

A strong year and good profitability development

Highlights Q4/2021*

- Net sales increased by 15.1% (+32.5%) and were EUR 62.3 million (54.1)
- Like-for-like store net sales increased by 3.1% (+19.4%)
- Online store net sales decreased by 11,8% (+132.0%)
- Gross profit was EUR 22.6 million (19.5) and gross margin was 36.3% (36.0%)
- Adjusted EBITA was EUR 9.8 million (8.5), which corresponds to an adjusted EBITA margin of 15.7% (15.7%)
- EBIT was EUR 9.5 million (8.1) which corresponds to 15.3% of net sales (15.0%)
- Operating free cash flow was EUR -7.2 million (8.5)
- Earnings per share were EUR 0.08 (0.07)
- Earnings per share excluding listing expenses were EUR 0.08 (0.07)
- No new stores were opened during the last quarter of the financial year (1 new store)

Highlights for financial year 2021*

- Net sales increased by 13.2% (+40.0%) and were EUR 270.1 million (238.7)
- Like-for-like store net sales increased by 2.6% (+24.4%)
- Online store net sales increased by 20.8% (+127.5%)
- Gross profit was EUR 99.6 million (87.1) and gross margin was 36.9% (36.5%)
- Adjusted EBITA was EUR 48.4 million (43.2), which corresponds to an adjusted EBITA margin of 17.9% (18.1%)
- EBIT was EUR 44.5 million (41.5) which corresponds to 16.5% of net sales (17.4%)
- Operating free cash flow was EUR 10.8 million (38.8)
- Earnings per share were EUR 0.38 (0.36)
- Earnings per share excluding listing expenses were EUR 0.42 (0.36)
- 4 new stores were opened during the reporting period (3 new stores)
- Board's dividend proposal EUR 0.30 per share, proposed to be paid in two instalments

Figures are in millions of euros unless otherwise stated and have been rounded. Hence the sum of individual figures may differ from the total shown. *Puuiilo's financial year starts on 1 February and ends on 31 January the following year. The figures in parentheses refer to the corresponding period the previous year, unless otherwise stated. The information in this report is unaudited.

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Conference call in English and webcast in Finnish

The report will be presented for analysts, investors and the media on the publication date in English at 10:00 am EET (9:00 am CET) and in Finnish at 11.30 am EET (10:30 am CET).

The conference call in English can be followed live at <https://puuilo.videosync.fi/2021-q4-results>. Participate by calling the number according to your location a few minutes before the start of the event.

The webcast in Finnish will begin at 11.30 am EET at <https://puuilo.videosync.fi/2021-q4-tulos>.

Recordings of both events will be available later the same day at Puuilo's Investors website at <https://www.investors.puuilo.fi/en/reports-and-presentations>.

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Key figures

EUR million	Q4/2021	Q4/2020	2021	2020
Net sales	62.3	54.1	270.1	238.7
Net sales development (%)	15.1%	32.5%	13.2%	40.0%
Like-for-like store net sales development (%)	3.1%	19.4%	2.6%	24.4%
Online store net sales development (%)	-11.8%	132.0%	20.8%	127.5%
Gross Profit	22.6	19.5	99.6	87.1
Gross Margin (%)	36.3%	36.0%	36.9%	36.5%
Adjusted EBITA*	9.8	8.5	48.4	43.2
Adjusted EBITA margin (%)*	15.7%	15.7%	17.9%	18.1%
EBITA*	9.8	8.4	45.6	42.6
EBITA margin (%)*	15.7%	15.6%	16.9%	17.9%
EBIT	9.5	8.1	44.5	41.5
EBIT margin (%)	15.3%	15.0%	16.5%	17.4%
Net income	6.5	5.4	31.9	28.8
EPS (EUR)	0.08	0.07	0.38	0.36
EPS excl. listing expenses (EUR)	0.08	0.07	0.42	0.36
Operating free cash flow	-7.2	8.5	10.8	38.8
Net debt / adjusted EBITDA	1.7	2.4	1.7	2.4
Number of stores (end of period)	34	30	34	30
Number of personnel converted into full-time employees (FTE)	648	589	663	595

Puילו's financial year starts on 1 February and ends on 31 January the following year

* Operating profit before the amortisation of Puילו trademark

Earnings per share has been calculated for all periods presented considering the free-of-charge share issue (split) executed during the reporting period.

Outlook for the financial year 2022

Puילו forecasts that net sales and adjusted operating profit (adjusted EBITA) for the financial year 2022 in euros will increase compared to the financial year 2021.

The forecast is subject to uncertainties due to the development of the Covid-19 pandemic and the effects of the geopolitical situation. Although Puילו's business is not exposed to direct risks related to Russia or Ukraine, Russia's military actions have caused significant uncertainty in Europe. The situation may have an impact on consumer behaviour and purchasing power and thus on Puילו's business. In addition, sanctions related to Russia may indirectly affect global supply chains.

Puילו's long-term targets

There have been no changes in Puילו's long-term financial targets or growth expectations, announced in connection with the listing.

Puulo's long-term targets for the financial years 2021-2025:

- Growth: Net sales above EUR 400 million by the end of financial year 2025 with annual organic growth in excess of 10%.
- Profitability: Adjusted EBITA margin between 17–19% of net sales.
- Dividend policy: Puulo aims to distribute at least 80% of net income for each financial year in dividends, depending on the company's capital structure, financial position, general economic and business conditions, and future prospects.
- Leverage: Net debt to adjusted EBITDA below 2.0x.

CEO Juha Saarela's review

Puulo's first financial year 2021 as a listed company was strong. We increased our net sales, improved all our profitability metrics and completed several large projects, including listing Puulo in Nasdaq Helsinki in June and the successful implementation of our ERP system in December. The overdemand of certain goods due to COVID-19, which significantly boosted our sales during the comparison period, had less impact during this year. Given the strong comparison figures, we were still pleased with our performance also during the fourth quarter.

In the fourth quarter, Puulo's net sales increased by 15.1% and were EUR 62.3 million (54.1). Comparable net sales increased by 3.1%. At the same time, our gross margin increased to 36.3% (36.0%) of net sales. Adjusted operating profit (EBITA) was 15.7% (15.7%) of net sales, or EUR 9.8 (8.5) million. Despite the increased costs in ocean freight and raw materials we have still been able to maintain the gross margin at a high level.

For the full financial year, our net sales increased by 13.2% to EUR 270.1 million (238.7). Comparable net sales increased by 2.6%. The gross margin increased to 36.9% (36.5%). Adjusted operating profit (EBITA) for the financial year was EUR 48.4 million (43.2), corresponding to 17.9% (18.1%) of net sales.

