

Net sales increased and high profitability level continued in the second quarter

Highlights for May-July 2021

- Net sales increased by 5.2% (49.8%) and were EUR 79.8 million (75.8)
- Like-for-like store net sales declined by -4.0% (+33.1%)
- Online store net sales increased by 45.2%
- Gross profit was EUR 29.6 million (27.7) and gross margin was 37.2% (36.5%)
- Adjusted EBITA was EUR 16.8 million (16.1), which corresponds to an adjusted EBITA- margin of 21.1% (21.2%)
- EBIT was EUR 14.9 million (15.6) which corresponds to 18.6% of net sales (20.6%)
- Operating free cash flow was EUR 8.5 million (19.6)
- Earnings per share were EUR 0.13 (0.14)
- One new store was opened during the reporting period

Highlights for February-July 2021

- Net sales increased by 11.5% (47.1%) and were EUR 138.2 million (123.9)
- Like-for-like store net sales grew by 2.5% (29.6%)
- Online store net sales increased by 33.3%
- Gross profit was EUR 51.0 million (45.5) and gross margin was 36.9% (36.7%)
- Adjusted EBITA was EUR 25.5 million (23.5), which corresponds to an adjusted EBITA-margin of 18.5% (19.0%)
- EBIT was EUR 22.2 million (22.6), which corresponds to 16.0% of net sales (18.2%)
- Operating free cash flow was EUR 15.4 million (26.2)
- Earnings per share were EUR 0.19 (0.20)
- Three new stores were opened during the reporting period

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. 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. The information in this report is unaudited.

For further information, please contact:

Juha Saarela, CEO, mobile phone: +358 50 409 7641
Ville Ranta, CFO, mobile phone: +358 40 555 4995

Webcast and a phone conference

Puuilo's CEO Juha Saarela and CFO Ville Ranta will present the report at a webcast and a phone conference for analysts, investors and the media on the publication date at 11:00 a.m. EET (10:00 a.m. CET).

The event will be held in Finnish, but questions can also be asked in English at the end of the webcast.

You can join the live webcast via <https://puuilo.videosync.fi/2021-h1-tulos> or join via phone. A recording of the webcast will be available at Puuilo's investor website later on the report publication day.

FI: +358 9 81710310
SE: +46 8 56642651
UK: +44 333 3000804
US: +1 631 9131422

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Key figures

EUR million	1 May - 31 Jul 2021	1 May - 31 Jul 2020	1 Feb - 31 Jul 2021	1 Feb - 31 Jul 2020	1 Feb - 31 Jan 2021
Net sales	79.8	75.8	138.2	123.9	238.7
Net sales development (%)	5.2%	49.8%	11.5%	47.1%	40.0%
Like-for-like store net sales developm. (%)	-4.0%	33.1%	2.5%	29.6%	24.4%
Online store net sales developm. (%)	45.2%	108.9%	33.3%	146.3%	127.5%
Gross Profit	29.6	27.7	51.0	45.5	87.1
Gross Margin (%)	37.2%	36.5%	36.9%	36.7%	36.5%
Adjusted EBITA *	16.8	16.1	25.5	23.5	43.2
Adjusted EBITA margin (%)	21.1%	21.2%	18.5%	19.0%	18.1%
EBITA	15.2	15.9	22.7	23.2	42.6
EBITA margin (%)	19.0%	21.0%	16.5%	18.7%	17.9%
EBIT	14.9	15.6	22.2	22.6	41.5
EBIT margin (%)	18.6%	20.6%	16.0%	18.2%	17.4%
Net income	10.3	11.2	15.2	15.9	28.8
EPS (EUR)	0.13	0.14	0.19	0.20	0.36
Operating free cash flow	8.5	19.6	15.4	26.2	38.8
Net debt / adjusted EBITDA	1.6	2.4	1.6	2.4	2.4
Number of stores (end of period)	33	29	33	29	30
Number of personnel converted into full-time employees (FTE)	628	451	677	446	595

* Operating profit before the amortization of Puuilo trademark

Earnings per share has been calculated for all periods presented taking into account the free-of-charge share issue executed during the reporting period.

Puuilo's long-term targets and market outlook for the financial year 2021

There have been no changes in the long-term growth expectations of Puuilo, announced in connection with the listing.

