.4% (-6.9%).

Tokmanni segment's like-for-like revenue decreased by 2.9% (+1.0%). Like-for-like customer visits decreased by 1.0% (-1.3%), and the total number of customers grew by 0.4% (0.4%). The like-for-like average basket size decreased by 1.9% to EUR 21.27 (21.67).

The brands managed by Tokmanni segment (private label products, exclusive brands and non-branded products) represented 32.6% (33.3%) of sales. Direct imports accounted for 25.9% of sales (26.6%). These can be broken down into products purchased using Tokmanni segment's sourcing company in Shanghai, China, which accounted for 21.2% (21.9%), and other direct imports, which accounted for 4.7% (4.7%).

January–June 2024

Tokmanni segment's revenue for January–June 2024 increased by 1.3% (4.3%) to EUR 564.2 million (557.1). Measured as a percentage, sales of shoes, toys and pet products grew the most. On the other hand, customers purchased fewer products related to home interior decoration as well as clothes compared to the corresponding period of the previous year. Sales of grocery products grew by 2.4%. The proportion of grocery sales was 54.3% (53.7%) of Tokmanni segment's total sales.

The proportion of Tokmanni segment's B2B sales was 3.2% (3.3%) of revenue. Revenue from B2B sales decreased by -0.4% (+1.0%). Tokmanni's online sales accounted for 1.5% (1.5%) of revenue. Online revenue increased by 3.2% (-12.7%).

Tokmanni segment's like-for-like revenue decreased by 0.9% (+1.8%). Like-for-like customer visits decreased by 0.3% (+0.5%), and the total number of customers grew by 1.2% (2.4%). The like-for-like average basket size decreased by 0.6% to EUR 20.87 (20.99).

The brands managed by Tokmanni segment (private label products, exclusive brands and non-branded products) represented 31.3% (32.2%) of sales. Direct imports accounted for 25.0% of sales (26.0%). These can be broken down into products purchased using Tokmanni segment's sourcing company in Shanghai, China, which accounted for 19.3% (20.3%), and other direct imports, which accounted for 5.7% (5.7%).

Profitability

April–June 2024

In the second quarter of 2024, Tokmanni segment's gross profit amounted to EUR 114.5 million (115.3), and the gross margin was 36.2% (36.1%). Comparable gross profit was EUR 114.5 million (115.1), corresponding to a comparable gross margin of 36.2% (36.1%).

Tokmanni segment's operating expenses were EUR 68.4 million (67.3), or 21.7% of revenue (21.1%). Comparable operating expenses were EUR 68.4 million (67.3), or 21.7% of revenue (21.1%). The increase in operating expenses was driven in particular by the rise in property costs and marketing and personnel expenses. Personnel expenses represented EUR 40.0 million (39.4) of total operating expenses, or 12.7% of revenue (12.4%).

Tokmanni segment's EBITDA amounted to EUR 46.8 million (48.8), which corresponds to an EBITDA margin of 14.8% (15.3%). Comparable EBITDA totalled EUR 46.8 million (48.6), and the comparable EBITDA margin was 14.8% (15.2%).

Tokmanni segment's EBIT was EUR 26.5 million (29.0), which corresponds to an EBIT margin of 8.4% (9.1%). Comparable EBIT was EUR 26.5 million (28.8), and the comparable EBIT margin was 8.4% (9.0%).

Tokmanni segment's capital expenditure totalled EUR 10.5 million (15.0).

January–June 2024

In January–June 2024, Tokmanni segment's gross profit amounted to EUR 196.4 million (191.2), and the gross margin was 34.8% (34.3%). Comparable gross profit was EUR 195.8 million (190.6), corresponding to a comparable gross margin of 34.7% (34.2%).

Tokmanni segment's operating expenses were EUR 131.8 million (126.5), or 23.4% of revenue (22.7%). Comparable operating expenses were EUR 131.8 million (126.3), or 23.4% of revenue (22.7%). The increase in operating expenses was driven in particular by the rise in property costs and marketing and personnel expenses. Personnel expenses were EUR 75.9 million (72.7) of total operating expenses, or 13.5% of revenue (13.1%).

Tokmanni segment's EBITDA amounted to EUR 66.0 million (66.6), which corresponds to an EBITDA margin of 11.7% (11.9%). Comparable EBITDA totalled EUR 65.5 million (66.2), and the comparable EBITDA margin was 11.6% (11.9%).

Tokmanni segment's EBIT was EUR 25.4 million (27.3), which corresponds to an EBIT margin of 4.5% (4.9%). Comparable EBIT was EUR 24.8 million (26.9), and the comparable EBIT margin was 4.4% (4.8%).

Tokmanni segment's capital expenditure totalled EUR 15.2 million (33.3).

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.