The good financial performance in 2021 was driven by the determined and efficient implementation of our growth strategy. During the financial year, we opened four new stores: in Vaasa, Imatra, Rauma and Laajalahti, Espoo. All the new stores are already profitable. Despite our expansion, operating expenses remained well under control. At the same time, the share of private label products increased (2021: 17.6% of sales), we improved the commercial purchasing terms in sourcing, as well as automated our accounts payable. All this has helped us further improve our gross margin.

Our operating environment is still somewhat impacted by COVID-19 and related disruptions, among other things, in global supply chains. The rapidly changing geopolitical situation caused by Russian military actions in Ukraine, may have an impact on consumer behaviour and on the prices or availability of products procured by Puulo. We continue to closely monitor the situation. Nonetheless, we believe that Puulo's product range and price levels are resilient also during exceptional times, and that our performance will remain solid. In order to prepare for the upcoming seasons during the current financial year, we have ensured our stocks are full of goods well in advance, and we have further strengthened our marketing.

We estimate that our net sales and euro-denominated adjusted operating profit (EBITA) will increase from the previous year. We have previously announced three new store openings for 2022 and the relocation and expansion of our ecommerce collection facility. Finally, I am pleased to tell that Puulo has signed leases for four new stores for 2023. All four new stores are located in Uusimaa. We will share more details closer to the openings.

Puulo turns 40 this year. During this time, our concept and business model have been proven successful in various and also in exceptional operating environments. We believe that the current serious geopolitical situation will increase customers' price awareness and discretion in making purchasing decisions. Puulo's wide and affordable product range supports this well.

With these strong financial results, I would like to wish all our owners, customers and the entire company's staff a happy spring!

Significant events of the reporting period

Listing on Nasdaq Helsinki

Trading in Puulo's shares started on 24 June 2021. More detailed information on the listing is provided in the section *Shares and shareholders*.

Refinancing

Puulo entered into a new financing agreement during the review period. More detailed information is provided in the section *Balance sheet, financing and cash flow*.

Change in Puulo's Management Team

Markus Kaatranen was appointed Sales Director and a member of Puulo Plc's management team on 23 November 2021. Kaatranen started his position in February 2022. Puulo's former management team member, Chain Manager Tom Lång left the company in December 2021.

Growth strategy

Puulo's target is to continue strengthening its position as one of the leading discount retailers in Finland by utilising its key strengths: maintaining an attractive and wide product assortment, low prices and convenient shopping experience.

In line with its growth strategy, the company aims to open approximately four new stores per year and to continue to increase its like-for-like net sales by further increasing Puulo's brand awareness. The company has an efficient and standardised store opening process, which enables the opening of several stores each year without negatively affecting other operational activities. New stores are, on average, profitable after the first full month of opening.

Puulo aims to continue to develop its value proposition by continuing to provide wide product assortment satisfying the needs of the customer base always with low prices. Puulo also aims to continue investing in the development and growth of its online store to offer its customers a possibility to shop diversely both in the stores and the online store.

Store network development

During the reporting period, Puulo opened new stores in Vaasa, Imatra, Rauma and Espoo Laajalahti. Puulo has previously announced that it has entered into agreements to open three new stores (in Sastamala, Lieto and Tornio) during the financial year 2022. Tornio is a city in Lapland and it is a cross-border twin city together with Haparanda on the Swedish side. In addition, the company has previously

announced that it will relocate the Lielähti store in Tampere during the first half of the financial year 2022. In addition, Puuilo has entered into four new store lease agreements for 2023. Details for these stores will be announced closer to the store openings. According to the definition by Puuilo, a store is considered new during the year of openings and the following financial year. Relocated stores are considered like-for-like stores.

On 31 January 2022, Puuilo had a total of 34 stores (30 stores) across Finland. The current store network is young, and more than half of the stores have been opened during 2016-2021. In recent years, Puuilo has opened an average of 3-4 new stores a year.

Financial development

Seasonality

Puuilo's business is, in part, seasonal in nature. As such, there are seasonal peaks in Puuilo's net sales, operating result and cash flows, although seasonal dependence is relatively low compared to the trade sector in general. Historically, Puuilo's most important seasons in terms of net sales have been the second and third quarter of each financial year. Additionally, Puuilo's net sales are partly impacted by exceptional, harsh, or seasonally atypical weather.

Financial year

Puuilo's financial year starts on 1 February and ends on 31 January the following year. The figures in parentheses refer to the corresponding period the previous year, unless otherwise stated.

Q4/2021 (November 2021-January 2022)

In November-January, Puuilo's net sales increased by 15.1% to EUR 62.3 million (54.1). Net sales of Puuilo's stores were EUR 60.5 million (52.1) and net sales of the online store were EUR 1.8 million (2.0), which corresponded to 2.9% (3.8%) of net sales. Like-for-like store net sales increased by 3.1% (+19.4%) in the fourth quarter.

The development of net sales was positively impacted by the opening of new stores and the increase in net sales of the like-for-like stores. Net sales of online store decreased by 11.8% in the fourth quarter. The change is mainly due to the strong sales growth of online store in the comparison period (+132%). The online sales declined as sales of products with a high unit price decreased. As we have described in connection with previous quarters, net sales development of the like-for-like stores were impacted by the exceptionally strong demand caused by the Covid-19 pandemic in the corresponding period last year, mainly driven by the demand of protective and disinfection products.

Puuilo's gross profit for the fourth quarter was EUR 22.6 million (19.5) and the gross margin was 36.3% (36.0%). As in previous quarters, the positive gross profit development was impacted by the higher share of private label products, negotiations of the commercial purchasing terms and the implementation of accounts payable automation.

Operating expenses were EUR 10.2 million (9.3), which corresponds to 16.4% of net sales (17.1%). Adjusted operating expenses were EUR 10.2 million (9.2), or 16.4% of net sales (17.0%). The most significant item in operating expenses was personnel expenses, which were higher mainly due to the

opening of new stores. Personnel expenses were EUR 6.9 million (5.8), which corresponds to 11.1% (10.7%) of net sales.

Operating expenses do not include items affecting comparability during the last quarter of the financial year. Operating expenses for the comparison period included EUR 0.1 million items affecting comparability, which were mainly related to strategic development projects.

Adjusted EBITA was EUR 9.8 million (8.5) and the adjusted EBITA margin was 15.7% (15.7%). EBITA was EUR 9.8 million (8.4) and the EBITA margin was 15.7% (15.6%).

Operating profit was EUR 9.5 million (8.1), which corresponds to an EBIT margin of 15.3% (15.0%).

Net financial expenses were EUR -0.6 million (-1.5). Net financial expenses excluding the effect of IFRS 16 were EUR -0.3 million (-1.2).