Puuilo'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 percent.
- Profitability: Adjusted EBITA margin between 17–19 percent of net sales.

- Dividend policy: Puuilo 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.

The uncertainty caused by the COVID-19 pandemic continues. In a pandemic situation, unpredictable and sudden changes can occur. After the second quarter of the financial year, Puuilo sees signs of normalization of consumer behaviour.

CEO Juha Saarela's review

Puuilo's development during its first half year (February-July) as a listed company was strong. Net sales and adjusted operating profit (EBITA) increased. We were able to achieve this despite the fact that we faced an exceptionally strong comparison period from the previous year, when net sales growth was very strong. The first half of the year was characterized by the COVID-19 pandemic, which was particularly evident in the figures for the comparison period, but also in the reporting period. The company's profitability level in the first half of the year was at an excellent level.

The company's second quarter (May-July) was in line with our expectations. The company's net sales and adjusted operating profit increased and profitability was at an excellent level. For the second quarter, net sales for the comparison period were exceptionally high, resulting in a slight decline in like-for-like net sales. In the comparison period, the demand for protective and disinfection products, in particular, was extraordinary and these products were even hoarded. The impact of the pandemic also widely affected other Puuilo product groups in the comparison period. However, the overall performance of the company improved compared to the comparison period.

Puuilo is implementing its growth strategy, announced in connection with the listing, with determination. During the first half of the year, we opened three new stores: in Vaasa, Imatra and Rauma. We have previously announced that we will open our fourth new store for this financial year in Laajalahti, Espoo. The store will be opened on 16 September. In addition, on 14 September, we have announced that in the next financial year, we will open new stores in Sastamala and Lieto. We have already concluded rental agreements for these stores.

We are also determined to develop our like-for-like store network by constantly concentrating on increasing sales and developing our product offering. Within our offering of private label products, our performance has been strong. The share of private label products in net sales increased during both reporting periods and this is reflected in an improved gross profit-margin, especially during May-July, but also throughout the first half of the year.

Our high profitability level was well maintained. During the first half of the year, our profitability (adjusted EBITA) was in the range of our long-term financial target (17–19%), and in the second quarter the level of profitability was even higher and at the same level as in the corresponding period last year. The high level of profitability was a result of the above-mentioned focus on our growth strategy and our good cost control, which is deeply rooted in our culture. In accordance with the last cornerstone of our growth strategy, we also managed to increase online net sales by double-digit percentages. Our omni-channel strategy worked well, as evidenced by the strong growth in store pick-ups during the reporting period.

The needs and buying behaviour of our customers are normalizing after the pandemic. The return to so-called normal life after the summer will be supported by decisions to impose less national and local restrictions in Finland and the adaptation to the time after the pandemic.

Finally, I would like to extend my warmest thanks to our personnel for their perseverance in this long-standing exceptional situation. Together, we are very committed to achieving our long-term financial targets announced in connection with our listing.

Puulo's journey now continues as a listed company, and I would like to take this opportunity to welcome both our new and old owners and customers to shop!

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*.

Store network development

On 31 July 2021, Puulo had a total of 33 stores (29 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, Puulo has opened an average of 3-4 new stores a year, which is also a goal for the coming years.

The company has an efficient and standardized 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.

According to the definition of Puulo, a store is considered new during the year of opening and the following financial year. Relocated stores are considered like-for-like stores.

During the review period, Puulo opened new stores in Vaasa, Imatra and Rauma. The company will open a new store in Laajalahti, Espoo, in mid-September. Puulo has entered into agreements to open two new stores (Sastamala and Lieto) during the financial year 2022. 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.

Financial development

Seasonality

Puulo's business is, in part, seasonal in nature. As such, there are seasonal peaks in Puulo's net sales, operating result and cash flows, although seasonal dependence is relatively low compared to the trade sector in general. Historically, Puulo'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.

Net sales, financial result and profitability

May-July 2021

In May-July, Puuilo's net sales increased by 5.2% to EUR 79.8 million (75.8). Net sales of Puuilo's stores were EUR 76.7 million (73.7) and net sales of the online store were EUR 3.1 million (2.1), which corresponded to 3.9% (2.8%) of net sales. Like-for-like store net sales declined by -4.0% (33.1%) in May-July.