	4–6/2024	4–6/2023	1–6/2024	1–6/2023	8–12/2023
Revenue, MEUR	106.6		197.7		184.1
Like-for-like revenue, %	-1.1		0.2		3.8
Comparable gross profit, MEUR	40.8		74.9		74.1
Comparable gross profit, %	38.3		37.9		40.2
Comparable EBIT, MEUR	2.1		-0.6		12.6
Comparable EBIT, %	2.0		-0.3		6.8
Return on capital employed, %, rolling 12 months *					
Inventories at the end of period, MEUR			105.4		94.1
Capital expenditure, MEUR	2.3		3.4		2.2
Personnel on average in the period (FTE)	1,234		1,222		
Number of stores at the end of period			136		134

* Not countable

Revenue

April–June 2024

Dollarstore segment's revenue was EUR 106.6 million in the second quarter of 2024. In local currencies, revenue grew by 2.1% compared to the corresponding period of the previous year. Measured as a percentage, sales of household and storage products and various cosmetics grew the most. On the other hand, customers spent much less on furniture and travel and accessories than in the previous year. Sales of grocery products grew by 3.9% compared to the corresponding period of the previous year in local currencies. The proportion of grocery sales was 56.1% of Dollarstore's total sales.

Dollarstore segment's like-for-like revenue decreased by 1.1% in local currencies. Like-for-like customer visits in stores decreased by 4.3%, and the total number of customers decreased by 1.5% compared to the corresponding period of the previous year. The like-for-like average basket size increased by 3.3% to EUR 16.12.

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

January–June 2024

Dollarstore segment's revenue for January–June 2024 was EUR 197.7 million. In local currencies, revenue grew by 3.0% compared to the corresponding period of the previous year. Measured as a percentage, sales of storage products and household and cleaning products grew the most. On the other hand, customers spent much less on furniture, accessories, lighting and electronics products than in the previous year. Sales of grocery products grew by 4.9% compared to the corresponding period of the previous year in local currencies. The proportion of grocery sales was 57.7% of Dollarstore's total sales.

Dollarstore segment's like-for-like revenue increased by 0.2% in local currencies. Like-for-like customer visits in stores decreased by 3.0%, and the total number of customers decreased by 0.7% compared to the corresponding period of the previous year. The like-for-like average basket size increased by 3.3% to EUR 15.82.

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

Profitability

April–June 2024

In the second quarter of 2024, Dollarstore segment's gross profit amounted to EUR 40.8 million, and the gross margin was 38.3%. Comparable gross profit was EUR 40.8 million, corresponding to a comparable gross margin of 38.3%.

Dollarstore segment's operating expenses were EUR 27.2 million, or 25.5% of revenue. Comparable operating expenses were EUR 27.2 million, or 25.5% of revenue. Personnel expenses represented EUR 18.3 million of total operating expenses, or 17.2% of revenue.

Dollarstore segment's EBITDA was EUR 13.6 million, which corresponds to an EBITDA margin of 12.8%. Comparable EBITDA totalled EUR 13.6 million, and the comparable EBITDA margin was 12.8%.

Dollarstore segment's EBIT totalled EUR 2.2 million, corresponding to an EBIT margin of 2.0%. Comparable EBIT was EUR 2.1 million, and the comparable EBIT margin was 2.0%.

Dollarstore segment's capital expenditure totalled EUR 2.3 million.

January–June 2024

In January–June 2024, Dollarstore segment's gross profit amounted to EUR 74.3 million, and the gross margin was 37.6%. Comparable gross profit was EUR 74.9 million, corresponding to a comparable gross margin of 37.9%.

Dollarstore segment's operating expenses were EUR 52.6 million, or 26.6% of revenue. Comparable operating expenses were EUR 52.6 million, or 26.6% of revenue. Personnel expenses represented EUR 35.2 million of total operating expenses, or 17.8% of revenue.

Dollarstore segment's EBITDA was EUR 21.8 million, which corresponds to an EBITDA margin of 11.0%. Comparable EBITDA totalled EUR 22.3 million, and the comparable EBITDA margin was 11.3%.

Dollarstore segment's EBIT totalled EUR -1.1 million, corresponding to an EBIT margin of -0.6%. Comparable EBIT was EUR -0.6 million, and the comparable EBIT margin was -0.3%.

Dollarstore segment's capital expenditure totalled EUR 3.4 million.

PERSONNEL

Personnel	4–6/2024	4–6/2023	1–6/2024	1–6/2023	1–12/2023
At the end of the period			7,299	5,004	6,206
Finland			5,097	5,004	4,301
Sweden			2,118		1,844
Denmark			84		61
Personnel on average (FTE)	4,695	3,311	4,457	3,117	3,164
Finland	3,461	3,311	3,235	3,117	3,164
Sweden	1,188	*	1,177	*	
Denmark	46	*	45	*	

* Not countable

UPDATED STRATEGY AND FINANCIAL TARGETS

Tokmanni Group expanded its operations beyond Finland in line with its strategy by buying the Swedish discount store chain Dollarstore in August 2023. Together, Tokmanni and Dollarstore form one of the leading variety discount retailers in the Nordic market. Tokmanni and Dollarstore are determined to continue taking measures to promote strong growth. Tokmanni Group's long-term vision is to become the leading discount retailer in Northern Europe.