Profit before taxes was EUR 8.9 million (6.7). Total income taxes were EUR 2.4 million (1.3). The net result was EUR 6.5 million (5.4) and earnings per share were EUR 0.08 (0.07). Earnings per share excluding the effect of listing expenses were EUR 0.08 (0.07).

Financial year 2021 (February 2021-January 2022)

Puulo's net sales in the financial year 2021 increased by 13.2% to EUR 270.1 million (238.7). Net sales of Puulo's stores were EUR 260.5 million (230.7) and net sales of the online store were EUR 9.6 million (8.0), which corresponds to 3.6% (3.3%) of net sales. Like-for-like store net sales increased by 2.6% (+24.4%) in February-January.

The development of net sales was positively impacted by the opening of new stores and the increase in net sales of the like-for-like stores and the online store. As we have described in connection with the previous quarters, net sales development of the like-for-like stores were impacted by exceptionally strong demand caused by the Covid-19 pandemic in the corresponding period last year, mainly driven by the demand of protective and disinfection products.

Puulo's gross profit for the financial year 2021 was EUR 99.6 million (87.1) and the gross margin was 36.9% (36.5%). The positive gross profit development was impacted by the higher share of private label products, negotiations of the commercial purchasing terms and the implementation of accounts payable automation.

Operating expenses were EUR 44.0 million (36.4), or 16.3% of net sales (15.3%). Adjusted operating expenses were EUR 41.2 million (35.9), or 15.2% of net sales (15.0%). The most significant item in operating expenses was personnel expenses, which were higher mainly due to the opening of new stores. Personnel expenses were EUR 26.4 million (22.7), or 9.8% (9.5%) of net sales.

Operating expenses included EUR 2.8 million of stock exchange listing expenses. Operating expenses for the comparison period included EUR 0.6 million of items affecting comparability, which were mainly related to strategic development projects.

Adjusted EBITA was EUR 48.4 million (43.2) and the adjusted EBITA margin was 17.9% (18.1%). EBITA was EUR 45.6 million (42.6) and the EBITA margin was 16.9% (17.9%).

Operating profit (EBIT) was EUR 44.5 million (41.5) which corresponds to an EBIT margin of 16.5% (17.4%).

Net financial expenses were EUR -4.5 million (-5.5). Net financial expenses excluding the effect of IFRS 16 were EUR -3.2 million (-4.3).

Profit before taxes was EUR 39.9 million (36.0). Total income taxes were EUR 8.0 million (7.2). The net result was EUR 31.9 million (28.8). Earnings per share were EUR 0.38 (0.36). Earnings per share excluding the effect of listing expenses were EUR 0.42 (0.36).

Balance sheet, financing, and cash flow

Puulo's inventories were EUR 92.2 million (58.5) at the end of the reporting period. The increase in inventories compared to the corresponding period last year was due to the opening of new stores and the increase in the volumes of private label products, in line with Puulo's strategy. In the financial year 2021, the inventory levels have been consciously, temporarily increased in order to secure the adequate stock for the seasonal peaks during the current financial year. Due to the difficult situation related to sea freights and extended delivery times, the goods have been ordered earlier than in previous years.

Operating free cash flow in the fourth quarter was EUR -7.2 million (8.5) and in the financial year 2021 EUR 10.8 million (38.8). Operating free cash flow was mainly affected by the above-mentioned temporary increase in inventories during the fourth quarter and the whole reporting period. In addition, cash flow was affected by investments in ERP system implemented during the fourth quarter of the financial year.

Cash and cash equivalents at the end of the reporting period were EUR 16.5 million (11.2) and the company's financial position is stable.

At the end of the reporting period, Puulo's interest-bearing liabilities totalled EUR 114.1 million (132.9), of which non-current financial loans amounted to EUR 69.8 million (79.9). At the end of the period, there were no current financial loans (EUR 10.0 million). Other interest-bearing liabilities consisted of lease liabilities reported in accordance with IFRS 16. At the end of the reporting period, the ratio of net debt to adjusted EBITDA was 1.7 (2.4), which is in line with the long-term target.

Refinancing

During the second quarter of 2021, Puulo entered into a new EUR 90 million financing agreement. The loans under the new financing agreement consist of a EUR 70.0 million term loan facility and a EUR 20.0 million overdraft facility. The overdraft facility has not been used during the reporting period. The new financing agreement replaced the company's previous bank loans. The entire loan is due in June 2024.

The new financing agreement includes standard covenants and maturity conditions. The terms of the financial covenants in the agreement measure the leverage in terms of the net debt to EBITDA ratio. In addition, the interest margin is tied to the net debt to EBITDA ratio. The loans under the new financing agreement are unsecured.

Investments

Puulo's investments during the fourth quarter were EUR 1.1 million (0.5). Investments in the financial year 2021 were EUR 4.4 million (2.6).

Investments were mainly related to a new ERP system implemented in December 2021 and to the furnishing of new stores.

Personnel

The number of full-time employees was 663 (595).

Shares and shareholders

Share issue in connection to the IPO

Trading in Puuilo Plc's shares began on 24 June 2021. The listing consisted of a share issue and a share sale. In the IPO, 4,561,093 new shares were issued and the total number of the company's shares after the listing was 84,776,953. The new shares were registered into the Finnish Trade Register on 23 June 2021. Puuilo received EUR 30.0 million in gross assets from the IPO, which were recognised in the invested unrestricted equity fund. The company's listing expenses in the financial year 2021 were EUR 4.2 million, of which listing expenses recognised in equity were approximately EUR 1.4 million less a tax effect of EUR 0.3 million. EUR 2.8 million of the expenses were recognised in profit and loss.

The final subscription price was EUR 6.60 per share in the institutional and public offering and 10% lower in the personnel issue, i.e., EUR 5.94 per share, based on which the company's market capitalisation was approximately EUR 560 million immediately after the IPO. The shares were in strong demand and the share issue was oversubscribed several times. The trading code for Puuilo's shares is PUUILO. Puuilo is part of the mid-cap segment and the retail sector on Nasdaq Helsinki.

Share information and share trading

Puuilo Plc has one class of shares. Each share carries one vote at the company's Annual General Meeting. The shares have no nominal value. Puuilo's shares were included in the book-entry system maintained by Euroclear Finland Oy in June 2021. Puuilo Plc's share capital was increased during the reporting period and was EUR 80,000 at the end of the reporting period. At the end of the reporting period, the company had 84,776,953 shares.

On the last trading day of the reporting period, 31 January 2022, the closing price of the share was EUR 7.99. The share turnover during the reporting period was EUR 602.0 million and 82,558,713 shares. The highest intra-day share price during the reporting period was EUR 9.46 and the lowest intra-day price was EUR 7.02. At the end of the reporting period, the market value of the shares was EUR 678 million.