The development of net sales was affected by the opening of new stores and the increase in the net sales of the online store. The net sales of the like-for-like stores were affected by the exceptionally strong demand caused by the COVID-19 pandemic in the corresponding period, mainly driven by the demand of protective and disinfection products.

Puuilo's gross profit in May-July was EUR 29.6 million (27.7) and the gross margin was 37.2% (36.5%). The positive gross profit development was affected by the higher share of private label products.

Operating expenses were EUR 12.0 million (9.6), which corresponds to 15.1% of net sales (12.7%). Adjusted operating expenses were EUR 10.4 million (9.5), or 13.0% of net sales (12.5%). The most significant item in operating expenses was personnel expenses, which were higher than in comparison period 2020 mainly due to the opening of new stores. Personnel expenses were EUR 6.8 million (6.1), which corresponds to 8.5% (8.0%) of net sales.

Operating expenses included EUR 1.7 million of stock exchange listing costs. Operating expenses for the comparison period included EUR 0.1 million of items affecting comparability, which were mainly related to strategic development projects.

Adjusted EBITA was EUR 16.8 million (16.1) and the adjusted EBITA-margin was 21.1% (21.2%). EBITA was EUR 15.2 million (15.9) and the EBITA-margin was 19.0% (21.0%).

Operating profit was EUR 14.9 million (15.6), which corresponds to an operating profit margin of 18.6% (20.6%).

Net financial expenses were EUR -2.0 million (-1.6). Net financial expenses excluding the effect of IFRS 16 were EUR -1.7 million (-1.2).

Profit before taxes was EUR 12.9 million (14.1). Total income taxes were EUR 2.6 million (2.8). The Net result was EUR 10.3 million (11.2) and earnings per share were EUR 0.13 (0.14). Earnings per share excluding the effect of listing expenses were EUR 0.15 (0.14).

February-July 2021

Puuilo's net sales in February-July increased by 11.5% to EUR 138.2 million (123.9). Net sales of Puuilo's stores were EUR 132.6 million (119.7) and net sales of the online store were EUR 5.6 million (4.2), which corresponds to 4.0% (3.4%) of net sales. Like-for-like store net sales increased by 2.5% (29.6%) in February-July.

The development of net sales was affected by the opening of new stores and the increase in the net sales of the online store. The net sales of the like-for-like stores were affected by the exceptionally strong demand caused by the COVID-19 pandemic in the corresponding period 2020, mainly driven by the demand of protective and disinfection products.

Puulo's gross profit in February-July was EUR 51.0 million (45.5) and the gross margin was 36.9% (36.7%). The positive gross profit development was affected by the higher share of private label products.

Operating expenses were EUR 23.4 million (18.2), or 17.0% of net sales (14.7%). Adjusted operating expenses were EUR 20.6 million (17.9), or 14.9% of net sales (14.4%). 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 13.1 million (11.3), or 9.5% (9.2%) of net sales.

Operating expenses included EUR 2.8 million of stock exchange listing costs. Operating expenses for the comparison period included EUR 0.4 million of items affecting comparability, which were mainly related to strategic development projects.

Adjusted EBITA was EUR 25.5 million (23.5) and the adjusted EBITA-margin was 18.5% (19.0%). EBITA was EUR 22.7 million (23.2) and the EBITA-margin was 16.5% (18.7%).

Operating profit (EBIT) was EUR 22.2 million (22.6) which corresponds to an EBIT-margin of 16.0% (18.2%).

Net financial expenses were EUR -3.2 million (-2.8). Net financial expenses excluding the effect of IFRS 16 were EUR -2.5 million (-2.2).

Profit before taxes was EUR 19.0 million (19.8). Total income taxes were EUR 3.8 million (4.0). The net result was EUR 15.2 million (15.9). Earnings per share were EUR 0.19 (0.20). Earnings per share excluding the effect of listing expenses were EUR 0.22 (0.20).

Balance sheet, financing and cash flow

Puulo's inventories were EUR 71.2 million (54.7) at the end of the reporting period. The increase in inventories compared to the corresponding period last year was an effect of the opening of new stores and the increase in the volumes of private label products. In the comparison period, the inventories were lower than normal due to the exceptionally strong demand caused by COVID-19 pandemic. In the financial year 2021, the inventory levels have been consciously increased in order to secure the adequate stock of seasonal products in particular for the coming 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 May-July was EUR 8.5 million (19.6) and in February-July EUR 15.4 million (26.2). Operating free cash flow was mainly affected by the above-mentioned increase in inventories during the whole review period.

