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Financial Statement Bulletin

Tokmanni Group Corporation's Financial Statement Bulletin 2024

Revenue grew by 5.5% and comparable EBIT by 2.7% in the fourth quarter

FOURTH QUARTER 2024 HIGHLIGHTS

- Tokmanni Group's revenue grew by 5.5% (39.0%) and was EUR 496.9 million (471.2)
- Like-for-like revenue increased by 3.6% (1.0%)
- Comparable gross profit was EUR 177.3 million (172.0) and comparable gross profit % was 35.7% (36.5%)
- Comparable EBIT amounted to EUR 47.5 million (46.2), 9.6% of revenue (9.8%)
- Cash flow from operating activities amounted to EUR 76.5 million (116.5)
- Earnings per share, diluted was EUR 0.50 (0.44)

JANUARY-DECEMBER 2024 HIGHLIGHTS

- Tokmanni Group's revenue grew by 20.3% (19.2%) and was EUR 1,675.0 million (1,392.7)
- Like-for-like revenue increased by 1.0% (1.1%)
- Comparable gross profit was EUR 596.2 million (489.5) and comparable gross profit % was 35.6% (35.2%)
- Comparable EBIT amounted to EUR 99.7 million (98.8), 6.0% of revenue (7.1%)
- Cash flow from operating activities amounted to EUR 89.1 million (220.2)
- Earnings per share, diluted was EUR 0.82 (0.92)

DIVIDEND PROPOSAL

The Board of Directors proposes to the Annual General Meeting that, based on the approved balance sheet for the financial year ending 31 December 2024, a maximum dividend of EUR 0.68 per share be distributed. The Board of Directors proposes that the dividend be paid in two instalments.

TOKMANNI'S OUTLOOK FOR 2025

In 2025, Tokmanni Group expects its revenue to be EUR 1,720–1,820 million. Comparable EBIT is expected to be EUR 100–130 million.

TOKMANNI GROUP'S PRESIDENT AND CEO MIKA RAUTIAINEN**Strong growth in customer visits, record high comparable EBIT in the fourth quarter**

There was strong growth in customer visits at Tokmanni and Dollarstore during the fourth quarter. Tokmanni segment's like-for-like customer visits grew by 5.0% and Dollarstore segment's grew by 6.0%. We were very successful with our product ranges and marketing for the high season. Overall, Tokmanni Group's revenue grew by 5.5% in the fourth quarter to EUR 496.9 million (471.2).

Customers' purchasing behaviour continued to be cautious, which was reflected as a smaller number of products in the shopping basket and a greater emphasis on promotional products and grocery products. As a result, Tokmanni Group's comparable gross margin decreased in the fourth quarter to 35.7% (36.5%). Operating expenses grew moderately in the fourth quarter and the Group's comparable EBIT increased to EUR 47.5 million (46.2).

The Tokmanni and Dollarstore integration is progressing as planned. The annual synergies achieved by the end of December 2024 already amounted to EUR 13.3 million. Our initial goal is to achieve annual synergy benefits of over EUR 15 million by the end of this year. We are constantly increasing our joint purchases, especially in non-grocery, which will bring new products especially to Dollarstore segment's assortment.

We had a very exciting start to 2025, as we signed a licence agreement with SPAR International. This long-term cooperation will enhance Tokmanni Group's competitiveness in many different areas. The first SPAR products will be available in all Tokmanni stores by the summer.

We will continue to decisively develop Tokmanni Group into the leading discount retailer in the Nordic countries. Our expansion to new locations will continue in all our market areas, in addition to which we are continuously investigating opportunities to enter new markets.

I would like to extend my warmest thanks to our customers and partners and, above all, to all Tokmanni Group employees for the year 2024.

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

	10-12/ 2024	10-12/ 2023	Change %	1-12/ 2024	1-12/ 2023	Change %
Revenue, MEUR	496.9	471.2	5.5%	1,675.0	1,392.7	20.3%
Like-for-like revenue development, %	3.6	1.0		1.0	1.1	
Customer visit development, %	6.8	0.5		2.8	0.7	
Gross profit, MEUR	178.0	169.5	5.0%	596.4	486.9	22.5%
Gross profit, %	35.8	36.0		35.6	35.0	
Comparable gross profit, MEUR	177.3	172.0	3.1%	596.2	489.5	21.8%
Comparable gross profit, %	35.7	36.5		35.6	35.2	
Operating expenses, MEUR	-100.2	-96.5	3.8%	-374.1	-301.2	24.2%
Comparable operating expenses, MEUR	-99.8	-96.2	3.7%	-373.7	-298.1	25.3%
EBITDA, MEUR	80.0	74.4	7.6%	227.2	189.9	19.7%
EBITDA, %	16.1	15.8		13.6	13.6	
Comparable EBITDA, MEUR	79.7	77.2	3.3%	227.4	195.6	16.2%
Comparable EBITDA, %	16.0	16.4		13.6	14.0	
Operating profit (EBIT), MEUR	47.8	43.4	10.1%	99.6	93.0	7.0%
Operating profit (EBIT), %	9.6	9.2		5.9	6.7	
Comparable EBIT, MEUR	47.5	46.2	2.7%	99.7	98.8	0.9%
Comparable EBIT, %	9.6	9.8		6.0	7.1	
Net financial items, MEUR	-11.4	-10.4	9.7%	-38.8	-24.7	57.5%
Capital expenditure, MEUR	13.8	17.5	-21.2%	39.4	238.7	-83.5%
Net cash from operating activities, MEUR	76.5	116.5		89.1	220.2	
Net debt, MEUR				816.3	730.4	
Net debt without lease liabilities, MEUR				255.3	165.3	
Net debt / comparable EBITDA *				3.59	3.73	
Net debt / comparable EBITDA without lease liabilities *				2.39	1.56	
Return on capital employed, %				9.7	11.2	
Return on equity, %				19.5	22.2	
Equity ratio, %				19.1	18.8	
Number of shares, weighted average during the financial period (thousands)	58,849	58,825		58,844	58,819	
Diluted number of shares, weighted average during the financial period (thousands)	58,876	58,884		58,872	58,878	
Earnings per share, basic (EUR/share)	0.50	0.44		0.82	0.92	
Earnings per share, diluted (EUR/share)	0.50	0.44		0.82	0.92	
Personnel at the end of the period				6,613	6,206	
Personnel on average in the period (FTE)	4,564	4,313		4,611	3,706	

* Rolling 12 months comparable EBITDA

FINAL FINANCIAL IMPACT OF DOLLARSTORE ACQUISITION AND PURCHASE PRICE ALLOCATION

Dollarstore segment's financials have been included in Tokmanni Group financials starting from 1 August 2023. Dollarstore segment consists of the Dollarstore and Big Dollar stores. Based on final calculations, the impact of Dollarstore purchase price allocation on Tokmanni Group figures was the following: The fair valuation of Dollarstore immaterial rights and owned assets added 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 of inventory was 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 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 as well as other non-recurring expenses such as costs related to damages.

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	10-12/ 2024	10-12/ 2023	1-12/ 2024	1-12/ 2023
Gross profit	178.0	169.5	596.4	486.9
Changes in fair value of currency derivatives	-1.0	0.6	-1.0	-0.3
Non-recurring expenses, other	0.3		0.3	
Change in the fair value of inventory related to purchase price allocation	0.0	1.9	0.5	2.9
Comparable Gross Profit	177.3	172.0	596.2	489.5
Operating expenses	-100.2	-96.5	-374.1	-301.2
Non-recurring expenses, other	0.2		0.2	
Non-recurring expenses related to business acquisitions	0.1	0.3	0.1	3.1
Comparable operating expenses	-99.8	-96.2	-373.7	-298.1
EBITDA	80.0	74.4	227.2	189.9
Operating profit (EBIT)	47.8	43.4	99.6	93.0
Changes in fair value of currency derivatives	-1.0	0.6	-1.0	-0.3
Non-recurring expenses, other	0.5		0.5	
Non-recurring expenses related to business acquisitions	0.1	0.3	0.1	3.1
Change in the fair value of inventory related to purchase price allocation	0.0	1.9	0.5	2.9
Comparable EBITDA	79.7	77.2	227.4	195.6
Comparable operating profit (adj. EBIT)	47.5	46.2	99.7	98.8

MARKET DEVELOPMENT

Tokmanni Group continuously monitors market developments and the competitive landscape in the Nordics and actively develops its own business to maintain its competitive advantages. Tokmanni Group's view is that retailers that are able to offer lower prices for products and multichannel service than other operators will be most successful in the current increasingly competitive market environment.

The retail market is in the process of a structural and digital transformation. In terms of the structural transformation, consolidation into larger companies and the internationalisation of local companies continued in 2024.

In terms of the digital transformation, digital business grew on many fronts. Loyalty programmes and mobile solutions gained more active users. Successful retailers collect and analyse customer data to improve their services, personalise their offers and create better customer experiences. There were also signs of a recovery in the growth of e-commerce. The importance of AI-based solutions in business started to increase in 2024 and the trend is expected to continue in the coming years.

