

THE SECOND SUPPLEMENT DOCUMENT TO FLYBIRD HOLDING OY'S TENDER OFFER DOCUMENT DATED 15 DECEMBER 2023, RELATING TO THE VOLUNTARY PUBLIC TENDER OFFER FOR ALL ISSUED AND OUTSTANDING SHARES IN MUSTI GROUP PLC

5 February 2024

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THE TENDER OFFER DOCUMENT, RELATED ACCEPTANCE FORMS AND SUPPLEMENT DOCUMENTS ARE NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW BY ANY MEANS WHATSOEVER INCLUDING, WITHOUT LIMITATION, MAIL, FACSIMILE TRANSMISSION, E-MAIL OR TELEPHONE. IN PARTICULAR, THE TENDER OFFER IS NOT MADE IN AND THE TENDER OFFER DOCUMENT AND THIS SUPPLEMENT DOCUMENT MUST UNDER NO CIRCUMSTANCES BE DISTRIBUTED INTO AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG"), JAPAN, NEW ZEALAND OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW. SHAREHOLDERS IN THE UNITED STATES SHOULD ALSO REFER TO THE SECTION TITLED "INFORMATION FOR SHAREHOLDERS OF MUSTI IN THE UNITED STATES" BELOW.

Flybird Holding Oy (the "**Offeror**"), a private limited company, that is directly owned by Sonae Holdings, S.A. (a wholly-owned direct subsidiary of Sonae - SGPS, S.A.) and directly and indirectly by Jeffrey David, the Chair of Musti's Board of Directors, Johan Dettel, a member of Musti's Board of Directors and David Rönnerberg, the Chief Executive Officer of Musti (together the "**Consortium**"), and Musti Group Plc (the "**Company**" or "**Musti**") have on 29 November 2023 entered into a combination agreement, pursuant to which the Offeror has announced a voluntary public cash tender offer, recommended by the board of directors of Musti, to acquire all of the issued and outstanding shares in Musti that are not held by Musti or any of its subsidiaries (the "**Shares**" or, individually, a "**Share**") (the "**Tender Offer**").

The Offeror has published a tender offer document, dated 15 December 2023, concerning the Tender Offer and the first supplement document to the tender offer document dated 1 February 2024 (the tender offer document as supplemented with the aforementioned supplement document, the "**Tender Offer Document**"). The offer period for the Tender Offer commenced on 18 December 2023 at 9:30 (Finnish time) and will expire on 15 February 2024 at 16:00 (Finnish time) (the "**Offer Period**"), unless the Offer Period is extended further or any extended Offer Period is discontinued in accordance with the terms and conditions of the Tender Offer.

Supplements to the Tender Offer Document

Musti's annual general meeting was held on 31 January 2024 ("**AGM**") and Musti published the decisions of the AGM on 31 January 2024 by way of a stock exchange release which is attached as Annex E to this document (the "**Supplement Document**"). In addition, Musti published an unaudited interim report for the period of 1 October 2023 – 31 December 2023 (the "**Interim Report**") on 31 January 2024 which is attached as Annex F to this Supplement Document. Moreover, on 1 February 2024, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has supplemented its statement on the Tender Offer published on 13 December 2023 and upheld its recommendation that Musti's shareholders accept the Tender Offer. Musti's stock exchange release on the supplement of the statement by the Company's Board of Directors is attached as Annex G to this Supplement Document. Furthermore, the Offeror has, during the Offer Period, purchased an aggregate of 55,411 Shares in Musti, representing in aggregate approximately 0.2 per cent of all outstanding Shares in Musti. The highest price paid in such purchases has been EUR 26.10 per Share.

The Offeror therefore supplements the Tender Offer Document in accordance with Chapter 11, Section 11, Subsection 4 of the Finnish Securities Markets Act (746/2012, as amended) with the following information included in the Supplement Document, and by adding Musti's stock exchange release on the decisions of the AGM as Annex E, the Interim Report as Annex F and Musti's stock exchange release on the supplement of the statement by the Company's Board of Directors as Annex G to the Tender Offer Document.

Supplements relating to the AGM

The AGM was held and the decisions of the AGM were published by Musti through a stock exchange release on 31 January 2024. The stock exchange release is added as Annex E to the Tender Offer Document. In addition, the Offeror supplements the Tender Offer Document with the following information:

The first paragraph of the section "*Presentation of Musti – Stock Options and Other Special Rights Entitling to Shares*" is amended by replacing the following strikethrough passages with the passages that are underlined and set in bold:

Pursuant to the knowledge of the Offeror, Musti has no issued or outstanding stock options or other special rights entitling to shares. However, the annual general meeting of Musti has on ~~30 January 2023~~ **31 January 2024** authorised the Board of Directors of the Company to decide on the issuance of shares and special rights entitling to shares (see "Authorisations" below).