Cash and cash equivalents at the end of the reporting period were EUR 27.6 million (26.2) and the company's financial position is stable.

At the end of July 2021, Puulo's financial liabilities totalled EUR 113.1 million (133.5), of which long-term financial loans amounted to EUR 69.7 million (85.2) and short-term financial loans EUR 0.0 million (9.0).

Other interest-bearing liabilities were lease liabilities reported in accordance with IFRS 16. At the end of the reporting period, the ratio of net debt to adjusted EBITDA was 1.6 (2.4).

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 EUR 70.0 million of term loan facility and 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 on the new financing agreement is tied to the net debt to EBITDA ratio. The loans under the new financing agreement are unsecured.

Investments

Puuilo's investments in May-July were EUR 0.8 million (0.6). Investments in February-July were EUR 1.8 million (1.4).

Investments were mainly related to the furnishing of new stores and to the ERP, which will be fully implemented during the financial year 2021.

Investments in the financial year 2021 are expected to be around EUR 4-5 million, of which approximately EUR 2-3 million is related to the implementation of the ERP.

Personnel

The number of full-time employees was 725 (650).

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 is 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 was recognized in the invested unrestricted equity fund. The company's listing expenses in February-July 2021 were EUR 4.1 million of which listing costs 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 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. 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 is EUR 80,000 at the end of the review period. At the end of the reporting period, the company had 84,776,953 shares.

On the last trading day of the reporting period, 30 July 2021, the closing price of the share was EUR 7.97. The share turnover during the review period was EUR 339.2 million and 50,098,859 shares. The highest intra-day share price during the reporting period was EUR 8.30 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 675 million.

At the end of the reporting period, Puuilo had 32,388 registered shareholders. On 1 July 2021, Puuilo received information that Adelis Equity Partners Fund I AB owns 30,818,242 shares in the company through Puuilo Invest Holding AB. The holding corresponds to 36.35% of all Puuilo shares and Adelis is hence the largest individual shareholder 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/leadership-team>.

Flagging notifications

During the review 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%.

Manager's share transactions

Puuilo's management 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>.

Risks and uncertainties

Risks and uncertainties related to Puuilo's operating environment, markets, business, strategy implementation, financing and financial position are described in detail in the listing prospectus published on 9 June 2021. The company is continuing its project to implement a ERP system, as described in the listing prospectus. There have been no significant changes in risks during the review period.

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

COVID-19 pandemic

The COVID-19 pandemic has had both direct and indirect effects on Puuilo's business, although the impact of the pandemic on the company's business during the reporting period was limited.

The pandemic has had adverse effects on the reliability of purchasing and supply chains for the company's products as well as created exposure and quarantine situations in some of Puuilo's stores. The pandemic had a positive effect on demand in certain of the company's product groups especially in the second quarter of the corresponding period last year.

As the pandemic spread during the fourth quarter of 2020, problems emerged in the availability of maritime freight causing prices to increase significantly, which resulted in some delays in the delivery of products and the availability of goods for Puuilo also during the financial year 2021. Restrictions on travel and gatherings have impacted the development of the company's product selection by making it more difficult to find new suppliers.

It is difficult to foresee the full effects of the ongoing pandemic on the global economy, the Finnish economy, Puuilo's business and Puuilo's customers primarily because the pandemic situation and the decisions and measures undertaken by governments based on it change rapidly.

Restrictions that have been, or may in the future be, imposed to prevent the spread of the pandemic, such as curfews and temporary closures of stores or other restrictions on opening hours, may decrease Puuilo's sales directly or indirectly. Shutdowns could have an effect on wholesalers, the functioning of warehouses and in-store sales. Puuilo's customers mostly visit the company's stores, and stricter measures aimed at preventing the spread of the pandemic, such as curfews and restrictions on opening hours, could prevent customers from shopping normally at Puuilo's stores. In addition, infections and exposure to the COVID-19 and possible quarantines at Puuilo's partners or Puuilo's stores may impede the delivery of products and force Puuilo to temporarily close stores.

A continuation of the pandemic will also impact the number of suppliers as well as contacts with potential new sources of supply in the manner described above, which, in the long term, could impact the Company's ability to improve and develop its product offering.