The key factors in the market environment that affected Tokmanni Group's business in 2024 were weak consumer purchasing power, geopolitical uncertainty and cold weather that continued well into the spring. Price continued to be the key driver in customers' purchasing decisions, which was reflected as fewer products in the shopping basket and a greater emphasis on promotional products and grocery products. In addition, supply chain challenges and disruptions have highlighted the need for operational flexibility and the development of supply chains in recent years.

COMPETITIVE LANDSCAPE

Competition is fierce in the discount retail market and operators seek to differentiate themselves by offering for example the best value for money, a wide assortment and attractive offers. Consumers' price awareness and the desire to find products with an attractive price-quality ratio are driving the industry to continuously improve business and cost-efficiency.

Tokmanni Group's main competitors in the variety discount retail market are, above all, hypermarkets and many local variety discount retailers, international variety discount retailers, online stores and specialty discount retailers. Hypermarkets carry a large product assortment, from fresh foods to non-food products. Variety discount retailers, with their low prices and wide assortments in selected product categories, offer an alternative to hypermarkets and speciality stores. Specialty discount retailers with affordable prices and a strong assortment of private label goods offer a comprehensive assortment in individual product categories.

The competitive advantages of the Tokmanni store chain compared to other operators are, in particular, low prices, an interesting and distinctive product range and a remarkably wide assortment of products from different product categories combined with a nationwide network of stores, an online store and customer service. The competitive advantages of the Dollarstore and Big Dollar store chains compared to other operators are, in particular, low prices, products' low-price points, an interesting and distinctive product range and a wide assortment of products from different product categories combined with a nationwide network of stores.

According to the statistics of the Finnish Grocery Trade Association FGTA (<http://www.pty.fi>), the total sales of department store and hypermarket chains in Finland increased by 2.9% in the fourth quarter of 2024. According to the statistics of the FGTA, the total sales of department store and hypermarket chains grew by 2.1% in 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 in Sweden increased by 4.3% in total in the fourth quarter of 2024. Sales in brick-and-mortar stores increased by 4.3% and online sales by 3.5%. In 2024, the Food Retail Index in Sweden grew by 4.1% overall. Sales in brick-and-mortar stores increased by 4.0% and online sales by 4.9%. 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 store chain.

TOKMANNI GROUP'S STORE NETWORK

At the end of December 2024, Tokmanni Group had a total of 380 stores (31 December 2023: 372). In Finland, Tokmanni Group had 204 Tokmanni stores, total 35 of Click Shoes and Shoe House stores and 1 Miny store. In Sweden, Tokmanni Group had 133 Dollarstore stores, and in Denmark, 7 Big Dollar stores.

Tokmanni Group stores	31.12.2024	31.12.2023
Tokmanni segment	240	238
Tokmanni	204	201
Click Shoes and Shoe House	35	31
Miny	1	6
Dollarstore segment	140	134
Dollarstore	133	130
Big Dollar	7	4
Total	380	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 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 segment's financials have been included in Tokmanni Group financials starting from 1 August 2023. Due to Dollarstore segment's unusual accounting period and lack of IFRS financial statement reporting, Tokmanni Group does not publish figures for Dollarstore segment'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	10–12/2024	10–12/2023	Change %	1–12/2024	1–12/2023	Change %
Tokmanni	365.5	351.5	4.0	1,233.7	1,208.6	2.1
Dollarstore*	132.4	119.8	10.5	442.4	184.1	140.3
Group functions and eliminations	-0.9	-0.1		-1.1	-0.1	
Total	496.9	471.2	5.5	1,675.0	1,392.7	20.3

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

October–December 2024

In the fourth quarter, Tokmanni Group's revenue grew by 5.5% (39.0%) to EUR 496.9 million (471.2). Sales of Tokmanni Group's grocery products grew by 6.1% (5.5%) compared to the corresponding period of the previous year. The proportion of grocery sales was 50.0% (49.7%) of total sales. The grocery figures include Dollarstore segment's sales from the comparison period.

Tokmanni Group's like-for-like revenue grew by 3.6% (1.0%). The like-for-like change in percentage is calculated in local currencies, and the comparison period includes Dollarstore segment's figures.

Tokmanni Group's like-for-like customer visits in stores increased by 5.3% (-1.6%), and the total number of customers grew by 6.8% (0.5%) compared to the corresponding period of the previous year. The like-for-like average basket size decreased by 1.6% to EUR 20.58 (20.92).

The brands managed by the Tokmanni Group (private label products, exclusive brands and non-branded products) represented 26.8% (28.3%) of fourth quarter sales.

January–December 2024

In 2024, Tokmanni Group's revenue increased by 20.3% (19.2%) and were EUR 1,675.0 (1,392.7) million. Sales of Tokmanni Group's grocery products grew by 4.3% (5.0%) compared to the corresponding period of the previous year. The proportion of grocery sales was 53.1% (52.4%) of total sales. The grocery figures include Dollarstore segment's sales from the comparison period.

Tokmanni Group's like-for-like revenue grew by 1.0% (1.1%). The like-for-like percentage change is calculated in local currencies, and the comparison period includes Dollarstore segment's figures.

Tokmanni Group's like-for-like customer visits in stores increased by 1.3% (-1.3%), and the total number of customers grew by 2.8% (0.7%) year-on-year. The like-for-like average basket size decreased by 0.3% to EUR 19.68 (19.74).

The brands managed by the Tokmanni Group (private label products, exclusive brands and non-branded products) represented 25.3% (26.3%) of sales.

Profitability

Comparable EBIT, MEUR	10–12/2024	10–12/2023	Change %	1–12/2024	1–12/2023	Change %
Tokmanni	37.0	36.1	2.5	86.9	87.8	-1.0
Dollarstore*	11.4	10.7	6.0	15.9	12.6	26.5
Group functions and eliminations	-0.9	-0.6	50.4	-3.1	-1.6	97.1
Total	47.5	46.2	2.7	99.7	98.8	0.9

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

October–December 2024

In the fourth quarter, Tokmanni Group's gross profit amounted to EUR 178.0 million (169.5), and the gross margin was 35.8% (36.0%). Comparable gross profit was EUR 177.3 million (172.0), corresponding to a comparable gross margin of 35.7% (36.5). The decrease in the gross margin was particularly driven by growth in sales of promotional products and groceries.

Tokmanni Group's operating expenses grew moderately in the fourth quarter. Operating expenses were EUR 100.2 million (96.5), or 20.2% of revenue (20.5%). Personnel expenses represented EUR 58.6 million (57.0), or 11.8% of revenue (12.1%). Comparable operating expenses were EUR 99.8 million (96.2), or 20.1% of revenue (20.4%).

The Group's EBITDA in the fourth quarter totalled EUR 80.0 million (74.4), corresponding to an EBITDA margin of 16.1% (15.8%). Comparable EBITDA totalled EUR 79.7 million (77.2), and the comparable EBITDA margin was 16.0% (16.4%).

Tokmanni Group's depreciation amounted to EUR 32.2 million (30.9). The growth mainly reflected the impact of IFRS 16 on acquisitions and the growth of the store network. Depreciation excluding depreciation of tangible and intangible assets (PPA) arising from the acquisitions amounted to EUR 31.5 million (30.2). EUR 0.7 million (0.8) was recognised for depreciation of tangible and intangible assets (PPA) arising in the acquisitions.

The Group's EBIT in the fourth quarter totalled EUR 47.8 million (43.4), corresponding to an EBIT margin of 9.6% (9.2%). Comparable EBIT was EUR 47.5 million (46.2), and the comparable EBIT margin was 9.6% (9.8%). The increase in operating expenses reduced the EBIT.

Tokmanni Group's net financial expenses totalled EUR 11.4 million (10.4). The result before taxes was EUR 36.4 million (33.1). Taxes for the period amounted to EUR 7.3 million (7.0). The net result was EUR 29.1 million (26.1).

Diluted earnings per share were EUR 0.50 (0.44).

January–December 2024

In 2024, Tokmanni Group's gross profit amounted to EUR 596.4 million (486.9), and the gross margin was 35.6% (35.0%). Comparable gross profit was EUR 596.2 million (489.5), corresponding to a comparable gross margin of 35.6% (35.2%). The increase in the Group's gross profit for 2024 was driven above all by the Dollarstore segment's gross profit.

Tokmanni Group's operating expenses were EUR 374.1 million (301.2), or 22.3% of revenue (21.6%). 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 were EUR 224.1 million (174.4) of total

operating expenses, or 13.4% of revenue (12.5%). Comparable operating expenses were EUR 373.7 million (298.1), or 22.3% of revenue (21.4%).

The Group's EBITDA for 2024 amounted to EUR 227.2 million (189.9), corresponding to an EBITDA margin of 13.6% (13.6%). Comparable EBITDA totalled EUR 227.4 million (195.6), and the comparable EBITDA margin was 13.6% (14.0%).