At the end of the reporting period, Puuilo had 33,989 registered shareholders. Puuilo was through a flagging notification in January 2022 informed that Adelis Equity Partners Fund I AB, through Puuilo Invest Holding AB, has decreased its holding to 24.56% of Puuilo. Puuilo has through a flagging notification in June 2021 from The Capital Group Companies, Inc, been informed that the company holds 7.49% of Puuilo.

The company did not hold any treasury shares at the end of the reporting period.

Further information on Puuilo's shares and shareholders is available on the company's website at <https://www.investors.puuilo.fi/en/share-information> and on the management's holdings at <https://www.investors.puuilo.fi/en/corporate-governance/management-team>.

Flagging notifications

During the reporting period, Puuilo received the following shareholder flagging notifications in accordance with the Finnish Securities Markets Act:

- The Capital Group Companies, Inc.'s indirect holding in Puuilo's shares exceeded the 5% flagging threshold on 24 June 2021 and was 7.49%.
- Danske Bank A/S's combined direct and indirect holding in Puuilo's shares exceeded the 5% flagging threshold on 2 July 2021 and was 7.24%. Danske Bank A / S's holding in Puuilo's shares fell below the 5% flagging limit on 5 July 2021 and was 0.88%.
- Adelis Holding I AB's indirect holding in Puuilo's shares fell below the 25% flagging threshold on 12 January 2022 and was 24,56%.

Managers' share transactions

Puuilo's managers' transactions after the listing have been published as stock exchange releases and are available on the company's website at <https://www.investors.puuilo.fi/en/financial-releases>.

Principles and key themes of sustainability

Puuilo is committed to developing its sustainability policies and practices. Conducting business in a sustainable and responsible manner is an integral part of Puuilo's operations, overall quality of operations and our company's values. The company recognises sustainability as a theme that not only affects the entire chain of operations, but also creates value for the business as a whole. This requires precise and targeted measures at all levels of the company.

2021 is the first financial year for which Puuilo has reported on sustainability. During the year the company started to create structures for more systematic sustainability work, including targets and KPIs. To this end, a materiality analysis was prepared with representatives of our key stakeholders. Further development activities will be based on this analysis. Customers, personnel, shareholders, authorities, investors and the media were identified as the most relevant stakeholders for sustainability work. All activities aim to serve stakeholders to the highest possible standard, while taking into account sustainability considerations. The key sustainability issues are grouped into three priority areas: being a responsible retailer, promoting sustainable consumption, and ensuring Puuilo is a good workplace. Being a responsible retailer covers both our own personnel and the supply chain. Promotion of sustainable consumption means concrete savings and measures to improve environmental efficiency. Ensuring Puuilo is a good workplace means having a skilled and motivated workforce and ensuring our employees feel comfortable and engaged at work.

Puuilo publishes a report on non-financial information as part of the Report by the Board of Directors. The Report by the Board of Directors and a separate Sustainability Report are included in the Annual Report, which will be published in week 16.

Risks and business uncertainties

Puulo Group's risk management is based on the risk management policy approved by the Board of Directors. The purpose of the risk management policy is to define the framework, processes, governance and responsibilities of risk management in Puulo.

The primary objective of risk management in Puulo is to support the company's strategy execution, continuity of operations and realization of business objectives by anticipating any risks involved in the company's operations and managing them in a proactive manner. Enterprise risk management emphasizes the role of corporate culture and is an integrated part of Puulo's operations, planning and decision-making.

The Board of Directors is responsible for monitoring and ensuring that the Puulo's risk management process functions are comprehensive. The Board defines the risk appetite and tolerance, according to the current conditions. The Board of Directors is also responsible for approving enterprise risk management related company policies. Puulo's operative management is responsible for achieving the set objectives and controlling, managing, and mitigating risks that threaten them. The operative management is also responsible for the risk management work, and for ensuring the performance of the risk management process and the availability of sufficient resources.

Risks are assessed regularly and managed comprehensively. The Group's risk map and the most significant risks and uncertainties are regularly reported to Puulo's Board of Directors, whereas the most significant risks and uncertainties are reported to the market in the report of the Board of Directors and significant changes within them are reported in the business reviews and half-year reports.

Most significant risks and uncertainties in Puulo

Geopolitical risks

Although Puulo's business is not exposed to direct risks related to Russia or Ukraine, Russia's military actions have caused significant uncertainty in Europe. The situation may have an impact on consumer behaviour and purchasing power and thus on Puulo's business. In addition, sanctions related to Russia may indirectly affect global supply chains.

The geopolitical situation and its indirect market effects increase customers' price awareness. Puulo strives to influence consumer behaviour by maintaining a wide range of products, maintaining a favourable price image and making prudent pricing decisions.

Permanence and availability of personnel

Failure to recruit or retain employees may adversely affect Puulo.

The company manages the risk by striving to improve the employer image, by paying attention to the quality of supervisory work, through incentive programs, and by keeping job descriptions meaningful. In addition, recruitment processes are carried out carefully and suitability assessments are used.

Changes in customer preferences

Changes in consumer behavior may occur after Covid-19 pandemic or purchasing power may change due to inflation.

Puילו strives to influence consumer behavior through advertising, as well as to maintain a favorable price image and careful pricing decisions.

Disruptions in supply chains

Disruptions in the company's warehousing and logistics chain of suppliers or its own stores may have an adverse effect on Puילו's business, financial position, profit, and cash flows.

Puילו manages the risk by decentralizing the supply chain and keeping inventory levels in stores and central warehouses at an adequate level.

Failures to find new locations or in new store openings

It is Puילו's principle to operate in leased premises instead of owning the store premises. Puילו may face challenges in opening new or relocating stores as well as finding new store lease properties.

Puילו manages these risks by carefully assessing of the potential of new locations and by actively mapping new store sites.

Inefficient inventory management

Inefficient inventory management may result in loss or loss of income. If Puילו is unable to manage its inventory in line with the customer demand, excessive inventory levels may increase logistic costs. Insufficient number of seasonal products, in turn, would lead to a loss of net sales and a negative customer experience.

Puילו manages the risk related to inventory management by actively updating its product range and monitoring inventory turnover.

Global pandemic

Global pandemic such as Covid-19 may have a significant adverse effect on Puילו's business, including disruptions in supply chains and reduced opportunities for customers to do business in the company's stores across the country. Restrictions on tourism may also increase demand in Puילו's stores and for Puילו's product range.

Puילו manages the pandemic risk with an extensive store network that protects the company in situations where closure restrictions are not applied to the entire country. Growing the store network further supports this. In addition, the risk associated with the pandemic is managed by developing the online store and its delivery options, further expanding the supplier network and increasing the number of countries of origin.

The activities of competitors and the entry of new competitors

The Finnish retail market is competitive, so the actions of competitors and the entry of new competitors may affect Puuilo's position in the market.