As a result of the growth and internationalisation of operations, the Board of Directors of Tokmanni Group Corporation updated the Group's financial targets for the strategy period 2021–2025 on 13 February 2024. The updated strategy was announced at Tokmanni Group's Capital Markets Day.

Updated targets of Tokmanni Group's strategic period 2021–2025

	Updated target	Previous target
Revenue	EUR 1.8 billion	EUR 1.5 billion
Comparable EBIT	EUR 150 million	EUR 150 million
Store network	Over 360 stores in Nordics*	Over 220 stores in Finland
Net debt / comparable EBITDA	Less than 2.25 at year-end (excl. IFRS 16 impact)	Less than 3.2 (incl. IFRS 16 impact)
Dividend**	Around 70% of net result for the financial year	Around 70% of net result for the financial year

* The figure does not include Click Shoes, Shoe House, or Miny stores.

** The decision to distribute dividend is always dependent on capital structure, financial position, general economic and business conditions, and future outlook.

CORPORATE RESPONSIBILITY

Tokmanni Group's corporate responsibility efforts are guided by five main objectives for 2021–2025. These themes also directed Tokmanni Group's sustainability work during the first half of 2024.

1. Tokmanni Group aims to offer more sustainably labelled and traceable products and services to its customers.
2. Tokmanni Oy commits to being carbon neutral in its own operations in 2025.
3. Tokmanni Group respects human rights in all its operations and ensures transparency in its product origins.
4. Tokmanni Group actively promotes diversity, equality, and inclusion.
5. Tokmanni Group is dedicated to developing responsible discount retailing practices also in the future.

Key sustainability achievements in January–June 2024

In early 2024, Tokmanni Group prepared for the tightening sustainability legislation, particularly for the Corporate Sustainability Reporting Directive (CSRD), by working on defining double materiality in accordance with ESRS standards and considering the entire Group.

The Group sustainability agenda has been further refined and the process of integrating Tokmanni Oy's sustainability policies and guidelines to Dollarstore and Shoe House continued.

Tokmanni Oy was recognized by the Financial Times (25 April 2024) for achieving the second highest emission reductions relative to revenue growth among Finnish retail companies.

By the end of 2023, Tokmanni segment had reduced its absolute Co2 emissions by 69.2% compared to 2015 in line with the Science Based Targets initiative (SBTi). Tokmanni Oy's goal is to reduce its absolute scope 1 and 2 emissions by 70% by 2025 compared to 2015 base line and achieve carbon neutrality in its operations (Scope 1 ja 2) during the same year.

In early 2024, Tokmanni segment continued its efforts towards a more emission-free and energy-efficient business. Solar panels were installed at four Tokmanni stores during spring 2024, with a target to install solar power plants at four more locations by the end of the year. Currently, Tokmanni segment has solar power plants at 69 properties.

Tokmanni Oy's SBTi goals also include ensuring that 80% of its suppliers by spend covering purchased Goods and Services will have science-based climate targets by 2025. As of the end of June 2024, approximately 46.5% (44 %) of Tokmanni Oy's suppliers had committed to the SBTi initiative, and efforts to achieve this goal continue.

Tokmanni Group continued to integrate responsibility into its business and supply chain. Collaboration with the Shanghai procurement office in China was enhanced to develop responsible procurement. In addition to third-party system audits (e.g., amfori BSCI), Tokmanni segment continued its own factory inspections. In early 2024, the quality and responsibility team at the Shanghai procurement office conducted 18 own factory inspections and ordered 32 additional third-party audits. Tokmanni Group also continued promoting factory safety in Bangladesh as a member of the Bangladesh Accord program.

Development of product information systems continued to improve the availability and accuracy of sustainability data. No serious safety issues were found in products sold by Tokmanni Group between January and June 2024.

For the first time, Tokmanni Group conducted a company-wide employee survey to assess the baseline for metrics such as the Net Promoter Score (NPS) index and the feeling of inclusivity within the company in early 2024. Development measures were implemented at the Group, company, and department levels.

In addition, Tokmanni Oy has been working on occupational safety for several years, resulting in a downward trend in accident frequency and an increase in safety observations. The accident frequency rate and the number of safety observations remained relatively stable in the first half of 2024 compared to the same period the previous year. Best practices related to occupational health and safety have been shared within Tokmanni Group, and common goals for occupational safety work have been set. In the first half of 2024, Tokmanni Oy's employees made a total of 1,456 safety observations (1,481).

Tokmanni segment added a new component to its coaching-based leadership skills training (VEMA) programme. VEMA 4 includes, among other things, managing diversity in the workplace. During the restructuring of the purchasing organization, well-being activities such as lectures and workshops were arranged for the department's staff.