Tokmanni Group's depreciation amounted to EUR 127.6 million (96.8). The growth mainly reflected the impact of IFRS 16 on acquisitions and the growth of the store network. Depreciation excluding depreciation of tangible and intangible assets (PPA) arising from the acquisitions amounted to EUR 124.7 million (95.4). EUR 2.9 million (1.4) was recognised for depreciation of tangible and intangible assets (PPA) arising in the acquisitions.

The Group's EBIT in 2024 was EUR 99.6 million (93.0), corresponding to an EBIT margin of 5.9% (6.7%). Comparable EBIT was EUR 99.7 million (98.8), and the comparable EBIT margin was 6.0% (7.1%). The increase in operating expenses reduced the EBIT.

Tokmanni Group's net financial expenses totalled EUR 38.8 million (24.7). The result before taxes was EUR 60.7 million (68.4). Taxes for the period amounted to EUR 12.3 million (14.4). The net result for 2024 was EUR 48.4 million (54.0). 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 0.82 (0.92). The return on capital employed was 9.7% (11.2%). The return on equity was 19.5% (22.2%).

Balance sheet, financing and cash flow

At the end of 2024, Tokmanni Group's inventories amounted to EUR 428.4 million (342.9). At the end of the year, Tokmanni segment's inventories amounted to EUR 298.9 million (248.8) and Dollarstore segment's inventories amounted to EUR 129.5 million (94.1).

Consolidated cash flow from operating activities amounted to EUR 76.5 million (116.5) in the fourth quarter of 2024. Cash flow amounted to EUR 89.1 million (220.2) in January–December. The decrease in the cash flow from operating activities was affected especially by the change in the value of inventories year-on-year.

In December 2024, Tokmanni Group Corporation signed a new EUR 325 million financing agreement. The new financing package replaced the financing facility signed in 2021 and the additional loan drawn in 2023 for the acquisition of Dollarstore. The maturity of the new financing is three years with two one-year extension options. The financing package includes a EUR 250 million bank loan and a EUR 75 million revolving credit facility (RCF), which will be used to repay existing loans and for the Group's general financing needs. The margin of the financial package is linked to the Tokmanni Group's gearing ratio (net debt / rolling 12-month comparable EBITDA).

At the end of 2024, Tokmanni Group had a total of EUR 226.0 million (216.0) available in credit facilities, consisting of loan agreements with credit institutions and a commercial paper programme. Cash and cash equivalents amounted to EUR 15.9 million (133.7) at the end of 2024, and the company's financial position is solid.

At the end of 2024, Tokmanni Group's interest-bearing debt totalled EUR 832.2 million (864.1), including EUR 230.0 million (245.0) in non-current loans from credit institutions, excluding accrued issue expenses, and EUR 42.0 million (55.0) in current loans from credit institutions and commercial paper programme. The remainder of the liabilities mainly consist of lease agreement liabilities reported under IFRS 16. The Group's net debt excluding lease liabilities amounted to EUR 255.3 million (165.3).

Tokmanni Group's ratio of net debt to comparable EBITDA excluding the impact of IFRS 16 was 2.39 at the end of 2024 (1.56). 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.

The Tokmanni Group's equity ratio was 19.1% (18.8%) at the end of 2024.

Capital expenditure

Tokmanni Group's capital expenditure in the fourth quarter of 2024 totalled EUR 13.8 million (17.5). Capital expenditure was related to the expansion, development and maintenance of the store network, as well as the development of digital services.

Capital expenditure for the year 2024 totalled EUR 39.4 million (238.7). Investments in the comparative period included the acquisitions of Dollarstore, Click Shoes and Shoe House, and the construction of the Moreeni logistics centre and road connection to Moreeni.

TOKMANNI SEGMENT

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

	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Revenue, MEUR	365.5	351.5	1,233.7	1,208.6
Like-for-like revenue, %	2.4	0.6	0.3	0.7
Comparable gross profit, MEUR	126.6	122.6	428.4	415.5
Comparable gross profit, %	34.6	34.9	34.7	34.4
Comparable EBIT, MEUR	37.0	36.1	86.9	87.8
Comparable EBIT, %	10.1	10.3	7.0	7.3
Return on capital employed, %, rolling 12 months			12.0	12.5
Inventories at the end of period, MEUR			298.9	248.8
Capital expenditure, MEUR	11.1	15.7	32.6	236.5
Personnel on average in the period (FTE)	3,198	3,036	3,293	3,160
Number of stores at the end of period			240	238

Revenue

October–December 2024

In the fourth quarter, Tokmanni segment's revenue grew by 4.0% (3.7%) to EUR 365.5 million (351.5). The biggest increases were in the toy, home electronics and home improvement departments, for example. On the other hand, customers purchased fewer products from the leisure and Miny departments compared to the corresponding period of the previous year. Sales of grocery products grew by 4.7% (4.8%). The proportion of grocery sales was 49.8% (49.2%) of Tokmanni segment's total sales.

The proportion of Tokmanni segment's B2B sales was 3.2% of revenue (3.1%). Revenue from B2B sales grew by 8.7% (-11.7%). Tokmanni's online sales accounted for 2.0% of revenue (1.9%). Revenue generated by the online store grew by 12.6% (15.1%).

Tokmanni segment's like-for-like revenue increased by 2.4% (0.6%). Like-for-like customer visits in stores grew by 5.0% (-1.1%), and the total number of customers grew by 5.5% (0.5%). The like-for-like average basket size decreased by 2.5% to EUR 22.52 (23.10).

Direct imports accounted for 30.5% of Tokmanni segment's sales (30.8%). These can be broken down into products purchased using the sourcing company in Shanghai, China, which accounted for 23.1% (22.7%), and other direct imports, which accounted for 7.4% (8.1%).

January–December 2024

Tokmanni segment's full-year revenue for 2024 grew by 2.1% (3.5%) to EUR 1,233.7 million (1,208.6). The biggest growth was in sales in departments such as toys and home electronics. On the other hand, customers purchased fewer products from the leisure and Miny departments than in the corresponding period a year earlier. Sales of grocery products grew by 3.4% (4.1%). The proportion of grocery sales was 52.3% (51.5%) of Tokmanni segment's total sales.

The proportion of Tokmanni segment's B2B sales was 3.2% of revenue (3.1%). Revenue from B2B sales grew by 5.3% (-6.5%). Tokmanni's online sales accounted for 1.6% of revenue (1.6%). Revenue generated by the online store grew by 2.9% (-1.5%).

Tokmanni segment's like-for-like revenue increased by 0.3% (0.7%). Like-for-like customer visits in stores grew by 1.7% (-1.3%), and the total number of customers grew by 2.6% (0.5%). The like-for-like average basket size decreased by 1.4% to EUR 21.43 (21.73).

Direct imports accounted for 27.0% of Tokmanni segment's sales (27.7%). These can be broken down into products purchased by the sourcing company in Shanghai, which accounted for 20.9% (21.5%), and other direct imports, which accounted for 6.0% (6.2%).

Profitability

October–December 2024

In the fourth quarter, Tokmanni segment's gross profit amounted to EUR 127.5 million (121.7), and the gross margin was 34.9% (34.6%). Comparable gross profit was EUR 126.6 million (122.6), corresponding to a comparable gross margin of 34.6% (34.9%).

Tokmanni segment's operating expenses in the fourth quarter totalled EUR 70.3 million (68.1), or 19.2% of revenue (19.4%). The increase was driven by higher marketing and personnel expenses. Personnel expenses were EUR 39.8 million (38.1) of total operating expenses, or 10.9% of revenue (10.8%). Comparable operating expenses were EUR 70.2 million (67.8), or 19.2% of revenue (19.3%).

Tokmanni segment's EBITDA in the fourth quarter totalled EUR 58.3 million (54.9), which corresponds to an EBITDA margin of 15.9% (15.6%). Comparable EBITDA totalled EUR 57.4 million (56.1), and the comparable EBITDA margin was 15.7% (16.0%).

Tokmanni segment's EBIT in the fourth quarter totalled EUR 37.8 million (34.9), corresponding to an EBIT margin of 10.3% (9.9%). Comparable EBIT was EUR 37.0 million (36.1), and the comparable EBIT margin was 10.1% (10.3%).

Tokmanni segment's capital expenditure in October–December totalled EUR 11.1 million (15.7).

January–December 2024

In 2024, Tokmanni segment's gross profit amounted to EUR 429.4 million (415.5), and the gross margin was 34.8% (34.4%). Comparable gross profit was EUR 428.4 million (415.5), corresponding to a comparable gross margin of 34.7% (34.4%).

Tokmanni segment's operating expenses were EUR 263.9 million (255.8), or 21.4% of revenue (21.2%). The increase was driven by personnel expenses and higher marketing and IT expenses. Personnel expenses were EUR 151.1 million (144.1) of total operating expenses, or 12.3% of revenue (11.9%). Comparable operating expenses were EUR 263.8 million (252.7), or 21.4% of revenue (20.9%).

Tokmanni segment's EBITDA for 2024 amounted to EUR 169.2 million (163.9), which corresponds to an EBITDA margin of 13.7% (13.6%). Comparable EBITDA totalled EUR 168.3 million (167.0), and the comparable EBITDA margin was 13.6% (13.8%).