Significant events after the end of the reporting period

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

Governance

Decision by the Annual General Meeting

The Annual General Meeting of Puuilo Plc, held on 6 May 2021, approved the consolidated financial statements for the financial year that ended on 31 January 2021. In accordance with the proposal of the Board of Directors, the Annual General Meeting decided not to distribute a dividend.

The Annual General Meeting decided on a free-of-charge share issue (split). In the share issue, new shares were issued in proportion to the ownership, so that one (1) new share was issued for each share. After the share issue, the total number of company shares was 80,215,860. The issued 40,107,930 shares were entered in the Finnish Trade Register on 14 May 2021.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that the following annual remuneration be paid to the members of the Board of Directors:

- Chairman of the Board: EUR 60,000
- Other members of the Board: EUR 30,000
- In addition, the Chairman of the Audit Committee is paid an annual fee of EUR 5,000 and the other members of the Audit Committee an annual fee of EUR 2,500.

The Annual General Meeting confirmed the number of Board members as six. Timo Mänty, Chairman of the Board, and Gustav Bard, Tomas Franzén, Rasmus Molander and Markku Tuomaala will continue as members of the company's Board of Directors. Mammu Kaario was elected as a new member of the Board.

PricewaterhouseCoopers Oy was re-elected as the auditor, and Enel Sintonen, Authorized Public Accountant, has been appointed as the principal auditor. It was decided to pay the auditor a fee according to a reasonable invoice approved by the Audit Committee.

The Annual General Meeting decided to change the name of Puuilo Invest I Oy to Puuilo Oy (now Puuilo Plc).

Unanimous shareholder decisions

The shareholders unanimously decided to remove the redemption, consent and arbitration clauses from the Articles of Association. The decision was conditional on listing.

The shareholders unanimously decided to increase the share capital to EUR 80,000. The decision was registered on 4 June 2021.

The shareholders unanimously decided to authorize the Board of Directors to decide on the issue of a maximum of 6,000,000 shares in connection with the listing (listing issue). The Board of Directors used the authorization in connection with the IPO.

The shareholders unanimously decided to authorize the Board of Directors to decide on measures related to the company's possible listing, including the approval of the organization agreement and the listing prospectus, and the submission of the listing application to the pre- and main lists of the Helsinki Stock Exchange.

Decisions by the Board of Directors on 25 May 2021

The Board decided to establish an Audit Committee and Mammu Kaario, Rasmus Molander and Markku Tuomaala were elected as members of the Audit Committee.

Next financial reports

Puilo Plc publishes a Half-year Review, a Business Review and a Financial Statements Review for the financial year 2021.

16 December 2021 Business review (Aug - Oct)
31 March 2022 Financial statements review for 2021

The Board of Directors' report and the Financial Statements for the financial year 2021 will be published in week 15 in 2022.

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

14 September 2021

PUUILO PLC

Board of Directors

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Nasdaq Helsinki
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Financial information for the half-year report

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Consolidated statement of comprehensive income

EUR million	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Net sales	138.2	123.9	238.7
Other operating income	0.1	0.0	0.6
Materials and services	-87.2	-78.4	-151.6
Personnel expenses	-13.1	-11.3	-22.7
Other operating expenses	-10.4	-6.9	-13.8
Depreciation, amortization and impairments	-5.5	-4.7	-9.7
Operating profit	22.2	22.6	41.5
Finance income	0.0	0.0	0.0
Finance costs	-3.2	-2.8	-5.5
Total finance income and costs	-3.2	-2.8	-5.5
Profit before taxes	19.0	19.8	36.0
Current income tax	-3.7	-3.9	-7.5
Deferred income tax	-0.1	-0.1	0.3
Total income tax expense	-3.8	-4.0	-7.2
Profit for the period	15.2	15.9	28.8
Total comprehensive income for the period	15.2	15.9	28.8
Profit for the period attributable to:			
Owners of the parent	15.2	15.9	28.8
Profit for the period	15.2	15.9	28.8
Earnings per share for net profit attributable to owners of the parent			
Basic and diluted earnings per share (EUR)	0.19	0.20	0.36

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

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

The profit for February-July 2021 included EUR 2.8 million listing expenses.