In early 2024, Tokmanni Group collaborated with several charities as part of its social responsibility efforts. Tokmanni Oy participated for the seventh time in the MIELI Mental Health Finland's Mielinauha campaign, which aims to support Finnish mental health work and crisis assistance. During the campaign period (3 April–30 June 2024), Tokmanni Oy sold Mielinauha ribbons for four euros each and donated one cent from every Future TT Sport product sold during the campaign to the MIELI Mental Health Finland. Additionally, for the fifth consecutive year, Tokmanni Oy is running a charity campaign with the John Nurminen Foundation. Tokmanni Oy will donate one cent from every Pisara product sold between May and August 2024 to the John Nurminen Foundation's work to protect the Baltic Sea and its heritage.

For more information on Tokmanni Group's sustainability themes and work, please visit the company's website at <https://ir.tokmanni.fi/en/sustainability> and the 2023 Group Sustainability report available at <https://ir.tokmanni.fi/en/sustainability/sustainabilityreport>.

SHARES AND SHAREHOLDERS

Tokmanni Group Corporation's share capital amounted to EUR 80,000 on 30 June 2024. The Group had 58,868,752 shares outstanding at the end of June 2024. During January–June 2024, a total of 9,813,722 Tokmanni shares were traded on the Nasdaq Helsinki for a total price of EUR 144.4 million. The final trade in Tokmanni Group Corporation's shares on the Nasdaq Helsinki was executed at a price of EUR 13.10 on 30 June 2024. The highest quote for the share was EUR 16.02 and the lowest was EUR 13.00. The volume-weighted average price of the share was EUR 14.71. At the end of June 2024, the market value of the shares was EUR 771.2 million (704.1).

Tokmanni Group Corporation has one share class, with each share entitling its holder to one vote at a General Meeting of the company. The shares have no nominal value.

During January–June 2024 a total of 22,935 of Tokmanni Group Corporation's own shares were conveyed without consideration to the 64 employees participating in the share-based incentive program under the terms and conditions of the plans. During January–June 2024, a total of 54 own shares were returned to Tokmanni Group Corporation in accordance with the terms and conditions of the share-based incentive program due to the termination of employment of key person. At the end of June 2024, Tokmanni Group Corporation held a total of 20,157 own shares, which represented 0.03% of Tokmanni Group Corporation's share capital. The Board has a valid authorization to repurchase and/or on the acceptance as pledge of the company's own shares. The authorization is explained below in the section Decisions of the Annual General Meeting.

At the end of June 2024, Tokmanni Group Corporation had 48,420 registered shareholders. At the end of June 2024, the largest shareholders of Tokmanni Group Corporation were Takoa Invest Oy with 18.69%, Varma Mutual Pension Insurance Company with 4.17%, Ilmarinen Mutual Pension Insurance Company with 2.91%, Elo Mutual Pension Insurance Company with 1.78% and Evli Finland Select Fund with 1.44% ownership.

At the end of June 2024, Financial and insurance institutions held 31.61% of the shares, while households held 27.21%, non-financial corporations held 25.27%, public-sector entities held 9.84%, and non-profit organisations held 2.82%. Direct foreign ownership accounted for 3.26%. 24.12% of shares were nominee registered.

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 16 August 2024

Tokmanni Group Corporation

Board of Directors

For further information, please contact

Mika Rautiainen, President and CEO, tel. +358 20 728 6061, mika.rautiainen@tokmanni.fi

Tapio Arimo, CFO, tel. +358 20 728 7390, tapio.arimo@tokmanni.fi

Maarit Mikkonen, Head of IR and Communications, tel. +358 40 562 2282, maarit.mikkonen@tokmanni.fi

Tokmanni Group Corporation Half-Year Financial Report January–June 2024

ACCOUNTING POLICIES

This Financial Statement Bulletin has been prepared in accordance with IAS 34 Interim Financial Reporting 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 Financial Statement Bulletin in accordance with IFRS requires the management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses on the income statement. 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)					
	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Revenue	422.5	318.9	761.7	557.1	1,392.7
Other operating income	0.8	0.9	1.5	1.8	4.2
Materials and services	-267.4	-203.7	-491.1	-365.9	-905.8
Employee benefits expenses	-59.0	-39.6	-112.1	-73.1	-174.4
Depreciation	-31.7	-19.8	-63.6	-39.3	-96.8
Other operating expenses	-37.4	-28.1	-73.7	-54.0	-126.9
Share of profit in joint ventures	0.0	0.0	0.0	0.0	0.1
Operating profit	27.8	28.7	22.8	26.7	93.0
Financial income	1.0	0.2	2.9	0.3	2.6
Financial expenses	-10.8	-4.4	-21.9	-7.8	-27.3
Profit/loss before tax	18.0	24.4	3.9	19.1	68.4
Income taxes	-3.3	-4.8	-1.2	-3.8	-14.4
Net result for the financial period	14.8	19.6	2.7	15.3	54.0
Profit for the year attributable to					
Equity holders of the parent company	14.8	19.6	2.7	15.3	54.0
Consolidated statement of comprehensive income (MEUR)					
	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Net result for the financial period	14.8	19.6	2.7	15.3	54.0
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	2.1	0.0	-5.0	0.0	8.8
Comprehensive income for the financial period, net of tax	2.1	0.0	-5.0	0.0	8.8
Comprehensive income for the financial period	16.9	19.6	-2.3	15.3	62.8
Comprehensive income for the financial period attributable to					
Equity holders of the parent company	16.9	19.6	-2.3	15.3	62.8
Earnings per share					
	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Equity holders of the parent company	14.8	19.6	2.7	15.3	54.0
Earnings per share, basic (EUR/share)	0.25	0.33	0.05	0.26	0.92
Earnings per share, diluted (EUR/share)	0.25	0.33	0.05	0.26	0.92