Tokmanni segment's EBIT in 2024 was EUR 87.8 million (84.7), which corresponds to an EBIT margin of 7.1% (7.0%). Comparable EBIT was EUR 86.9 million (87.8), and the comparable EBIT margin was 7.0% (7.3%).

Tokmanni segment's capital expenditure in January–December totalled EUR 32.6 million (236.5).

DOLLARSTORE SEGMENT

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

	10–12/2024	10–12/2023	1–12/2024	8–12/2023
Revenue, MEUR	132.4	119.8	442.4	184.1
Like-for-like revenue, %	7.3	2.1	3.2	3.8
Comparable gross profit, MEUR	51.5	49.5	168.6	74.1
Comparable gross profit, %	38.9	41.3	38.1	40.2
Comparable EBIT, MEUR	11.4	10.7	15.9	12.6
Comparable EBIT, %	8.6	9.0	3.6	6.8
Return on capital employed, %, rolling 12 months *			4.1	*
Inventories at the end of period, MEUR			129.5	94.1
Capital expenditure, MEUR	2.6	1.8	6.8	2.2
Personnel on average in the period (FTE)	1,356	1,271	1,309	*
Number of stores at the end of period			140	134

* Not countable

Revenue**October–December 2024**

Dollarstore segment's revenue for the fourth quarter of 2024 was EUR 132.4 million (119.8). In local currencies, revenue grew by 11.0% (5.2%) compared to the corresponding period of the previous year. Sales of, for example, various household products and storage and home decoration products grew the most. On the other hand, the sales of furniture, for example, decreased from the previous year. Sales of grocery products grew by 10.3% (7.5%) compared to the corresponding period of the previous year in local currencies. The proportion of grocery sales was 50.7% (51.0%) of Dollarstore segment's total sales.

Dollarstore segment's like-for-like revenue increased by 7.3% (2.1%) in local currencies. Like-for-like customer visits in stores grew by 6.0% (-2.6%), and the total number of customers grew by 9.5% (0.3%) year-on-year. The like-for-like average basket size increased by 1.2% to EUR 16.58 (16.38).

January–December 2024

In 2024, Dollarstore segment's revenue was EUR 442.4 million (August–December 184.1). In local currencies, revenue grew by 6.1% (7.5%) compared to the corresponding period of the previous year. Sales of products related to, for example, home storage, Christmas and personal hygiene grew the most. On the other hand, the sales of furniture, for example, decreased from the previous year. Sales of grocery products grew by 6.8% (10.6%) compared to the corresponding period of the previous year in local currencies. The proportion of grocery sales was 55.4% (55.0%) of Dollarstore segment's total sales.

Dollarstore segment's like-for-like revenue increased by 3.2% (3.8%) in local currencies. Like-for-like customer visits in stores grew by 0.6% (-1.5%), and the total number of customers grew by 3.1% (1.9%) year-on-year. The like-for-like average basket size increased by 2.6% to EUR 16.00 (15.59).

Profitability

October–December 2024

In the fourth quarter, Dollarstore segment's gross profit amounted to EUR 51.2 million (47.8), and the gross margin was 38.7% (39.9%). Comparable gross profit was EUR 51.5 million (49.5), corresponding to a comparable gross margin of 38.9% (41.3%).

Dollarstore segment's operating expenses for the quarter totalled EUR 29.7 million (27.9), or 22.5% of revenue (23.3%). Comparable operating expenses were EUR 29.5 million (27.9), or 22.3% of revenue (23.3%). Personnel expenses were EUR 18.3 million (18.5) of total operating expenses, or 13.9% of revenue (15.5%).

Dollarstore segment's EBITDA in the fourth quarter totalled EUR 22.6 (20.0) million, which corresponds to an EBITDA margin of 17.1% (16.7%). Comparable EBITDA totalled EUR 23.1 million (21.6), and the comparable EBITDA margin was 17.5% (18.1%).

Dollarstore segment's EBIT in the fourth quarter totalled EUR 10.8 million (9.1), corresponding to an EBIT margin of 8.2% (7.6%). Comparable EBIT was EUR 11.4 million (10.7), and the comparable EBIT margin was 8.6% (9.0%).

Dollarstore segment's capital expenditure in October–December totalled EUR 2.6 million (1.8).

January–December 2024

In 2024, Dollarstore segment's gross profit amounted to EUR 167.8 million (August–December 71.4), and the gross margin was 37.9% (38.8%). Comparable gross profit was EUR 168.6 million (74.1), corresponding to a comparable gross margin of 38.1% (40.2%).

Dollarstore segment's operating expenses were EUR 107.9 million (44.0), or 24.4% of revenue (23.9%). Comparable operating expenses were EUR 107.7 million (44.0), or 24.3% of revenue (23.9%). Personnel expenses were EUR 70.9 million (29.3) of total operating expenses, or 16.0% of revenue (15.9%).

Dollarstore segment's EBITDA was EUR 61.1 million (27.6), which corresponds to an EBITDA margin of 13.8% (15.0%). Comparable EBITDA totalled EUR 62.2 million (30.2), and the comparable EBITDA margin was 14.1% (16.4%).

Dollarstore segment's EBIT totalled EUR 14.8 million (9.9), corresponding to an EBIT margin of 3.4% (5.4%). Comparable EBIT was EUR 15.9 million (12.6), and the comparable EBIT margin was 3.6% (6.8%).

Dollarstore segment's capital expenditure totalled EUR 6.8 million (2.2).

TOKMANNI GROUP'S LONG-TERM FINANCIAL TARGETS AND ACHIEVEMENTS

In February 2024, Tokmanni Group updated its strategy for the years 2021 to 2025.

The targets of Tokmanni Group's strategic period 2021–2025 and achievements in 2024

	Previous target	Updated target, February 2024	Achievement in 2024
Revenue in 2025	EUR 1.5 billion	EUR 1.8 billion	EUR 1,675.0 million
Comparable EBIT in 2025	EUR 150 million	EUR 150 million	EUR 99.7 million
Store network at the of 2025	Over 220 stores in Finland	Over 360 stores in Nordics*	344 stores in Nordics*
Net debt / comparable EBITDA	Less than 3.2 (incl. IFRS 16 impact)	Less than 2.25 at year-end (excl. IFRS 16 impact)	2.39 (excl. IFRS 16 impact)
Dividend**	About 70% of net result for the financial year	About 70% of net result for the financial year	83% of net result for the financial year 2023 (Board's proposal to AGM)

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

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

PERSONNEL

Personnel	10–12/2024	10–12/2023	1–12/2024	1–12/2023
In the end of period			6,613	6,206
Finland			4,488	4,301
Sweden			2,016	1,844
Denmark			109	61
Personnel on average (FTE)	4,564	4,313	4,611	3,164
Finland	3,208	3,042	3,302	3,164
Sweden	1,299	1,221	1,262	*
Denmark	57	50	47	*

* Not countable

Executive Team

On 31 December 2024, Tokmanni's Executive Team included the following persons:

- Mika Rautiainen, President and CEO, member of the Executive Group since 1 June 2018
- Tapio Arimo, CFO and CIO, member of the Executive Group since 15 November 2022 and Deputy CEO since 23 November 2022
- Timo Heimo, Vice President, Sales and Supply Chain, member of the Executive Group since 1 December 2018
- Sirpa Huuskonen, Vice President, People, Culture and Sustainability, member of the Executive Group since 1 May 2016
- Harri Koponen, Vice President, Store Network and Concept, member of the Executive Group since 1 February 2018
- Virpi Ojanen, Chief Legal Counsel, member of the Executive Group since 16 December 2024
- Janne Pihkala, Vice President, Strategy and Business Development, member of the Executive Group since 1 April 2018
- Juha Valtonen, Vice President, Sourcing, member of the Executive Group since 1 August 2020
- Veli-Pekka Ääri, Vice President, Marketing, Communications and eCommerce, member of the Executive Group since 1 October 2021

Tokmanni Group made changes in its Executive Team in January 2025 to drive Group's international growth. More information on Tokmanni Group's governance is available on the company's website

<https://ir.tokmanni.fi/en/investors/corporate-governance/executive-group>.

SUSTAINABILITY

Tokmanni Group is preparing its Sustainability Statement for 2024 in accordance with the principles of the EU Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS). The Sustainability Statement is part of the Report by the Board of Directors of Tokmanni Group Corporation, which will be published together with the financial statements on 11 April 2025.

SHARES AND SHAREHOLDERS

Tokmanni Group Corporation's share capital amounted to EUR 80,000 on 31 December 2024. The Group had 58,868,752 shares outstanding at the end of December 2024. During January–December 2024, a total of 23,807,619 Tokmanni shares were traded on the Nasdaq Helsinki for a total price of EUR 302.2 million. The final trade in Tokmanni shares on the Nasdaq Helsinki was executed at a price of EUR 12.11 on 31 December 2024. The highest quote for the share was EUR 16.02 and the lowest was EUR 9.94. The volume-weighted average price of the share was EUR 12.69. At the end of December 2024, the market value of the shares was EUR 712.9 million (860.7).