Consolidated balance sheet

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
ASSETS			
Non-current assets			
Goodwill	33.5	33.5	33.5
Intangible assets	17.6	18.3	18.2
Property, plant and equipment	2.4	2.2	2.2
Right-of-use assets	44.6	40.4	43.9
Deferred tax assets	0.5	0.4	0.6
Total non-current assets	98.7	94.8	98.5
Current assets			
Inventories	71.2	54.7	58.5
Trade receivables	3.6	2.9	4.2
Other receivables	3.2	1.4	1.1
Cash and cash equivalents	27.6	26.2	11.2
Total current assets	105.7	85.2	74.9
Total assets	204.4	180.0	173.4

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	0.1	0.0	0.0
Reserve for invested unrestricted equity	29.0	2.0	-
Retained earnings	6.8	-7.8	-21.9
Profit for the period	15.2	15.9	28.8
Total equity attributable to owners of the parent	51.1	10.0	6.9
Total equity	51.1	10.0	6.9
Liabilities			
Non-current liabilities			
Loans from financial institutions	69.7	85.2	79.9
Lease liabilities	35.6	32.9	35.8
Provisions	0.7	0.6	0.6
Deferred tax liabilities	3.3	3.8	3.6
Total non-current liabilities	109.3	122.4	119.9
Current liabilities			
Loans from financial institutions	-	9.0	10.0
Lease liabilities	7.7	6.4	7.2
Trade payables	19.9	17.1	15.2
Advances received	0.2	0.1	0.2
Income tax liabilities	5.1	4.4	3.5
Other current liabilities	11.1	10.6	10.5
Total current liabilities	44.0	47.6	46.6
Total liabilities	153.3	170.1	166.5
Total equity and liabilities	204.4	180.0	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			15.2	15.2
Total comprehensive income for the period			15.2	15.2
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 July 2021	0.1	29.0	22.0	51.1

EUR million	Attributable to owners of the parent			Total equity
	Share capital	Reserve for invested unrestricted equity	Retained earnings	
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

EUR million	Attributable to owners of the parent			Total equity
	Share capital	Reserve for invested unrestricted equity	Retained earnings	
Equity on 1 February 2020	0.0	2.0	28.3	30.2
Profit for the period			15.9	15.9
Total comprehensive income for the period			15.9	15.9
Return of capital		0.0		0.0
Dividends			-36.1	-36.1
Total transactions with owners		0.0	-36.1	-36.1
Equity on 31 July 2020	0.0	2.0	8.0	10.0

*The gross assets from the share issue were EUR 30 million. Listing expenses of EUR 1.3 million have been recognized in the invested unrestricted equity fund less a tax effect of EUR 0,3 million.

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

Consolidated statement of cash flows

EUR million	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Cash flows from operating activities			
Profit for the period	15.2	15.9	28.8
Adjustments for:			
Depreciation, amortization and impairments	5.5	4.7	9.7
Gains/losses on disposal of tangible assets	-	-	-0.3
Finance income and costs	3.2	2.8	5.5
Income tax expense	3.8	4.0	7.2
Changes in working capital			
Change in trade and other receivables	-1.6	-1.3	-2.2
Change in inventories	-12.7	-4.5	-8.3
Change in trade and other current non-interest-bearing liabilities	5.4	9.4	7.5
Interests paid	-1.5	-1.6	-3.3
Interests of lease liabilities	-0.6	-0.6	-1.2
Interests received	0.0	0.0	0.0
Arrangement fee for loans from financial institutions and other financial costs	-0.4	-1.7	-2.0
Income taxes paid	-2.1	-	-4.6
Net cash flows generated from operating activities	14.0	27.0	37.0
Cash flows from investing activities			
Payments for property, plant and equipment	-1.5	-1.4	-2.1
Payments for intangible assets	-0.3	-0.1	-0.9
Proceeds from sale of property, plant and equipment	-	0.0	0.3
Net cash flows used in investing activities	-1.8	-1.4	-2.6
Cash flows from financing activities			
Share issue	29.0	-	-
Proceeds from borrowings	70.0	100.0	100.0
Repayments of loans from financial institutions	-91.0	-69.8	-74.3
Principal elements of lease liabilities	-3.7	-3.1	-6.4
Dividends	-	-36.1	-50.1
Return of capital	-	-	-2.0
Net cash flows used in financing activities	4.3	-9.1	-32.9
Net increase (+)/(-) decrease in cash and cash equivalents	16.5	16.5	1.5
Cash and cash equivalents at the beginning of the period	11.2	9.7	9.7
Cash and cash equivalents at the end of period	27.6	26.2	11.2

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

The profit for February-July 2021 included EUR 2.8 million listing expenses.