Consolidated statement of financial position (MEUR)**30 June 2024****30 June 2023****31 December 2023****ASSETS****NON-CURRENT ASSETS**

Property, plant and equipment	644.8	392.4	633.4
Goodwill	215.7	141.0	218.1
Other intangible assets	43.5	8.1	45.8
Non-current receivables	1.7	2.0	2.0
Investments in joint ventures	0.3	0.2	0.3
Other financial assets	0.6	0.7	0.6
Deferred tax asset	-	0.5	-
NON-CURRENT ASSETS, TOTAL	906.7	545.0	900.1

CURRENT ASSETS

Inventories	390.9	292.0	342.9
Trade and other receivables	30.6	20.2	31.0
Income tax receivables	11.4	7.5	2.6
Cash and cash equivalents	13.9	8.9	133.7
CURRENT ASSETS, TOTAL	446.8	328.6	510.2

ASSETS, TOTAL	1,353.5	873.5	1,410.3
----------------------	----------------	--------------	----------------

EQUITY AND LIABILITIES**Equity attributable to the equity holders of the parent company**

Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	109.9	109.9	109.9
Treasury shares	-0.3	-0.7	-0.7
Translation differences	3.8	0.0	8.8
Retained earnings	127.3	130.7	147.3
EQUITY, TOTAL	240.8	239.9	265.4

NON-CURRENT LIABILITIES

Deferred tax liabilities	11.6	-	12.9
Non-current interest-bearing liabilities	705.7	372.2	726.1
Non-current non-interest-bearing liabilities	4.1	4.6	4.3
NON-CURRENT LIABILITIES, TOTAL	721.4	376.8	743.3

CURRENT LIABILITIES

Current interest-bearing liabilities	132.4	89.7	138.1
Trade payables and other current liabilities	255.3	162.7	259.9
Income tax liabilities	3.6	4.4	3.6
CURRENT LIABILITIES, TOTAL	391.3	256.8	401.6

EQUITY AND LIABILITIES, TOTAL	1,353.5	873.5	1,410.3
--------------------------------------	----------------	--------------	----------------

Consolidated statement of cash flows (MEUR)**1-6/2024****1-6/2023****1-12/2023****Cash flows from operating activities**

Net result for the financial period	2.7	15.3	54.0
Adjustments:			
Depreciation	63.6	39.3	96.8
Capital gains and losses on non-current assets	0.0	0.0	-0.1
Financial income and expenses	19.0	7.5	24.6
Income taxes	1.2	3.8	14.4
Other adjustments	-1.3	-0.8	-0.2
Change in working capital:			
Change in current non-interest-bearing receivables	1.1	7.0	-7.6
Change in inventories	-49.8	-4.2	37.0
Change in current non-interest-bearing liabilities	0.2	10.8	36.0
Interest paid	-22.5	-6.4	-19.7
Other financing items	0.6	0.2	1.3
Income taxes paid	-10.9	-5.7	-16.4
Net cash from operating activities	4.0	66.8	220.2

Cash flows from investing activities

Purchases of tangible and intangible assets	-18.6	-21.9	-53.9
Proceeds from disposal of tangible and intangible assets	0.1	0.1	0.1
Business acquisitions	-	-10.5	-166.1
Proceeds from sale of investments	-	-	0.0
The compensation from sales of property	-	-	52.7
Proceeds from repayments of loans	0.3	0.2	0.2
Net cash from investing activities	-18.3	-32.1	-167.0

Cash flows from financing activities

Proceeds from current loans	0.7	218.0	224.8
Repayments of current loans	-25.0	-199.0	-210.0
Change in current loans	14.0	-	-
Proceeds from non-current loans	-	-	174.6
Repayments of non-current loans	-25.0	-0.1	-
Repayments of lease liabilities	-47.4	-31.5	-74.0
Dividends paid	-22.4	-22.4	-44.7
Net cash from financing activities	-105.1	-34.9	70.7

Net change in cash and cash equivalents	-119.4	-0.2	123.9
--	---------------	-------------	--------------

Cash and cash equivalents at beginning of the financial period

	133.7	9.1	9.1
Net change in cash and cash equivalents	-119.4	-0.2	123.9
Effects of exchange rate fluctuations on cash held	-0.3	0.0	0.8
Cash and cash equivalents at end of the financial period	13.9	8.9	133.7