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–December 2024, a total of 24,935 of Tokmanni Group Corporation's own shares were conveyed without consideration to the employees participating in the incentive program under the terms and conditions of the plans. During 2024, 506 own shares were returned to Tokmanni Group Corporation. At the end of December 2024, Tokmanni Group Corporation held a total of 18,609 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 December 2024, Tokmanni had 49,353 registered shareholders. At the end of the year 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 2.96%, Evli Fund with 2.50% and Elo Mutual Pension Insurance Company with 1.45% ownership.

Financial and insurance institutions held 29.19% of the shares, while households held 29.27%, non-financial corporations held 25.83%, public-sector entities held 9.18%, and non-profit organisations held 3.01%. Direct foreign ownership accounted for 3.53%. 22.41% of shares were nominee registered.

The combined holding of Tokmanni Group's Board of Directors, the President and CEO and the Deputy CEO as well as the other members of the Executive Group in the shares issued by the company was 0.76% at the end of 2024.

Shareholding of the Board of Directors on 31 December 2024

	Shares
Mikko Bergman*	1,959
Erkki Järvinen	6,646
Ulla Serlenius	4,284
Seppo Saastamoinen**	216,821
Harri Sivula	216,533
Eja Tuominen	0
Total	446,243

* Mikko Bergman is Sompa Capital Oy's Board Member. Sompa Capital Oy owned 50,000 Tokmanni Group Corporation's shares, or 0.08% Tokmanni Group Corporation's shares on 31 December 2024.

** Seppo Saastamoinen is one of the founders of Takoa Invest Oy, Chairman of the Board and CEO. Takoa Invest Oy owned 11,003,349 shares, or 18.69% of Tokmanni Corporation's shares on 31 December 2024. In addition, Jukka Saastamoinen Oy owned 274,000 shares, or 0.47% of Tokmanni Corporation's shares. Seppo Saastamoinen owned 30% of Jukka Saastamoinen Oy's shares (25.58% from votes).

Shareholding of the Executive Group on 31 December 2024

	Shares
Tapio Arimo	10,520
Timo Heimo	49,489
Sirpa Huuskonen	23,062
Harri Koponen	41,260
Janne Pihkala	30,000
Virpi Ojanen	0
Mika Rautiainen	184,732
Juha Valtonen	33,924
Veli-Pekka Ääri	12,486
Total	385,473

More information on Tokmanni Group's shares and shareholders, as well as management's holdings, can be found on the company's website <https://ir.tokmanni.fi/en/investors/share-and-shareholders/management-shareholding>.

GOVERNANCE

Governance at Tokmanni Group Corporation is based on the Articles of Association approved by the General Meeting of Shareholders, the Finnish Limited Liability Companies Act and the rules and regulations by Nasdaq Helsinki Ltd. regarding listed companies. Tokmanni Group Corporation complies with the Finnish Corporate Governance Code for listed companies issued by the Securities Market Association.

Decisions taken by the Annual General Meeting

Tokmanni Group Corporation's Annual General Meeting was held on Tuesday 23 April 2024 at Tokmanni's administration and logistics centre at the address Isolammintie 1, 04600 Mäntsälä, Finland.

The Annual General Meeting was in favour of all proposals submitted and adopted the financial statements 2023.

Use of the profit shown on the balance sheet and the payment of dividends

The dividend was confirmed as a maximum of EUR 0.76 per share, as proposed by the Board of Directors. Of this amount, EUR 0.38 was paid to shareholders who were registered in the shareholder register maintained by Euroclear Finland Ltd on the record date of 25 April 2024. The dividend payment date was 8 May 2024. In addition, as authorised by the Annual General Meeting, the Board of Directors decided on the payment of the second instalment of the dividend. The second instalment of the dividend was EUR 0.38 per share. It was paid on 28 November 2024 to shareholders who were registered in the shareholder register maintained by Euroclear Finland Ltd on the record date of 20 November 2024.

Discharge from liability

The Annual General Meeting discharged the Board members and the President and CEO from liability for the financial year 1 January–31 December 2023.

Remuneration Report for governing bodies

The Annual General Meeting approved Tokmanni Group's Remuneration Report for Governing Bodies for 2023. The resolution concerning the Remuneration Report is advisory in nature.

Remuneration policy for governing bodies

The Annual General Meeting approved Tokmanni Group's Remuneration Policy for Governing Bodies. The resolution concerning the Remuneration Policy is advisory in nature.

Fees of the members of the Board of Directors

The General Meeting confirmed the following Board of Directors' annual compensation:

- The Chairman of the Board will be paid an annual fee of EUR 70,000;
- The Vice Chairman of the Board will be paid an annual fee of EUR 47,000; and
- Each Board Member will be paid an annual fee of EUR 33,000.

In addition, the Chairman and the members of the Board of Directors will be paid an attendance fee for each meeting of the Board of Directors as follows:

- EUR 1,000 for members whose place of residence is in Finland;
- EUR 2,000 for members whose place of residence is in another European country; and
- EUR 3,000 for members whose place of residence is outside Europe.

The Chairman of the Finance and Audit Committee and the Chairman of the Sustainability and Personnel Committee will additionally be paid a monthly fee of EUR 1,000.

The Board Members' annual fee will be paid in company shares and in cash. Around 40 per cent of the annual fee will be used to purchase company shares for the Board Member, and the rest of the annual fee will be paid in cash. The company will be responsible for the expenses and transfer tax arising from the acquisition of shares. Board Members may not transfer shares acquired for them until three years have passed from the date of acquisition or before their retirement from the Board, depending on which comes earlier.

The meeting fees of the Board Members and the fees of the Chairman of the Finance and Audit Committee and the Chairman of the Sustainability and People Committee are paid in cash.

The number of Board members

The Annual General Meeting approved that the number of Board Members remain the same, at six.

Members of the Board of Directors

The Annual General Meeting approved that the following persons be elected as members of the Board of Directors for a one-year term in accordance with the Articles of Association, beginning at the close of the Annual General Meeting 2024 and ending at the close of the Annual General Meeting 2025: Seppo Saastamoinen, Harri Sivula, Erkki Järvinen, Ulla Serlenius, Mikko Bergman and Eja Tuominen. The Annual General Meeting elected Seppo Saastamoinen as the Chairman of the Board of Directors.

Auditor

The Annual General Meeting resolved that the Auditor will be paid a fee in accordance with a reasonable invoice. The Annual General Meeting re-elected the firm of auditors PricewaterhouseCoopers Oy as the company's Auditor. The principal Auditor designated is APA Ylva Eriksson.

Sustainability Auditor

The Annual General Meeting resolved that the elected Sustainability Auditor will be paid a fee and compensation for expenses according to a reasonable invoice. The Annual General Meeting elected the authorised sustainability audit firm PricewaterhouseCoopers Oy as the Sustainability Auditor. The key Sustainability Auditor designated is Authorized Sustainability Auditor Ylva Eriksson.

Amendments to the Articles of Association

The Annual General Meeting resolved to amend the company's Articles of Association as proposed by the Board of Directors. A new § 9 on Sustainability Auditor was added to the articles of association and other required updates related to the addition were made.

Repurchase and/or acceptance as pledge of the company's own shares

The Annual General Meeting resolved to authorise the Board to decide on the repurchase and/or acceptance as pledge a maximum of 2,940,000 of the company's own shares using the company's unrestricted equity, corresponding to around 5 per cent of the company's total number of shares at the time of publishing the Notice of the Annual General Meeting. The repurchase can take place in one or more tranches.

The company may repurchase the shares to execute its incentive scheme, corporate acquisitions or other business arrangements, or investments related to the company's operations, to improve its capital structure, or to be otherwise further transferred, retained by the company or cancelled.

The authorisation includes the right for the Board of Directors to decide on all other matters related to the repurchase and/or the acceptance as pledge of shares. The authorisation will be effective until the Annual General Meeting to be held in 2025, but no longer than until 30 June 2025.

Issue of shares as well as the issue of options and other special rights entitling to shares

The Annual General Meeting resolved to authorise the Board to decide on assigning a maximum of 2,940,000 new shares or shares held by the company in one or more tranches through a share issue and/or by issuing options or other special rights entitling to shares as referred to in chapter 10, section 1, of the Limited Liability Companies Act. 2,940,000 shares currently represent approximately 5 per cent of Tokmanni Group Corporation's total number of registered shares.

The authorisation will be used for the implementation of the company's incentive scheme or for the execution of any acquisitions or other arrangements or investments relating to the company's business or for other purposes subject to a decision by the Board of Directors.

The share issue may be without consideration only if the shares are issued for the implementation of the company's incentive scheme or to the company itself, subject to the provisions of the Limited Liability Companies Act on the maximum number of treasury shares.

The authorisation includes the right of the Board of Directors to decide on the terms and conditions of any share issue and any issue of special rights referred to in chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that of the shareholders' current shareholdings in the company under the conditions provided in law.

The authorisation will be effective until the Annual General Meeting to be held in 2025, but no longer than until 30 June 2025.