Notes to the interim information

1. Basis of preparation

This interim financial information as at and for the three months ended 31 July 2021 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 half-year 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 half-year 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 comparative 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 February-July 2021 were EUR 4.1 million of which listing costs 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 signed a new EUR 90 million financing agreement related to the refinancing of the group. The loans under the new financing agreement consist of a EUR 70 million term loan facility and a EUR 20 million overdraft facility. The overdraft facility was not used during the reporting period. The agreement replaced Puuilo's previous loans from financial institutions. The entire loan is due in June 2024.

The new financing agreement includes conventional debt covenants and conditions relating to the termination of the loan. The financial covenants related to the new financing agreement measures the company's leverage in terms of net debt to EBITDA ratio. In addition, the interest rate of the loan under the agreement are tied to the company's net debt to EBITDA ratio. The loans under the new financing agreement are unguaranteed.

4. Earnings

EUR million	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Stores	132.6	119.7	230.7
Online store	5.6	4.2	8.0
Net sales total	138.2	123.9	238.7

5. Management remuneration

EUR million	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
CEO remuneration			
Salary, other remuneration and benefits	0.1	0.1	0.1
Pension costs - defined contribution plan	0.0	0.0	0.0
Total	0.1	0.1	0.2
Management Team remuneration (excluding CEO)			
Salary, other remuneration and benefits	0.4	0.3	0.5
Pension costs - defined contribution plan	0.1	0.0	0.1
Total	0.4	0.3	0.6
The Board of Directors remuneration	0.0	0.0	0.0
Total Management Team and the Board of Directors	0.6	0.4	0.8

6. Expenses

Other operating expenses of the reporting period included EUR 2.8 million of costs relating to the listing preparations.

7. Intangible and tangible assets

EUR million	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Goodwill			
Net carrying amount at the beginning of the reporting period	33.5	33.5	33.5
Net carrying amount at the end of the reporting period	33.5	33.5	33.5
Trademark			
Net carrying amount at the beginning of the reporting period	16.8	17.9	17.9
Amortization and impairment	-0.6	-0.6	-1.1
Net carrying amount at the end of the reporting period	16.3	17.4	16.8
Intangible and tangible assets			
Net carrying amount at the beginning of the reporting period	3.6	3.1	3.1
Amortization, depreciation and impairment	-0.7	-0.5	-1.2
Additions	0.9	0.6	1.8
Disposals	-	0.0	-0.1
Net carrying amount at the end of the reporting period	3.8	3.1	3.6

8. Right-of-use assets

EUR million	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Right-of-use assets			
Net carrying amount at the beginning of the reporting period	43.9	37.7	37.7
Depreciation and impairment	-4.2	-3.6	-7.4
Additions and other changes	4.9	6.4	13.6
Net carrying amount at the end of the reporting period	44.6	40.4	43.9

Maturity analysis of Lease liabilities (contractual undiscounted cash flows)

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
Less than one year	8.9	7.5	8.4
From one to five years	27.1	24.1	26.5
Over five years	11.8	12.1	12.8
Total	47.7	43.7	47.7

9. Net Debt

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

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
Non-current financial liabilities			
Loans from financial institutions	69.7	85.2	79.9
Lease liabilities	35.6	32.9	35.8
Total non-current financial liabilities	105.3	118.1	115.7
Current financial liabilities			
Loans from financial institutions	-	9.0	10.0
Lease liabilities	7.7	6.4	7.2
Total current financial liabilities	7.7	15.4	17.2
Total financial liabilities	113.1	133.5	132.9
Cash and cash equivalents	27.6	26.2	11.2
Net debt	85.4	107.3	121.8

Loans from financial institutions are classified in level 3 of the fair value hierarchy because they are determined using 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 new shares were registered in the Trade Register on 14 May 2021. Earnings per share has been calculated taking into account the free-of-charge share issue executed during the reporting period.