Consolidated statement of changes in equity (MEUR)

	Share capital	Reserve for unrestricted equity invested	Treasury shares	Translation differences	Retained earnings	Equity attributable to owners of the parent	Total equity
Equity 1 Jan 2024	0.1	109.9	-0.7	8.8	147.3	265.4	265.4
Comprehensive income							
Net result for the financial period					2.7	2.7	2.7
Translation differences				-5.0		-5.0	-5.0
Other comprehensive income				-5.0		-5.0	-5.0
Total comprehensive income for the financial period				-5.0	2.7	-2.3	-2.3
Dividends					-22.4	-22.4	-22.4
Transfer of treasury shares			0.4		-0.4	-	-
Incentive scheme					0.1	0.1	0.1
Equity 30 Jun 2024	0.1	109.9	-0.3	3.8	127.3	240.8	240.8
	Share capital	Reserve for unrestricted equity invested	Treasury shares	Translation differences	Retained earnings	Equity attributable to owners of the parent	Total equity
Equity 1 Jan 2023	0.1	109.9	-0.8	0.0	137.8	247.0	247.0
Comprehensive income							
Net result for the financial period					54.0	54.0	54.0
Translation differences				8.8		8.8	8.8
Other comprehensive income				8.8		8.8	8.8
Total comprehensive income for the financial period				8.8	54.0	62.8	62.8
Dividends					-44.7	-44.7	-44.7
Transfer of treasury shares			0.1		-0.1	-	-
Changes in ownership interests in subsidiaries							
Incentive scheme					0.3	0.3	0.3
Equity 31 Dec 2023	0.1	109.9	-0.7	8.8	147.3	265.4	265.4

	Share capital	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	Equity attributable to owners of the parent	Total equity
Equity 1 Jan 2023	0.1	109.9	-0.8	0.0	137.8	247.0	247.0
Comprehensive income							
Net result for the financial period					15.3	15.3	15.3
Translation differences				0.0		0.0	0.0
Other comprehensive income				0.0		0.0	0.0
Total comprehensive income for the financial period				0.0	15.3	15.3	15.3
Dividends					-22.4	-22.4	-22.4
Transfer of treasury shares			0.1		-0.1	-	-
Changes in ownership interests in subsidiaries							
Incentive scheme					0.0	0.0	0.0
Equity 30 Jun 2023	0.1	109.9	-0.7	0.0	130.7	239.9	239.9

INFORMATION BY SEGMENT

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

Revenue by segment, EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni	316.1	318.9	564.2	557.1	1,208.6
of which between the segments in total	0.2		0.2	0.1	0.1
Dollarstore	106.6		197.7		184.1
Group functions and eliminations	-0.2		-0.2		-0.1
Group total	422.5	318.9	761.7	557.1	1,392.7

Gross profit by segment, EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni	114.5	115.3	196.4	191.2	415.5
Dollarstore	40.8		74.3		71.4
Group functions and eliminations	-0.1		-0.1		-0.1
Group total	155.2	115.3	270.6	191.2	486.9

EBIT by segment, EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni	26.5	29.0	25.4	27.3	84.7
Dollarstore	2.2		-1.1		9.9
Group functions and eliminations	-0.8	-0.3	-1.4	-0.6	-1.6
Group total	27.8	28.7	22.8	26.7	93.0

Comparable EBIT by segment, EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni	26.5	28.8	24.8	26.9	87.8
Dollarstore	2.1		-0.6		12.6
Group functions and eliminations	-0.8	-0.3	-1.4	-0.6	-1.6
Group total	27.9	28.5	22.8	26.2	98.8

Comparable EBIT by segment, %	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni	8.4	9.0	4.4	4.8	7.3
Dollarstore	2.0		-0.3		6.8
Group functions and eliminations					
Group total	6.6	8.9	3.0	4.7	7.1

Return on capital employed, %, rolling 12 months	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni			11.8	13.0	12.5
Dollarstore					
Group functions and eliminations					
Group total			8.9	12.8	11.6

Inventories at the end of period, EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni			285.4	292.0	248.8
Dollarstore			105.4		94.1
Group functions and eliminations					
Group total			390.9	292.0	342.9

Capital expenditure by segment, EUR million	4-6/2024	4-6/2023	1-6/2024	1-6/2023	1-12/2023
Tokmanni	10.5	15.0	15.2	33.3	236.5
Dollarstore	2.3		3.4		2.2
Group functions and eliminations					
Group total	12.8	15.0	18.6	33.3	238.7

CHANGE IN TANGIBLE AND INTANGIBLE ASSETS

MEUR	30 June 2024	30 June 2023	31 December 2023
Opening carrying amount	358.1	219.2	219.2
Acquisitions		4.6	110.8
Additions	17.3	24.9	130.9
Business disposals			-56.4
Disposals	-0.1	0.0	-0.1
Depreciation charge for the financial period	-12.0	-7.5	-52.2
Transfers between items	0.0		0.0
Translation differences	-2.9		5.8
Closing carrying amount	360.4	241.1	358.1