It is possible to influence and react to the various actions of competitors through marketing, pricing, and assortment management, as well as through a rapid expansion of our store network. In addition, risk is managed by actively monitoring competitors and evaluating their actions.

Stall or slowdown in online store sales growth

Stall or slowdown in online store sales growth would have a negative effect on Puuilo.

The growth in online store sales can be affected by improving the online store customer experience, among other things, by improving delivery times and by developing payment and delivery options (for example click and collect). In addition, sales growth is affected by marketing tools.

Puuilo may be unable to improve or maintain the Puuilo brand image among consumers

Puuilo's ability to attract customers depends significantly on the strength of its brand, and Puuilo may not be able to maintain or improve its brand image.

The Puuilo brand image can be maintained and improved by consumer and customer surveys, testing concepts in control groups, developing the customer experience and measuring advertising.

IT risks

The incompetence of the personnel in protecting and processing data may cause data to fall into the wrong hands or to data breach from outside the company.

The risk is managed by instructing and training personnel on a regular basis.

The company's IT systems may be subject to data breaches and business secrets, or personal data is stolen or modified for own benefit or to harm the company.

Information security related risks can be managed by developing IT security policies and written documentation and guidelines as well as by an annual security plan. In addition, the risk can be mitigated by identifying vulnerabilities and building active control of the components at the interface and monitoring of vulnerabilities.

Disruptions in the company's IT systems may have a significant impact on the company's business. Disruptions can affect the management of flow of goods, orders, customer data, inventories, distribution, and product replenishment, as well as the management of business, insider, and personnel information. In addition, disruptions in company's IT systems may affect the other management related issues and efficient management of financial information.

The effects of the potential disruptions of the IT systems may be limited by describing the disruption management of critical processes. In addition, the company has an IT services continuity plan and recovery plans for critical services. These plans have been documented together with suppliers.

The effect of the exceptional weather conditions

Puulo's sales may decline due to a decrease in the customer volumes resulting from poor weather conditions. Exceptional weather conditions, such as cold and rainy summer as well as winters without snow, may also have an adverse effect on the demand for certain products among the customers.

Risk is managed by sharing it with suppliers through contracts, by assortment strategy as well as marketing measures and the timing of the marketing measures.

Failure or inadequacy of marketing and advertising

Puulo's advertising and marketing measures may not generate enough awareness among customers and increase the number of customers.

The risk associated with successful marketing can be managed by measuring advertising as well as advertising in the media that generates most results.

Failure in supplier contract negotiations

Should Puulo find new suppliers, or it fails to negotiate new agreements with its existing suppliers, the company's costs may increase as a result of higher or additional cost of goods or changes in payment terms.

Puulo manages the risk by approving purchase agreement limits within which the Chief Purchasing Officer approves purchase agreements of a certain size.

The general principles of Puulo's risk management are also described on the company's website at <https://www.investors.puulo.fi/en/corporate-governance/risk-management-and-internal-controls>

Significant events after the end of the reporting period

Puulo has not had any significant events since the end of the reporting period.

Proposal for profit distribution

The Board of Directors of Puulo Plc proposes for the Annual General Meeting to be held on 17 May 2022 that a dividend of EUR 0.30 per share be paid for the financial year 1 February 2021 – 31 January 2022 based on the adopted balance sheet on shares held outside the company. The remaining distributable assets will remain in equity. The Board of Directors proposes that the dividend be paid in two instalments.

The first instalment, EUR 0.15 per share, will be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 24 May 2022. The board proposes that the first dividend instalment payment date be 31 May 2022.

The second instalment, EUR 0.15 per share, will be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 20 October 2022. The board proposes that the second instalment payment date be 27 October 2022. The Board proposes it be authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second instalment, if the rules and statutes of the Finnish book-entry system change or otherwise so require.

As at the date of the proposal for the distribution of profit, 30 March 2022, a total of 84,776,953 shares were held outside the company, and the corresponding total amount of dividends was EUR 25,433,085.90.

The distributable assets of Puuilo Plc total EUR 88,370,962.54, of which profit for the financial year is EUR 25,184,960.19. The proposed dividend corresponds to approximately 80% of Puuilo Group's net income for the financial year.

Annual General Meeting

Puuilo's Annual General Meeting is scheduled for 17 May 2022. Puuilo's Board of Directors will convene the Annual General Meeting at a later stage.

Annual Report

The Board of Directors' report and the Financial Statements, Corporate Governance Statement as well as Remuneration Statement for the financial year 2021 will be published in week 16.

Next financial reports

Puuilo's financial year starts on 1 February and ends on 31 January the following year. The company publishes Business Reviews for the first and third quarter, a half-year Review and a Financial Statements Release for the financial year 2022.

Business Review February-April 2022 14 June 2022

Half-year Review February-July 2022 15 September 2022

Business Review February-October 2022 15 December 2022

All published reports are available on Puuilo's investor webpage at <https://www.investors.puuilo.fi/en/reports-and-presentations>.

30 March 2022
PUUILO PLC
Board of Directors

DISTRIBUTION
Nasdaq Helsinki
www.puuilo.fi

Financial information of the Financial Statements Release

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of changes in equity

Consolidated statement of cash flows

Notes to the financial information

1. Basis of preparation
2. Seasonality
3. Significant events of the reporting period
4. Earnings
5. Management remuneration
6. Expenses
7. Intangible and tangible assets
8. Right-of-use assets
9. Net debt
10. Equity
11. Contingent liabilities
12. Related party transactions
13. Significant events after the end of reporting period

Consolidated statement of comprehensive income

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Net sales	132.0	114.8	270.1	238.7
Other operating income	0.3	0.5	0.4	0.6
Materials and services	-83.4	-73.2	-170.6	-151.6
Personnel expenses	-13.4	-11.3	-26.4	-22.7
Other operating expenses	-7.2	-6.9	-17.6	-13.8
Depreciation, amortization and impairments	-6.0	-5.0	-11.5	-9.7
Operating profit	22.3	18.9	44.5	41.5
Finance income	0.0	0.0	0.0	0.0
Finance costs	-1.4	-2.8	-4.5	-5.5
Total finance income and costs	-1.3	-2.8	-4.5	-5.5
Profit before taxes	21.0	16.1	39.9	36.0
Current income tax	-4.4	-3.6	-8.1	-7.5
Deferred income tax	0.2	0.4	0.0	0.3
Total income tax expense	-4.2	-3.2	-8.0	-7.2
Profit for the period	16.7	12.9	31.9	28.8
Total comprehensive income for the period	16.7	12.9	31.9	28.8
Profit for the period attributable to:				
Owners of the parent	16.7	12.9	31.9	28.8
Profit for the period	16.7	12.9	31.9	28.8
Earnings per share for net profit attributable to owners of the parent				
Basic and diluted earnings per share (EUR)	0.20	0.16	0.38	0.36

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Earnings per share has been calculated considering the free-of-charge share issue executed during the reporting period.