General Meeting minutes

The minutes of the Annual General Meeting are available on Tokmanni Group's website at <https://ir.tokmanni.fi/en/investors/corporate-governance/general-meeting/yhtiokokous2024>.

Decisions taken in the constitutive meeting of the Board of Directors

At its constitutive meeting following the Annual General Meeting, the Board resolved to elect Erkki Järvinen as Vice Chairman of the Board.

The Board resolved to elect as members of the Finance and Audit Committee: Erkki Järvinen, Mikko Bergman and Harri Sivula. Erkki Järvinen was elected as Chairman of the Finance and Audit Committee.

The Board also resolved to elect as members of the Sustainability and Personnel Committee: Ulla Serlenius, Eja Tuominen and Harri Sivula. Ulla Serlenius was elected as Chairman of the Sustainability and Personnel Committee.

RISK MANAGEMENT

Tokmanni Group Corporation's risk management is guided by the risk management policy approved by the Board of Directors of Tokmanni Group. The purpose of Tokmanni Group's risk management is to support the Group's values and strategy and the continuity of its business operations by identifying, measuring, managing, and monitoring any risks associated with its operations. The goal is to assess risks systematically to encourage thorough planning and decision-making.

In Tokmanni Group, risk management is a proactive and essential part of day-to-day management to assess and manage opportunities and threats related to business operations. The Executive Group of Tokmanni Group is responsible for the practical implementation of risk management. Risks are assessed regularly and managed comprehensively. The risks of Tokmanni Group Corporation are reviewed annually by the Finance and Audit Committee of Tokmanni Group's Board of Directors. The Chairman of the Finance and Audit Committee reports on risk management to the Board of Directors on a regular basis. The Board of Directors reports the key risks and factors of uncertainty to the markets in the Board of Directors' Report and communicates material changes to them in the Group's business review and half-year financial report.

Internal control is an essential part of Tokmanni Group's governance and management system. Tokmanni Group Corporation's Board of Directors, management and personnel participate in internal control. The purpose of internal control is to help ensure the achievement of the Group's goals. The Group's internal auditor is responsible for internal auditing. Administratively, the auditor reports to the Group's CFO. However, in matters related to internal auditing, the auditor reports to the Finance and Audit Committee. The purpose of internal auditing is to monitor and verify that the company's business operations are efficiently managed and profitable, that risk management is at an adequate level and that the external and internal reporting produced is accurate and appropriate.

In its external financial reporting, Tokmanni Group complies with the disclosure policy approved by the Group's Board of Directors. The company aims to produce and publish reliable information in a timely manner. The principle of the disclosure of information is to ensure that all market participants have equal, equitable and simultaneous access to information on Tokmanni Group's financial instruments, such as shares, to form the basis of price formation.

Description of the risks and uncertainties that are considered significant for Tokmanni Group

Economic fluctuation

Changes taking place in the global economy and the Finnish economy could raise the costs of transportation, components, energy and materials and potentially result in shortages in these. Prolonged high prices, shortages of components, problems in the distribution of electricity and disturbances in logistics chains could, for example, delay deliveries and otherwise weaken the availability of products as well as result in additional costs that we are unable to pass along fully to customer prices. Economic slumps typically have less of an impact on variety discount retailers than other retailers, but they do have a significant impact on demand, especially for higher-priced products.

Geopolitical changes and sourcing risks

There are direct and indirect risks involved in the uncertain global economic conditions and in geopolitical developments, including slower economic growth and potential unexpected political decisions. These factors may have an adverse effect on Tokmanni Group's business and on demand for the company's products. In

addition, China's changing environmental legislation and the impact of the country's political decisions on its economic development and legislation as well as political instability in other sourcing countries, such as Turkey, Bangladesh, Myanmar and Pakistan could increase sourcing prices or cause supply problems. Tokmanni Group's joint venture with Europris in Shanghai, China, acts as a sourcing channel for almost all goods from East Asia. The possible termination of the sourcing cooperation may result in additional costs for Tokmanni Group and increase the purchase prices of the products.

Competitor and market risk

Tokmanni Group's profitability and profit from operations as well as sales growth are dependent on the behaviour of consumers and competitors operating in the Nordic retail market. New international market forces and online stores are transforming the sector and its market dynamics, creating pressure in the market and they may further intensify competition in Tokmanni Group's main market area.

Inventory turnover and working capital management

Tokmanni Group aims to improve the management of working capital by developing the processes and tools used in sourcing and in supply chain and product category management. A failure by the Group to manage its working capital could have a negative effect on its financial position and profitability.

Data system and data security risks

Dependence on data systems, data traffic and external service providers has grown. The interconnectedness of networks, the outsourcing of services and online retail mean that companies are required to carry out more effective monitoring of data security. Prolonged disturbances in data systems, payment transmission or elsewhere in the supply chain, or other exceptional situations such as a cyber-attack, could paralyse the company's operations or halt the flow of goods within the entire Tokmanni Group, causing significant losses in sales and a weakening of customers' trust in the company.

Failure in the execution of strategic projects, as well as the competence and availability of personnel

The execution of Tokmanni Group's strategy and strategic transformation require new kinds of skills and competences from the personnel. In addition to organic growth, acquisitions are one possible way to achieve the Group's strategic and financial targets. Acquisitions involve risks, which are related to, for example, the successful integration of sustainability work and purchasing operations and employees. If this integration is unsuccessful, it can be more difficult to achieve the required level of sustainability and the financial targets. Tokmanni Group has created operating models and actively allocated Group-level resources to support the implementation of acquisitions and integration. External advisors are also used to assess potential acquisition targets and related transactions.

Risks of loss or damage

Accidents, natural disasters and pandemics, as well as restrictions on travel and transportation resulting from these, can result in significant damage to people, property and the business. Moreover, risks of loss or damage can cause delays and interruptions in business and imports that cannot be prevented in advance.

Environmental risks

Extreme weather conditions, such as hurricanes and floods, can affect Tokmanni Group's supply chain, for example, and suppliers' production and warehouse facilities. Increased awareness and concern about climate change and knowledge about more sustainable products may change customer purchasing behaviour.

Interest rate, foreign exchange and commodity risks

Tokmanni Group is exposed to foreign exchange risks through its sourcing and foreign operations. The Group has external debt and its interest costs fluctuate with changes in market interest rates. The Group also purchases significant amounts of electricity and heat, the prices of which vary depending on market conditions.

Reputation risk

The importance of different aspects of responsibility in product manufacturing and sourcing as well as fair and equal treatment of employees is increasingly emphasised by stakeholders. If Tokmanni Group fails, for example, in its supervision of product safety or in controlling responsibility in the supply chain, it could result in financial losses as well as an erosion or loss of customer trust. Any failure to implement responsibility perspectives could result in negative publicity for Tokmanni Group and impact its reputation.

Brand image and marketing risk

One of the cornerstones of Tokmanni Group's operations is a strong brand and perceived price image. Improving these requires successful marketing investments. If the marketing does not work as expected, Tokmanni Group's brand image may weaken, and Tokmanni Group's sales volumes and profitability may decline correspondingly.

Personnel risks

Widespread absences by employees in various employee groups (e.g. logistics, sales, customer service, management) may impact the company's business operations. If Tokmanni Group is unable to recruit qualified employees, the company's ability to operate may suffer. Failure to keep employees motivated and to provide them with continuous training to meet the growing demands of their work can undermine Tokmanni Group's operations. Strikes may also significantly hamper the Group's effective business operations and cause financial losses.

Destruction of or damage at the logistics centre

Tokmanni Group is dependent on the uninterrupted operation of its logistics centres. If a single logistics centre is destroyed or closed for any reason, or if its equipment is damaged to a significant extent, or if its operations are subjected to other disruptions, this may delay the distribution of products to stores according to timetable. Significant delays will lead to the loss of sales and to additional expenses.

EVENTS AFTER THE REVIEW PERIOD

On 14 January 2025, Tokmanni Oy announced that it had signed a licence agreement with SPAR International. The licence grants Tokmanni the exclusive right to sell SPAR products and use the SPAR brand in Finland. Tokmanni is an established variety discount retailer that benefits from SPAR International's economies of scale and expertise, particularly in grocery sales. More information on the signed licence agreement can be found in the press release <https://ir.tokmanni.fi/en/news-and-media/pr-story?itemid=A1950D4D46C143C0>.

Tokmanni Group Corporation's Shareholders' Nomination Board proposed to the Annual General Meeting on 22 January 2025 that the number of members on the Board of Directors remain the same, at six. The Nomination Board proposes that Seppo Saastamoinen, Erkki Järvinen, Ulla Serlenius, Mikko Bergman and Eja Tuominen will be re-elected as members of the company's Board of Directors, and Erja Hyrsky be elected as a new member of the Board. Current Board of Directors member Harri Sivula announced that he is no longer available to serve on the Board. More information on the Nomination Board's proposal can be

found in the following release: <https://ir.tokmanni.fi/en/news-and-media/pr-story?itemid=F0B07CCBDB84250C>.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company's distributable assets total EUR 219,486,237.94, of which profit for the period totalled EUR 41,585,172.74.