CHANGE IN RIGHT-OF-USE ASSETS

MEUR	30 June 2024	30 June 2023	31 December 2023
Opening carrying amount	539.2	250.7	250.7
Acquisitions			211.4
Net additions	54.5	79.0	140.5
Depreciation charge for the financial period	-45.3	-29.3	-71.7
Translation differences	-4.8		8.2
Closing carrying amount	543.6	300.4	539.2

With an agreement signed on 8 December 2023, Tokmanni Group sold its Moreeni logistics centre, which was completed in November in Mäntsälä in Finland to the real estate investment and development company NREP Oy. Tokmanni Oy also became a long-term tenant in the building under a lease agreement signed on 15 December 2023. The agreements are based on a project agreement signed by the parties in 2021. According to the project agreement, Tokmanni Group

has sold the Moreeni logistics centre after completing its construction and has leased the premises back under a 20-year lease. The consideration received from the sale of the property was EUR 52.7 million.

INVENTORIES

The Group's inventories are classified into different groups based on their turnaround times and, the slowest moving are, if appropriate, impairment recognized. Impairment recognition calls for judgements and estimates based on issues such as the future demand for the products. Changes in these assessments may impact the measurement of inventories in future financial periods.

MEUR	30 June 2024	30 June 2023	31 December 2023
Goods	384.3	285.0	346.2
Write-down in inventories	-12.2	-3.8	-12.9
Goods, in transport	22.7	14.2	13.6
Purchase rebate accrual	-4.0	-3.4	-4.0
Prepayments	0.0	0.1	0.0
Total	390.9	292.0	342.9

INTEREST-BEARING DEBT

MEUR	30 June 2024	30 June 2023	31 December 2023
Non-current interest-bearing liabilities			
Loans from financial institutions*	219.2	99.9	244.0
Lease liabilities	486.5	272.4	482.1
Total	705.7	372.2	726.1
Current interest-bearing liabilities			
Loans from financial institutions*	30.7	25.2	55.0
Other current liabilities	14.0	4.0	
Lease liabilities	87.7	60.5	83.1
Total	132.4	89.7	138.1
Total	838.1	461.9	864.1

* Loans from financial institutions, adjusted with arrangement fees paid

During the financial year 2023, an additional loan of EUR 180 million was added to Tokmanni Group Corporation's current financing agreement. From the additional loan EUR 175 million was drawn. The loan was used to finance the Dollarstore acquisition on 1 August 2023. The loan repayments are EUR 30 million annually and the last instalment will be made on 11 February 2026. The loan is subject to the loan covenant, which determines the required net debt/EBITDA ratio.

EXCHANGE RATE RISK

Tokmanni Group's business is exposed to risks arising from exchange rate fluctuations caused by both transaction risks arising from the cash flows of income and expenses in different currencies, and from translation risks arising from the translation of the income statements and balance sheets of foreign subsidiaries into the Group currency. The Group seeks to manage currency risks in a variety of ways, such as by using natural hedging or by entering into contracts that hedge the company against fluctuations in exchange rates. Management continuously monitors exchange rate developments and, where necessary, takes strategic decisions to manage exchange rate risks.

The most significant foreign currencies for the Group are the US dollar (USD) and the Swedish krona (SEK). The US dollar is the most significant non-euro purchasing currency of Tokmanni Group. The importance of the Swedish krona is due to the acquired subsidiary operating in its domestic currency.

Transaction risks

Unfavourable changes in foreign exchange rates can raise the acquisition costs of products purchased in other currencies than the euro. Under Tokmanni Group's hedging principles, about half of the purchases in USD are hedged every month for an average length of six months. Currency hedging takes place through forward exchanges and currency options. The Group's import and finance departments collaborate to draft a monthly updated estimate of the purchases in USD.

Translation risks

Investments in subsidiaries outside the euro area expose Tokmanni Group to foreign exchange risk arising from the consolidation of the assets, liabilities and income of non-euro-denominated subsidiaries into the Group currency. The balance sheets are translated into euros at the exchange rate of the balance sheet date, and the resulting exchange differences are recognised directly in equity. If a foreign subsidiary is sold, the accumulated translation differences are recognised in the income statement. The Group systematically monitors translation risk and assesses the potential need for hedging. Hedging of translation risk has not been considered necessary to date.

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

MEUR	Carrying amounts of assets as per balance sheet 30 Jun 2024	Fair value 30 Jun 2024	Carrying amounts of assets as per balance sheet 30 Jun 2023	Fair value 30 Jun 2023	Carrying amounts of assets as per balance sheet 31 Dec 2023	Fair value 31 Dec 2023
Financial assets						
Derivatives (level 2)	0.3	0.3	0.1	0.1		
Financial liabilities						
Derivatives (level 2)			0.0	0.0	0.3	0.3

COLLATERAL, CONTINGENT LIABILITIES AND PLEDGES

Contingent liabilities, assets and commitments

Property has not been provided as collateral for loans from financial institutions, but a covenant term is related to such loans. The covenant term determines the required net debt to EBITDA ratio. In the reporting period, Tokmanni has met the required covenant.