Puulo Plc's shares were listed on the Nasdaq Helsinki Oy stock exchange during the review period. 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 is 84,776,953. The new shares were registered in the Trade Register on 23 June 2021. Puulo received EUR 30 million in gross assets from the IPO which was recognized in the invested unrestricted equity fund. Listing costs recognized in the equity were approximately EUR 1.3 million less a tax effect of EUR 0.3 million.

11. Contingent liabilities

Carrying amounts of pledged assets

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
Property mortgages given on own behalf	-	4.4	4.4
Enterprise mortgages given on own behalf	-	220.8	220.8
Total	-	225.2	225.2

Liabilities* for which pledges and mortgages have been given

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
Loans from financial institutions	-	95.5	91.0
Total	-	95.5	91.0

*nominal value

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
Liability for lease agreements that will enter into force in the future	9.8	12.7	9.8

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

12. Related party transactions

Puulo-Group is Plc is controlled by Puulo Plc. In addition, Puulo's related parties include key personnel of the Puulo 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 Puulo Group purchases some products it sells from companies owned by related parties. These companies manufacture products that are included in Puulo's product range. 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 Puulo employees are entitled to the usual personnel discount in Puulo stores. A related party employed by Puulo 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 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Sales	0.0	0.0	0.1
Gains on disposal of tangible assets	-	0.0	0.2
Purchases	1.2	0.9	1.9
Lease payments and other operating expenses	0.2	0.3	0.6

Balance sheet

EUR million	31 Jul 2021	31 Jul 2020	31 Jan 2021
Sales receivables	0.0	0.0	0.0
Trade payables	0.1	0.1	0.1
Lease liabilities (IFRS 16)	1.9	2.2	2.0

13. Events after the 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 seen as new stores on a net basis. A store is considered as 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 amortization 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, finance income and finance costs (operating profit)
EBIT margin (%)	EBIT as percentage of net sales

Earnings per share (basic and diluted) (EUR)	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. Earnings per share has been calculated for all periods presented taking into account the free-of-charge share issue executed during the reporting period.
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 certain alternative performance measures

EUR million	1 May 2021 - 31 Jul 2021	1 May 2020 - 31 Jul 2020	1 Feb 2021 - 31 Jul 2021	1 Feb 2020 - 31 Jul 2020	1 Feb 2020 - 31 Jan 2021
Items affecting comparability					
Strategic projects	-	0.1	-	0.3	0.5
Administration	0.00	0.0	0.0	0.0	0.1
IPO costs	1.7	-	2.8	-	-
Items affecting comparability	1.7	0.1	2.8	0.4	0.6
Gross Profit					
Net sales	79.8	75.8	138.2	123.9	238.7
Materials and services	50.1	48.1	87.2	78.4	151.6
Gross Profit	29.6	27.7	51.0	45.5	87.1
EBITA and adjusted EBITA					
Operating profit	14.9	15.6	22.2	22.6	41.5
Trademark depreciations	0.3	0.3	0.6	0.6	1.1
EBITA	15.2	15.9	22.7	23.2	42.6
Items affecting comparability	1.7	0.1	2.8	0.4	0.6
Adjusted EBITA	16.8	16.1	25.5	23.5	43.2
EBITDA and Adjusted EBITDA					
Operating profit	14.9	15.6	22.2	22.6	41.5
Depreciation, amortization and impairments	2.8	2.5	5.5	4.7	9.7
EBITDA	17.7	18.1	27.7	27.3	51.2
Items affecting comparability	1.7	0.1	2.8	0.4	0.6
Adjusted EBITDA	19.3	18.2	30.5	27.7	51.8

Operating free cash flow

Adjusted EBITDA	19.3	18.2	30.5	27.7	51.8
Net capital expenditure	-0.8	-0.6	-1.8	-1.4	-2.6
Depreciation on right-of-use assets	-2.1	-1.9	-4.2	-3.6	-7.4
Changes in working capital	-7.9	3.9	-9.0	3.6	-3.0
Operating free cash flow	8.5	19.6	15.4	26.2	38.8

Net debt / Adjusted EBITDA

Net debt	85.4	107.3	85.4	107.3	121.8
Adjusted EBITDA, rolling 12 months	54.6	44.3	54.6	44.3	51.8
Net debt / Adj. EBITDA	1.6	2.4	1.6	2.4	2.4