The Board of Directors proposes to the Annual General Meeting that a maximum dividend of EUR 0.68 per share, or a total of EUR 40,018,097.24, be distributed as dividend based in the adopted balance sheet for the financial year ended 31 December 2024. The Board of Directors proposes that the dividend be paid in two instalments.

The Board proposes that the first instalment of the dividend, EUR 0.34 per share, be paid to shareholders who are registered in the company's shareholder register maintained by Euroclear Finland, on the record date of the first dividend tranche, 9 May 2025. The Board proposes that the first dividend payment date be 21 May 2025.

In addition, the Board of Directors proposes that the 2025 Annual General Meeting authorise the Board of Directors to later decide, at its discretion, on the distribution of a maximum dividend of EUR 0.34 per share in one instalment in the fourth quarter. This authorisation would be valid until 31 December 2025. The company will announce any decision taken by the Board of Directors on the distribution of a dividend and, in connection with this, confirm the record date and payment date of the dividend. The dividend based on the authorisation will be paid to shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on the dividend record date.

ANNUAL GENERAL MEETING

The Board of Directors decided that Tokmanni Group's Annual General Meeting will be held on 7 May 2025 at 10 am. Tokmanni Group will publish a notice of the General Meeting on the company's website and as a stock exchange release approximately on 11 April 2025.

REPORT BY THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS, CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORT FOR GOVERNING BODIES FOR 2024

Tokmanni Group will publish its Report by the Board of Directors and financial statements for 2024, the Corporate Governance Statement, the Remuneration Report for Governing Bodies on 11 April 2025 on its website at ir.tokmanni.fi/en.

Mäntsälä 7 March 2025

Tokmanni Group Corporation

Board of Directors

Tokmanni Group Corporation's Financial Bulletin 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)				
	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Revenue	496.9	471.2	1,675.0	1,392.7
Other operating income	2.2	1.4	4.9	4.2
Materials and services	-319.0	-301.7	-1,078.6	-905.8
Employee benefits expenses	-58.6	-57.0	-224.1	-174.4
Depreciation	-32.2	-30.9	-127.6	-96.8
Other operating expenses	-41.6	-39.6	-150.0	-126.9
Share of profit in joint ventures	0.0	0.0	0.1	0.1
Operating profit	47.8	43.4	99.6	93.0
Financial income	1.5	0.0	6.5	2.6
Financial expenses	-12.9	-10.4	-45.4	-27.3
Profit/loss before tax	36.4	33.1	60.7	68.4
Income taxes	-7.3	-7.0	-12.3	-14.4
Net result for the financial period	29.1	26.1	48.4	54.0
Profit for the year attributable to				
Equity holders of the parent company	29.1	26.1	48.4	54.0
Consolidated statement of comprehensive income (MEUR)				
	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net result for the financial period	29.1	26.1	48.4	54.0
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	-2.2	7.1	-6.4	8.8
Comprehensive income for the financial period, net of tax	-2.2	7.1	-6.4	8.8
Comprehensive income for the financial period	27.0	33.1	42.1	62.8
Comprehensive income for the financial period attributable to				
Equity holders of the parent company	27.0	33.1	42.1	62.8
Earnings per share				
Equity holders of the parent company	29.1	26.1	48.4	54.0
Earnings per share, basic (EUR/share)	0.50	0.44	0.82	0.92
Earnings per share, diluted (EUR/share)	0.50	0.44	0.82	0.92

Consolidated statement of financial position (MEUR)		
	31 December 2024	31 December 2023
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	638.6	633.4
Goodwill	217.3	218.1
Other intangible assets	42.4	45.8
Non-current receivables	1.7	2.0
Investments in joint ventures	0.3	0.3
Other financial assets	0.2	0.6
NON-CURRENT ASSETS, TOTAL	900.5	900.1
CURRENT ASSETS		
Inventories	428.4	342.9
Trade and other receivables	29.1	31.0
Income tax receivables	2.4	2.6
Cash and cash equivalents	15.9	133.7
CURRENT ASSETS, TOTAL	475.9	510.2
ASSETS, TOTAL	1,376.3	1,410.3
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent company		
Share capital	0.1	0.1
Reserve for invested unrestricted equity	109.9	109.9
Treasury shares	-0.3	-0.7
Translation differences	2.5	8.8
Retained earnings	150.9	147.3
EQUITY, TOTAL	263.1	265.4
NON-CURRENT LIABILITIES		
Deferred tax liabilities	10.3	12.9
Non-current interest-bearing liabilities	702.5	726.1
Non-current non-interest-bearing liabilities	3.8	4.3
NON-CURRENT LIABILITIES, TOTAL	716.7	743.3
CURRENT LIABILITIES		
Current interest-bearing liabilities	129.7	138.1
Trade payables and other current liabilities	266.6	259.9
Income tax liabilities	0.3	3.6
CURRENT LIABILITIES, TOTAL	396.6	401.6
EQUITY AND LIABILITIES, TOTAL	1,376.3	1,410.3

Consolidated statement of cash flows (MEUR)		
	1-12/2024	1-12/2023
Cash flows from operating activities		
Net result for the financial period	48.4	54.0
Adjustments:		
Depreciation	127.6	96.8
Capital gains and losses on non-current assets	0.2	-0.1
Financial income and expenses	38.9	24.6
Income taxes	12.3	14.4
Other adjustments	-4.7	-0.2
Change in working capital:		
Change in current non-interest-bearing receivables	1.1	-7.6
Change in inventories	-88.0	37.0
Change in current non-interest-bearing liabilities	16.1	36.0
Interest paid	-45.6	-19.7
Other financing items	-0.3	1.3
Income taxes paid	-17.0	-16.4
Net cash from operating activities	89.1	220.2
Cash flows from investing activities		
Purchases of tangible and intangible assets	-39.4	-53.9
Proceeds from disposal of tangible and intangible assets	0.3	0.1
Business acquisitions	-	-166.1
Proceeds from sale of investments	0.5	0.0
The compensation from sales of property	-	52.7
Proceeds from repayments of loans	0.3	0.2
Net cash from investing activities	-38.3	-167.0
Cash flows from financing activities		
Proceeds from current loans	328.5	224.8
Repayments of current loans	-341.5	-210.0
Proceeds from non-current loans	230.0	174.6
Repayments of non-current loans	-245.0	-
Repayments of lease liabilities	-95.5	-74.0
Dividends paid	-44.7	-44.7
Net cash from financing activities	-168.2	70.7
Net change in cash and cash equivalents	-117.4	123.9
Cash and cash equivalents at beginning of the financial period	133.7	9.1
Net change in cash and cash equivalents	-117.4	123.9
Effects of exchange rate fluctuations on cash held	-0.4	0.8
Cash and cash equivalents at end of the financial period	15.9	133.7

Consolidated statement of changes in equity (MEUR)

	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 2024	0.1	109.9	-0.7	8.8	147.3	265.4	265.4
Comprehensive income							
Net result for the financial period					48.4	48.4	48.4
Translation differences				-6.4		-6.4	-6.4
Other comprehensive income				-6.4		-6.4	-6.4
Total comprehensive income for the financial period				-6.4	48.4	42.1	42.1
Dividends					-44.7	-44.7	-44.7
Transfer of treasury shares			0.4		-0.4	-	-
Incentive scheme					0.3	0.3	0.3
Equity 31 Dec 2024	0.1	109.9	-0.3	2.5	150.9	263.1	263.1

	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					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					0.0	0.0	0.0
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

DIVIDENDS IN 2024

The dividend was confirmed as a maximum of EUR 0.76 per share, as proposed by the Board of Directors. Of this amount, EUR 0.38 was paid to shareholders who were registered in the shareholder register maintained by Euroclear Finland Ltd on the record date of 25 April 2024. The dividend payment date was 8 May 2024. In addition, as authorised by the Annual General Meeting, the Board of Directors decided on the payment of the second instalment of the dividend. The second instalment of the dividend was EUR 0.38 per share. It was paid on 28 November 2024 to shareholders who were registered in the shareholder register

maintained by Euroclear Finland Ltd on the record date of 20 November 2024. A total of EUR 44.7 million was distributed in dividends during the financial year.