Non-cancellable lease liabilities

The lease liabilities consist of minimum lease liabilities related to low-value leases and short-term leases.

MEUR	30 June 2024	30 June 2023	31 December 2023
No later than 1 year	9.9	9.9	9.7
Later than 1 year but no later than 5 years	24.6	25.1	25.9
Later than 5 years	5.6	6.4	6.2
Total	40.1	41.4	41.9

RELATED PARTY TRANSACTIONS

Specification of transactions carried out with related parties

Transactions during the reporting period 2024 including receivables as well as payables and liabilities per 30 June 2024 carried out with related parties

1,000 EUR	Majority owner and related parties to majority owner	Board of Directors and management	Joint ventures
Income statement			
Revenue and other operating income		0.0	
Other operating expenses		0.6	0.9
Financial income		0.0	
Balance sheet			
Assets			
Receivables from joint ventures			0.2
Non-current loan receivables from related parties		1.7	
Interest receivables from related parties		0.0	
Total		1.7	0.2

Transactions during the reporting period 2023 including receivables, payables and liabilities per 30 June 2023 carried out with related parties

1,000 EUR	Majority owner and related parties to majority owner	Board of Directors and management	Joint ventures
Income statement			
Revenue and other operating income		0.0	
Other operating expenses		0.7	0.9
Financial income		0.0	
Balance sheet			
Assets			
Receivables from joint ventures			0.2
Non-current loan receivables from related parties		1.9	
Total		1.9	0.2

Transactions during the financial period 2023 including receivables, payables and liabilities per 31 Dec 2023 carried out with related parties

1,000 EUR	Majority owner and related parties to majority owner	Board of Directors and management	Joint ventures
Income statement			
Revenue and other operating income		0.0	
Other operating expenses		1.4	1.8
Financial income		0.1	
Balance sheet			
Assets			
Receivables from joint ventures			0.2
Non-current loan receivables from related parties		1.9	
Interest receivables from related parties		0.0	
Total		2.0	0.2

Non-current loan receivables from related parties

The Board of Directors of Tokmanni Group Corporation has decided to encourage the members of its Executive Group to increase their shareholdings. The purpose of this arrangement is to more closely align the targets of the owners and management of the company in order to increase the value of the company over the long term and to commit the management to an even better implementation of the company's strategy. In the arrangement, Tokmanni Group's Board of Directors decided to offer the Group's key personnel financing for their share purchases.

Long-term loans have been granted on market terms to related parties as follows:

- During the financial year, loans were repaid by an amount of EUR 0.3 million (EUR 0.2 million).
- At the end of year 2023 new contracts were drawn up for the loans. The loan period is five years, and the borrower has the right to repay the loan earlier.
- The purchased shares serve as collateral for these loans.
- The borrowers will pay an annual interest rate consisting of the 12-month Euribor plus one percentage point. The interest is calculated on the remaining loan amount retrospectively on the dividend payment day and the interest is paid by Tokmanni Group Corporation after the dividend payment 1-2 times a year.

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	=	$\frac{\text{Net debt} - \text{IFRS 16 lease liabilities}}{\text{Comparable EBITDA without IFRS 16 liabilities, average preceding 12 months}}$
Capital employed	=	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
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	=	Balance sheet total - Deferred tax liability and other non-interest-bearing liabilities

Return on invested capital, %	= $\frac{\text{Profit before taxes} + \text{Interest and other financial expenses (preceding 12 months)}}{\text{Invested capital, average for the preceding 12 months}}$
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	= $\frac{\text{Equity}}{\text{Balance sheet total} - \text{Advances received}}$

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	= $\frac{\text{Net profit}}{\text{Diluted number of shares, weighted average during the period}}$
Equity per share	= $\frac{\text{Equity}}{\text{Number of shares excluding treasury shares, end of reporting period}}$
Dividend per share	= $\frac{\text{Dividend for the period}}{\text{Number of shares, weighted average during the period}}$
Earnings per share	= $\frac{\text{Net profit}}{\text{Number of shares excluding treasury shares, end of reporting period}}$
Payout ratio, %	= $\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Effective dividend yield, %	= $\frac{\text{Dividend per share}}{\text{Closing price for the period}}$
Price/earnings ratio (P/E)	= $\frac{\text{Closing price for the period}}{\text{Earnings per share}}$
Closing price for the period	= Share price at balance sheet date
Average price during the period	= $\frac{\text{Share turnover in euro terms}}{\text{divided by the number of shares traded during the period}}$
Share turnover	= Number of shares traded during the period
Market capitalisation	= Number of shares x Share price on the balance sheet date
Number of shares	= Number of shares on the balance sheet date