The profit for 1 August 2021-31 January 2022 included EUR 0.1 million listing expenses. The profit for the financial year 2021 included EUR 2.8 million listing expenses.

Consolidated balance sheet

EUR million	31 Jan 2022	31 Jan 2021
ASSETS		
Non-current assets		
Goodwill	33.5	33.5
Intangible assets	19.4	18.2
Property, plant and equipment	2.3	2.2
Right-of-use assets	44.4	43.9
Deferred tax assets	0.5	0.6
Total non-current assets	100.2	98.5
Current assets		
Inventories	92.2	58.5
Trade receivables	4.0	4.2
Other receivables	1.4	1.1
Cash and cash equivalents	16.5	11.2
Total current assets	114.1	74.9
Total assets	214.3	173.4

EUR million	31 Jan 2022	31 Jan 2021
EQUITY AND LIABILITIES		
Equity		
Share capital	0.1	0.0
Reserve for invested unrestricted equity	29.0	-
Retained earnings	6.8	-21.9
Profit for the period	31.9	28.8
Total equity attributable to owners of the parent	67.8	6.9
Total equity	67.8	6.9
Liabilities		
Non-current liabilities		
Loans from financial institutions	69.8	79.9
Lease liabilities	36.3	35.8
Provisions	0.7	0.6
Deferred tax liabilities	3.2	3.6
Total non-current liabilities	110.0	119.9
Current liabilities		
Loans from financial institutions	-	10.0
Lease liabilities	8.0	7.2
Trade payables	13.2	15.2
Advances received	0.3	0.2
Income tax liabilities	4.1	3.5
Other current liabilities	11.0	10.5
Total current liabilities	36.5	46.6
Total liabilities	146.5	166.5
Total equity and liabilities	214.3	173.4

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

EUR million	Attributable to owners of the parent			Total equity
	Share capital	Reserve for invested unrestricted equity	Retained earnings	
Equity on 1 February 2021	0.0	-	6.9	6.9
Profit for the period			31.9	31.9
Total comprehensive income for the period			31.9	31.9
Increase in share capital	0.1		-0.1	0.0
Share issue*		29.0		29.0
Total transactions with owners	0.1	29.0	-0.1	29.0
Equity on 31 January 2022	0.1	29.0	38.8	67.8
EUR million	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Equity on 1 February 2020	0.0	2.0	28.3	30.2
Profit for the period			28.8	28.8
Total comprehensive income for the period			28.8	28.8
Return of capital		-2.0		-2.0
Dividends			-50.1	-50.1
Total transactions with owners		-2.0	-50.1	-52.1
Equity on 31 January 2021	0.0	-	6.9	6.9

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

*The gross assets from the share issue were EUR 30 million. Listing expenses of EUR 1.4 million less a tax effect of EUR 0,3 million have been recognized in the invested unrestricted equity fund.

Consolidated statement of cash flows

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Cash flows from operating activities				
Profit for the period	16.7	12.9	31.9	28.8
Adjustments for:				
Depreciation, amortization and impairments	6.0	5.0	11.5	9.7
Gains/losses on disposal of tangible assets	0.0	-0.3	0.0	-0.3
Other non-cash adjustments	0.1	-	0.1	-
Finance income and costs	1.3	2.8	4.5	5.5
Income tax expense	4.2	3.2	8.0	7.2
Changes in working capital				
Change in trade and other receivables	1.5	-0.9	-0.1	-2.2
Change in inventories	-21.0	-3.8	-33.7	-8.3
Change in trade and other current non-interest-bearing liabilities	-6.5	-1.9	-1.1	7.5
Interests paid	-0.5	-1.7	-2.0	-3.3
Interests of lease liabilities	-0.7	-0.6	-1.3	-1.2
Interests received	0.0	0.0	0.0	0.0
Arrangement fee for loans from financial institutions and other financial costs	-0.2	-0.3	-0.6	-2.0
Income taxes paid	-5.3	-4.6	-7.4	-4.6
Net cash flows generated from operating activities	-4.3	10.0	9.7	37.0
Cash flows from investing activities				
Payments for intangible assets	-2.8	-0.8	-3.1	-0.9
Payments for property, plant and equipment	0.2	-0.7	-1.3	-2.1
Proceeds from sale of property, plant and equipment	0.0	0.3	0.0	0.3
Net cash flows used in investing activities	-2.5	-1.2	-4.4	-2.6
Cash flows from financing activities				
Share issue	-0.4	-	28.6	-
Proceeds from borrowings	-	-	70.0	100.0
Repayments of loans from financial institutions	-	-4.5	-91.0	-74.3
Principal elements of lease liabilities	-3.9	-3.3	-7.6	-6.4
Dividends	-	-14.0	-	-50.1
Return of capital	-	-2.0	-	-2.0
Net cash flows used in financing activities	-4.3	-23.8	0.0	-32.9
Net increase (+)/(-) decrease in cash and cash equivalents	-11.1	-15.0	5.4	1.5
Cash and cash equivalents at the beginning of the period	27.6	26.2	11.2	9.7
Cash and cash equivalents at the end of period	16.5	11.2	16.5	11.2

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

The profit for 1 August 2021-31 January 2022 included EUR 0.1 million listing expenses. The profit for 1 February 2021-31 January 2022 included EUR 2.8 million listing expenses.

Notes to the financial information

1. Basis of preparation

This financial information has been prepared in accordance with IAS 34 Interim Financial Reporting – standard. In preparation of this financial information the same accounting policies, methods of computation and presentation have been applied as in the consolidated financial statements included in the listing prospectus dated 9 June 2021. No new accounting policies have been adopted during the reporting period, that would have had a material impact to this interim financial information. This interim financial information does not include all the notes included in the consolidated financial statements for the reporting period ended 31 January 2021 and this interim financial information should be read in conjunction with the consolidated financial statements. This financial information has not been audited.

Due to the nature of Puuilo's operations, the group has only one reportable operating segment. Individual stores and online store are considered as distribution channels for Puuilo's products, and all the stores operate under the Puuilo trademark. Functions such as financial management, information management, marketing, purchases, and logistics are centralized and managed on the group level.

The preparation of interim financial information requires management to make estimates and assumptions that affect the application of accounting policies and the recognized amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimated. The estimates and assumptions used in the preparation on interim financial information are similar to those applied in the preparation of the consolidated financial statements for the financial year ended 31 January 2021.

Figures presented in parentheses refer to corresponding reporting period in previous reporting period, if not otherwise stated.