INFORMATION BY SEGMENT

Revenue by segment, EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni	365.5	351.5	1,233.7	1,208.6
of which between the segments in total	0.9	0.1	1.1	0.1
Dollarstore	132.4	119.8	442.4	184.1
Group functions and eliminations	-0.9	-0.1	-1.1	-0.1
Group total	496.9	471.2	1,675.0	1,392.7

Gross profit by segment, EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni	127.5	121.7	429.4	415.5
Dollarstore	51.2	47.8	167.8	71.4
Group functions and eliminations	-0.7	-0.1	-0.8	-0.1
Group total	178.0	169.5	596.4	486.9

EBIT by segment, EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni	37.8	34.9	87.8	84.7
Dollarstore	10.8	9.1	14.8	9.9
Group functions and eliminations	-0.9	-0.6	-3.1	-1.6
Group total	47.8	43.4	99.6	93.0

Comparable EBIT by segment, EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni	37.0	36.1	86.9	87.8
Dollarstore	11.4	10.7	15.9	12.6
Group functions and eliminations	-0.9	-0.6	-3.1	-1.6
Group total	47.5	46.2	99.7	98.8

Comparable EBIT by segment, %	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni	10.1	10.3	7.0	7.3
Dollarstore	8.6	9.0	3.6	6.8
Group functions and eliminations				
Group total	9.6	9.8	6.0	7.1

Return on capital employed, %, rolling 12 months	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni			12.0	12.5
Dollarstore			4.1	*
Group functions and eliminations				
Group total			9.1	11.6

* Not countable

Inventories at the end of period, EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni			298.9	248.8
Dollarstore			129.5	94.1
Group functions and eliminations				
Group total			428.4	342.9

Capital expenditure by segment, EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Tokmanni	11.1	15.7	32.6	236.5
Dollarstore	2.6	1.8	6.8	2.2
Group functions and eliminations				
Group total	13.8	17.5	39.4	238.7

ACQUISITIONS

The identifiable assets and liabilities acquired in connection with a business combination are measured at fair value at the time of acquisition and the costs related to the acquisition are recognised as expenses. Goodwill arising in a business combination is recognised at the amount by which the consideration given, the non-controlling interests in the acquiree and the previously held interests in the acquiree combined exceed the fair value of the net assets acquired. If the amount by which the consideration given, the non-controlling interests in the acquiree and the previously held interests in the acquiree combined fall below the fair value of the net assets acquired, the difference is recognised through profit or loss as a gain on a favourable transaction.

The accounting treatment is considered preliminary until the valuation of the assets acquired and liabilities assumed has been completed. Preliminary values can be adjusted within 12 months from the date of acquisition if new information is obtained concerning the facts and circumstances prevailing at the time of acquisition.

Acquisitions during the 2024 financial period

There were no acquisitions in the year ending 31 December 2024.

The Tokmanni Group completed the acquisition of Dollarstore on August 1, 2023. The purchase price allocation was presented as preliminary in the 2023 financial statements. The purchase price of 174.1 million euros has been allocated to the identified net assets, and the remaining residual value has been recorded as goodwill. The preliminary purchase price allocation was adjusted in the summer of 2024 regarding inventory, resulting in an increase of 2.0 million euros in goodwill.

The Tokmanni Group completed the acquisition of Click Shoes Oy and Shoe House Oy on March 1, 2023. The purchase price allocation was presented as preliminary in the 2023 financial statements. The purchase price of 10.7 million euros has been allocated to the identified net assets, and the remaining residual value has been recorded as goodwill.

Acquisition cost

EUR million	2023 Dollarstore	2023 Click Shoes Oy and Shoe House Oy	2023 Total
Acquisition cost paid in cash	-174.1	-10.7	-184.8
Cash transferred in connection with the acquisition	18.2	0.9	19.1
Cash flow impact of the acquisition	-155.9	-9.8	-165.7

Fair value of assets acquired and liabilities assumed at the time of the acquisition, final.

EUR million	2023 Dollarstore	2023 Click Shoes Oy and Shoe House Oy	2023 Total
Intangible assets	37.0	4.5	41.5
Tangible assets and right-of-use assets	244.5	0.1	244.6
Inventories	85.1	5.1	90.2
Trade receivables and other receivables	1.6	0.8	2.3
Cash and cash equivalents	18.2	0.9	19.1
Total assets	386.3	11.3	397.6
Lease liabilities	203.0		203.0
Trade payables, other short-term liabilities	70.7	3.7	74.4
Deferred tax liability	14.0	0.9	14.9
Total liabilities	287.7	4.6	292.3
Net assets acquired, total	98.6	6.7	105.3
Goodwill	75.5	4.0	79.4

Acquisitions during the 2023 financial period

Dollarstore

On 7 July 2023, Tokmanni Group announced that it had signed an agreement with Ahlberg-Dollarstore AB, the leading Swedish discount retailer, and the owner of Ahlberg Dollarstore ApS on the acquisition of 100% of the share capital of Storsjöbygdens Kapitalförvaltning AB. Storsjöbygdens Kapitalförvaltning AB is the holding company of Ahlberg-Dollarstore AB and Ahlberg Dollarstore ApS (collectively Dollarstore). Tokmanni Group completed the transaction on 1 August 2023, when ownership of Dollarstore was transferred to Tokmanni Group. In connection with the transaction, the number of stores in the Tokmanni Group increased by 130 stores in Sweden and two stores in Denmark.

The final purchase price was SEK 2.028 billion, or EUR 174.1 million, and it was paid in cash. Tokmanni Group financed the transaction with a bank loan of EUR 175 million. Tokmanni Group hedged approximately half of the purchase price between the signing date of 7 July 2023 and the transaction closing date on 1 August 2023, and the hedging of the purchase price resulted in a profit of approximately EUR 1.3 million recorded in financial income. No hedge accounting was applied to the arrangement.

Click Shoes Oy and Shoe House Oy

Tokmanni Group bought all the shares of the Finnish shoe store chains Click Shoes Oy and Shoe House Oy. The ownership of the companies was transferred to Tokmanni Group on 1 March 2023. The goal of the acquisition is to increase apparel sales and strengthen Group's market share in apparel product groups. At the beginning of March 2023, the companies had a total of 28 stores across Finland and an online store.

The final purchase price was EUR 10.7 million and it was paid in cash. The purchase price also included an additional purchase price based on the work obligation, and if the seller resigns or the seller's employment is terminated on personal grounds, the additional purchase price will not be paid. In accordance with IFRS 3, the additional purchase price is classified as salary and not part of the purchase price.

CHANGE IN TANGIBLE AND INTANGIBLE ASSETS

EUR million	31 December 2024	31 December 2023
Opening carrying amount	358.1	219.2
Acquisitions		189.6
Additions	40.2	52.1
Business disposals		-56.4
Disposals	-1.8	-0.1
Depreciation charge for the financial period	-23.3	-52.2
Transfers between items		0.0
Translation differences	-3.9	5.8
Closing carrying amount	369.3	358.1

CHANGE IN RIGHT-OF-USE ASSETS

EUR million	31 December 2024	31 December 2023
Opening carrying amount	539.2	250.7
Acquisitions		211.4
Net additions	90.6	140.5
Depreciation charge for the financial period	-94.1	-71.7
Translation differences	-6.7	8.2
Closing carrying amount	529.0	539.2

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.

EUR million	31 December 2024	31 December 2023
Goods	408.6	346.2
Write-down in inventories	-10.7	-12.9
Goods, in transport	35.1	13.6
Purchase rebate accrual	-4.6	-4.0
Prepayments	0.0	0.0
Total	428.4	342.9

INTEREST-BEARING DEBT

EUR million	31 December 2024	31 December 2023
Non-current interest-bearing liabilities		
Loans from financial institutions*	229.2	244.0
Lease liabilities	473.3	482.1
Total	702.5	726.1
Current interest-bearing liabilities		
Loans from financial institutions*	20.0	55.0
Other current liabilities	22.0	
Lease liabilities	87.7	83.1
Total	129.7	138.1
Total	832.2	864.1

* Loans from financial institutions, adjusted with arrangement fees paid

Tokmanni Group Oyj signed a new financing agreement worth EUR 325 million during the financial year 2024. The financing package includes EUR 250 million bank loan and EUR 75 million credit limit. The new financing package replaced the financing arrangement signed in 2021 and the additional loan taken in the financial year 2023 related to the acquisition of Dollarstore. The old loans were paid off with the new arrangement. The maturity of the financing package is three years with two one-year extension options. The loan is subject to a covenant condition that defines 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

EUR million	Carrying amounts of assets as per balance sheet 31 Dec 2024	Fair value 31 Dec 2024	Carrying amounts of assets as per balance sheet 31 Dec 2023	Fair value 31 Dec 2023
Financial assets				
Derivatives (level 2)	0.7	0.7		
Financial liabilities				
Derivatives (level 2)			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. The Group has met the required covenant during the financial year.

Non-cancellable lease liabilities

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

EUR million	31 December 2024	31 December 2023
No later than 1 year	9.7	9.6
Later than 1 year but no later than 5 years	23.2	25.8
Later than 5 years	5.6	6.2
Total	38.4	41.7

RELATED PARTY TRANSACTIONS

Specification of transactions carried out with related parties

Transactions during the reporting period 2024 including receivables, payables and liabilities per 31 Dec 2024 carried out with related parties

EUR million	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		1.3	2.0
Financial income		0.1	
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 31 Dec 2023 carried out with related parties

EUR million	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 period, no new loans were granted. During the financial year, loans were repaid by an amount of EUR 0.3 million (0.2).
- 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.
- An annual interest rate of the 12-month Euribor plus 1% is paid on the loan. The interest rate is reviewed quarterly, four times a year. The interest is calculated on the remaining loan amount retrospectively on the dividend payment date and is paid 1-2 times a year after Tokmanni Group Oyj's dividend payment.

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 development
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 expenses	=	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	=	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