2. Seasonality

Puuilo's business is, in part, seasonal in nature. As such, there are seasonal peaks in Puuilo's net sales, results of operations and cash flows, despite the retail sector being relatively independent of seasons. Historically, Puuilo's most important seasons in terms of net sales have been the second and third quarter of each year. Additionally, Puuilo's net sales are partly impacted by exceptional, harsh, or seasonally atypical weather.

3. Significant events of the reporting period

Listing

Trading in Puuilo's shares started on 24 June 2021. The listing (IPO) consisted of a share issue and a share sale. In the IPO, 4,561,093 new shares were issued and the total number of the company's shares after the listing is 84,776,953. The new shares were registered in the Finnish Trade Register on 23 June 2021. Puuilo received EUR 30 million in gross assets from the IPO which was recognized in the invested unrestricted equity fund. The company's listing expenses in the financial year 2021 were EUR 4.1 million, of which listing expenses recognized in equity were approximately EUR 1.3 million less a tax effect of EUR 0.3 million. EUR 2.8 million of the expenses were recognized in profit and loss.

The final subscription price was EUR 6.60 per share in the institutional and public offering and 10% lower in the personnel share issue, i.e., EUR 5.94 per share, based on which the company's market capitalization was approximately EUR 560 million immediately after the IPO. The shares were in strong demand and the share issue was oversubscribed several times. The trading code for Puuilo shares is PUUILO. On the stock exchange, Puuilo belongs to the mid cap segment and is part of the retail category.

Refinancing

During the second quarter of 2021, Puuilo entered into a new EUR 90 million financing agreement. The loans under the new financing agreement consist of a EUR 70.0 million term loan facility and a EUR 20.0 million overdraft facility. The overdraft facility has not been used during the reporting period. The new financing agreement replaced the company's previous bank loans. The entire loan is due in June 2024.

The new financing agreement includes standard covenants and maturity conditions. The terms of the financial covenants in the agreement measure the leverage in terms of the net debt to EBITDA ratio. In addition, the interest margin is tied to the net debt to EBITDA ratio. The loans under the new financing agreement are unsecured.

Change in Puuilo's Management Team

Markus Kaatranen was appointed Sales Director and a member of Puuilo Plc's management team on 23 November 2021. Kaatranen started his position in February 2022. Puuilo's former management team member, Chain Manager Tom Lång left the company in December 2021.

4. Earnings

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Stores	127.9	111.0	260.5	230.7
Online store	4.1	3.8	9.6	8.0
Net sales total	132.0	114.8	270.1	238.7

5. Management remuneration

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
CEO				
Salary, other remuneration and benefits	0.1	0.1	0.2	0.1
Pension costs	0.0	0.0	0.0	0.0
Total	0.1	0.1	0.2	0.2
Management Team excl. CEO				
Salary, other remuneration and benefits	0.4	0.3	0.8	0.5
Pension costs	0.1	0.0	0.2	0.1
Total	0.5	0.3	0.9	0.6

The Board of Directors	0.1	0.0	0.1	0.0
Total Management Team and the Board of Directors	0.7	0.4	1.3	0.8

6. Expenses

Other operating expenses for 1 August 2021-31 January 2022 included EUR 0.1 million listing expenses. Other operating expenses for 1 February 2021-31 January 2022 included EUR 2.8 million listing expenses.

7. Intangible and tangible assets

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Goodwill				
Net carrying amount at the beginning of the reporting period	33.5	33.5	33.5	33.5
Net carrying amount at the end of the reporting period	33.5	33.5	33.5	33.5

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Trademark				
Net carrying amount at the beginning of the reporting period	16.3	17.4	16.8	17.9
Amortization and impairment	-0.6	-0.6	-1.1	-1.1
Net carrying amount at the end of the reporting period	15.7	16.8	15.7	16.8

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Intangible and tangible assets				
Net carrying amount at the beginning of the reporting period	3.8	3.1	3.6	3.1
Amortization, depreciation and impairment	-1.0	-0.7	-1.6	-1.2
Additions	3.2	1.3	4.0	1.8
Disposals	-	0.0	-	-0.1
Net carrying amount at the end of the reporting period	6.0	3.6	6.0	3.6

8. Right-of-use assets

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Right-of-use assets				
Net carrying amount at the beginning of the reporting period	44.6	40.4	43.9	37.7
Depreciation and impairment	-4.5	-3.8	-8.7	-7.4
Additions and other changes	4.3	7.3	9.2	13.6
Net carrying amount at the end of the reporting period	44.4	43.9	44.4	43.9

Maturity analysis of Lease liabilities (contractual undiscounted cash flows)

EUR million	31 Jan 2022	31 Jan 2021
Less than one year	9.2	8.4
From one to five years	28.0	26.5
Over five years	11.1	12.8
Total	48.4	47.7

9. Net Debt

Net debt which is calculated based on the consolidated balance sheet as follows:

EUR million	31 Jan 2022	31 Jan 2021
Non-current financial liabilities		
Loans from financial institutions	69.8	79.9
Lease liabilities	36.3	35.8
Total non-current financial liabilities	106.1	115.7
Current financial liabilities		
Loans from financial institutions	-	10.0
Lease liabilities	8.0	7.2
Total current financial liabilities	8.0	17.2
Total financial liabilities	114.1	132.9
Cash and cash equivalents	16.5	11.2
Net debt	97.6	121.8

Loans from financial institutions are classified in level 3 of the fair value hierarchy because their fair value is based on non-observable inputs, including the company's own estimates related to the level of risk premium.

The new loan from financial institution is measured at amortized cost. The carrying value of the loan is estimated to substantially correspond to their fair values.

10. Equity

The Annual General Meeting, held on 6 May 2021, decided on a free-of-charge share issue (split). In the share issue, new shares were issued to shareholders free of charge in proportion to the ownership, so that one (1) new share was issued for each share. After the share issue the total number of the company's shares was 80,215,860. The issued 40,107,930 new shares were entered in the Trade Register on 14 May 2021. Earnings per share has been calculated considering the free-of-charge share issue executed during the reporting period.

Trading in Puuilo's shares started on 24 June 2021. The listing consisted of a share issue and a share sale. In the IPO, 4,561,093 new shares were issued and the total number of the company's shares after the listing was 84,776,953. The new shares were registered in the Trade Register on 23 June 2021. Puuilo received EUR 30 million in gross assets from the IPO which was recognized in the invested unrestricted equity fund. Listing expenses recognized in the equity were approximately EUR 1.4 million less a tax effect of EUR 0.3 million.

11. Contingent liabilities

Carrying amounts of pledged assets

EUR million	31 Jan 2022	31 Jan 2021
Property mortgages given on own behalf	-	4.4
Enterprise mortgages given on own behalf	-	220.8
Total	-	225.2

Liabilities* for which pledges, and mortgages have been given

EUR million	31 Jan 2022	31 Jan 2021
Loans from financial institutions	-	91.0
Total	-	91.0

*nominal value

EUR million	31 Jan 2022	31 Jan 2021
Liability for leases with the lease term beginning after the end of reporting period	19.0	9.8

Puuilo's contingent liabilities consist of lease liabilities for the leases with the lease term beginning after the end of the reporting period and are therefore not yet recognised in the balance sheet. Contingent liabilities for the comparison period also include collateral for loans from financial institutions.

12. Related party transactions

Puuilo Group is controlled by Puuilo Plc. In addition, Puuilo's related parties include key personnel of the Puuilo Group, their close family members and companies controlled by them. The key personnel include the members of the Board of Directors, the CEO, and the Group Management Team.

The Puuilo Group purchases some products it sells in its stores from companies owned by related parties. These companies manufacture products that are part of Puuilo's product assortment. In addition, the company has leased business premises from related parties. The group's lease liabilities to related parties include the present value of the future lease payments of the above-mentioned leased premises. During the reporting period 2020, the company sold the property it owned to related parties with the related land lease right. Transactions with related parties have taken place at market price and on normal terms. All Puuilo employees are entitled to the ordinary personnel discount in Puuilo stores. A related party employed by Puuilo is entitled to this discount. This information has not been presented as related party transactions.

The following transactions were carried out with related parties:

EUR million	1 Aug 2021 - 31 Jan 2022	1 Aug 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Sales	0.0	0.0	0.0	0.1
Gains on disposal of tangible assets	-	0.2	-	0.2
Purchases	1.1	1.1	2.2	1.9
Lease payments and other operating expenses	0.2	0.3	0.5	0.6

Balance sheet

EUR million	31 Jan 2022	31 Jan 2021
Sales receivables	0.0	0.0
Trade payables	0.1	0.1
Lease liabilities (IFRS 16)	1.7	2.0

13. Significant events after the end of reporting period

There were no significant events after the end of the reporting period.

Calculation of certain alternative performance measures and other key figures

Puulo uses alternative performance measures to reflect the changes in business performance and profitability. These indicators should be examined together with the IFRS-compliant performance key indicators.

Like-for-like store net sales development is used to reflect the changes in Puulo's business volume between periods. The indicator reflects the change in the net sales excluding the impact of new stores. Like-for-like stores include the stores that have existed during both the review period and the comparison period.

Adjusted profit and profitability indicators are used to improve the comparability of operational performance between periods. Items affecting comparability include unusual material items outside the ordinary course of the business. These unusual expenses relate to listing expenses, strategic development projects and administration.

Alternative performance measures, adjusted for the effect of IFRS 16, are used to monitor the achievement of financial targets. EBITDA excluding the effect of IFRS corresponds to EBITDA before the adoption of IFRS 16.

In addition, financial performance indicators for the group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

Key figure	Definition
Like-for-like store net sales development (%)	Like-for-like store net sales development is calculated as the net sales development of the comparable stores that are not considered new or closed stores. A store is considered a new store during the opening year and the following financial year after the opening. Relocated stores are considered as like-for-like stores.
Online net sales development (%)	Change in online store net sales for the period divided by online store net sales for the previous period
Gross profit	Net sales – materials and services
Gross margin (%)	Gross profit as percentage of net sales
EBITA	Operating profit before the amortisation of Puulo trademark
EBITA margin (%)	EBITA as percentage of net sales
Adjusted EBITA	EBITA adjusted with items affecting comparability
Adjusted EBITA margin (%)	Adjusted EBITA as percentage of net sales
EBIT (operating profit)	Profit before income taxes and finance income and finance costs (operating profit)

EBIT margin (%)	EBIT as percentage of net sales
Earnings per share (basic and diluted) (EUR)	<p>Earnings per share have been calculated by dividing the profit for the period according to the consolidated income statement by the weighted average number of shares issued.</p> <p>Earnings per share has been calculated for all periods presented considering the free-of-charge share issue executed during the reporting period.</p>
Earnings per share excluding listing expenses (EUR)	<p>Earnings per share have been calculated by dividing the profit for the period excluding the listing expenses recognised in profit and loss according to the consolidated income statement by the weighted average number of shares issued.</p> <p>Earnings per share has been calculated for all periods presented considering the free-of-charge share issue executed during the reporting period.</p>
Operating free cash flow	Adjusted EBITDA – depreciation of right-of-use assets – change in net working capital in cash flow statement – net capital expenditure
Net debt / Adjusted EBITDA	Interest-bearing liabilities (loans from financial institutions + lease liabilities) – cash and cash equivalents divided by annualised adjusted EBITDA
EBITDA	Operating profit before depreciation, amortisation, and impairment
Adjusted EBITDA	EBITDA before items affecting comparability

Reconciliation of alternative performance measures

EUR million	1 Nov 2021 - 31 Jan 2022	1 Nov 2020 - 31 Jan 2021	1 Feb 2021 - 31 Jan 2022	1 Feb 2020 - 31 Jan 2021
Items affecting comparability				
Strategic projects	-	0.1	-	0.5
Administration	-	0.0	0.0	0.1
Listing expenses	-	-	2.8	-
Items affecting comparability	0.0	0.1	2.9	0.6
Gross Profit				
Net sales	62.3	54.1	270.1	238.7
Materials and services	39.7	34.6	170.6	151.6
Gross Profit	22.6	19.5	99.6	87.1
EBITA and adjusted EBITA				
Operating profit	9.5	8.1	44.5	41.5
Amortisation of trademark	0.3	0.3	1.1	1.1
EBITA	9.8	8.4	45.6	42.6
Items affecting comparability	0.0	0.1	2.9	0.6
Adjusted EBITA	9.8	8.5	48.4	43.2
Operating free cash flow				
Adjusted EBITDA	12.6	10.8	58.8	51.8
Net capital expenditure	-1.1	-0.5	-4.4	-2.6
Depreciation on right-of-use assets	-2.3	-1.9	-8.7	-7.4
Changes in working capital	-16.5	0.2	-34.9	-3.0
Operating free cash flow	-7.2	8.5	10.8	38.8
Net debt / Adjusted EBITDA				
Net debt	97.6	121.8	97.6	121.8
Adjusted EBITDA, rolling 12 mths	58.8	51.8	58.8	51.8
Net debt / Adjusted EBITDA	1.7	2.4	1.7	2.4
EBITDA and Adjusted EBITDA				
Operating profit	9.5	8.1	44.5	41.5
Depreciation, amortisation and impairments	3.1	2.6	11.5	9.7
EBITDA	12.6	10.7	55.9	51.2
Items affecting comparability	0.0	0.1	2.9	0.6
Adjusted EBITDA	12.6	10.8	58.8	51.8