Paragraphs 1–3 of the section "*Presentation of Musti – Authorisations - Authorisation Regarding the Issuance of Shares*" are amended by replacing the following strikethrough passages with the passages that are underlined and set in bold:

On ~~30 January 2023~~ **31 January 2024**, the Annual General Meeting of Musti authorised the Board of Directors of the Company to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act as follows. The number of shares to be issued based on this authorisation may not exceed 3,185,000 shares, which corresponds to approximately 9.5 per cent of all of the shares in the Company. The authorisation covers both the issuance of new shares as well as the transfer of treasury shares held by the Company.

The Board of Directors of Musti was authorised to decide on all the ~~the~~ **other** conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorisation is effective until the conclusion of the next Annual General Meeting, however, no longer than until ~~31 March 2024~~ **31 March 2025**.

Paragraphs 1–4 of the section "*Presentation of Musti – Authorisations – Authorisation Regarding the Repurchase of Own Shares as well as to Accept Them as Pledge*" are amended by replacing the following strikethrough passages with the passages that are underlined and set in bold:

On ~~30 January 2023~~ **31 January 2024**, the Annual General Meeting authorised the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows. The number of own shares to be repurchased and/or accepted as pledge based on this authorisation shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in the Company. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company.

Under the authorisation, own shares may be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets.

The Board of Directors of the Company was also authorised to decide on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorisation is effective until the conclusion of the next Annual General Meeting, however, no longer than until ~~31 March 2024~~ **31 March 2025**.

The section "*Presentation of Musti – Financial Information*" is amended by replacing the following strikethrough passage with the passage that is underlined and set in bold:

The audited consolidated financial statements of Musti as at and for the financial year ended 30 September 2023 and the Board of Directors' report as at and for the financial year ended 30 September 2023 are included in this Tender Offer Document (see "*Annex B: Financial Information of Musti*") in the form published by Musti. ~~As at the date of this Tender Offer Document, the said financial statements have not been presented to the annual general meeting of shareholders of Musti.~~ **The said financial statements have been presented to the annual general meeting of shareholders of Musti on 31 January 2024 and the annual general meeting of Musti has approved the said financial statements on 31 January 2024.**

Supplements relating to the Interim Report

Musti published the Interim Report for the period of 1 October 2023 – 31 December 2023 on 31 January 2024. The Interim Report is added as Annex F to the Tender Offer Document. In addition, the Offeror supplements the Tender Offer Document with the following information:

The Section "*Presentation of Musti – Financial Information*" is amended by adding the following passage that is underlined and set in bold as the second paragraph:

The unaudited interim report for the period of 1 October 2023 – 31 December 2023 published by Musti on 31 January 2024 is included in this Tender Offer Document in the form published by Musti (see "*Annex F: Musti's interim report for the period of 1 October 2023 – 31 December 2023*"). The Offeror does not accept responsibility

for the information presented in the interim report except for the accurate reproduction of such information herein.

Supplements relating to the supplement to the statement of the Musti's Board of Directors

On 1 February 2024, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors, who are not members of the Consortium, has supplemented its statement on the Tender Offer published on 13 December 2023 and upheld its recommendation that Musti's shareholders accept the Tender Offer. Therefore, the Offeror adds Musti's stock exchange release on the supplement to the statement as Annex G to the Tender Offer Document and supplements the Tender Offer Document with the following information:

The fifth paragraph of the cover page is amended by adding the following passage that is underlined and set in bold:

The Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors, who are not members of the Consortium, has unanimously decided to recommend in its statement issued pursuant to the Finnish Securities Markets Act and the Helsinki Takeover Code (as defined below) that the shareholders of Musti accept the Tender Offer (the "**Recommendation**"). **On 1 February 2024, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has supplemented its statement dated 13 December 2023 and upheld its Recommendation.**

The eighth paragraph of section "*Background and objectives – Background to the Tender Offer and Offeror's Strategic Plans*" is amended by adding the following passage that is underlined and set in bold:

After reviewing the Tender Offer and its terms and conditions, as well as other available information, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has unanimously decided to recommend that the shareholders of Musti accept the Tender Offer (see "*Statement by the Board of Directors of Musti*" and "*Annex A: Statement by the Board of Directors of Musti*" below). To support its assessment of the Tender Offer, the Board of Directors of Musti has received separate fairness opinions, dated 29 November 2023, by Advium Corporate Finance Ltd. ("**Advium**") and Carnegie Investment Bank AB, Finland Branch ("**Carnegie**"), to the effect that, as of the date of such fairness opinions, the Offer Price to be paid to holders of Shares pursuant to the Tender Offer, was fair from a financial point of view, to such holders of Shares (other than Sonae, Jeffrey David, Johan Dettel and David Rönnberg, with respect to whom the fairness opinions do not address the fairness of the Offer Price). The fairness opinions were based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the reviews undertaken as more fully described in such fairness opinions. The fairness opinions of Advium and Carnegie were provided for the use and benefit of the Board of Directors of Musti and do not constitute a recommendation as to whether any holders of Shares should tender such Shares in connection with the Tender Offer, how any holders of Shares should act in connection with the Tender Offer or any related matter. The full text of the written fairness opinions of Advium and Carnegie, both dated 29 November 2023, are attached to the statement of the Board of Directors of Musti, which statement is attached to this Tender Offer Document as Annex A. **On 1 February 2024, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has supplemented its statement dated 13 December 2023 and upheld its Recommendation. Musti's stock exchange release on the supplement to the statement is attached as Annex G to this Tender Offer Document.**

The first paragraph of section "*Background and objectives – Statement by the Board of Directors of Musti*" is amended by adding the following passage that is underlined and set in bold:

After reviewing the Tender Offer and its terms and conditions, as well as other available information, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has unanimously decided to recommend that the shareholders of Musti accept the Tender Offer. The Statement of the Board of Directors of Musti in accordance with Chapter 11, Section 13 of the Finnish Securities Markets Act, is attached to this Tender Offer Document as Annex A. To support its assessment of the Tender Offer, the Board of Directors of Musti has received separate fairness opinions, dated 29 November 2023, by Advium and Carnegie, to the effect that, as of the date of such fairness opinions, the Offer Price to be paid to holders of Shares pursuant to the Tender Offer, was fair from a financial point of view, to such holders of Shares (other than Sonae, Jeffrey David, Johan Dettel and David Rönnberg, with respect to whom the fairness opinions do not address the fairness of the Offer Price). The fairness opinions were based upon and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the reviews undertaken as more fully described in such fairness opinions. The fairness opinions of Advium and Carnegie were provided for the use and benefit of the Board of Directors of Musti and do not constitute a recommendation as to whether any holders of Shares should tender such Shares in

connection with the Tender Offer, how any holders of Shares should act in connection with the Tender Offer or any related matter. The full text of the written fairness opinions of Advium and Carnegie, both dated 29 November 2023, are attached to the statement of the Board of Directors of Musti, which statement is attached to this Tender Offer Document as Annex A. **On 1 February 2024, the Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has supplemented its statement dated 13 December 2023 and upheld its Recommendation. Musti's stock exchange release on the supplement to the statement is attached as Annex G to this Tender Offer Document.**

The first paragraph of section "*Summary of the Combination Agreement – Recommendation by the Board of Directors of Musti*" is amended by adding the following passage that is underlined and set in bold:

The Board of Directors of the Company, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium, has unanimously and unconditionally decided, subject to the terms and conditions of the Combination Agreement and its fiduciary duties under Finnish laws and regulations (including the Helsinki Takeover Code), to recommend that the shareholders of the Company accept the Tender Offer. Under the Combination Agreement, the Board of Directors of the Company has undertaken to issue a formal statement to this effect. The statement of the Board of Directors of the Company containing the Recommendation is included in Annex A to the Offer Document. **On 1 February 2024, the Board of Directors of the Company, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not members of the Consortium has supplemented its statement dated 13 December 2023 and upheld its Recommendation. Musti's stock exchange release on the supplement to the statement is attached as Annex G to this Tender Offer Document.**

Supplements relating to the Offeror's Share purchases

The Offeror has, during the Offer Period, purchased an aggregate of 55,411 Shares in Musti. The highest price paid in such purchases has been EUR 26.10 per Share. Therefore, the Offeror supplements the Tender Offer Document with the following information:

The last paragraph of the section "*Background and Objectives – Background to the Tender Offer and Offeror's Strategic Plans*" is amended by replacing the following strikethrough number with the number that is underlined and set in bold and by adding the passage that is underlined and set in bold:

As at the date of this Tender Offer Document, the Offeror and the Consortium members as well as their affiliates hold in aggregate 2,265,295 Shares in Musti, representing in aggregate approximately 6.8 per cent of all outstanding Shares and votes in Musti (after which the Offeror has acquired an aggregate of ~~12,918~~ **55,411** Shares during the Offer Period, **representing in aggregate approximately 0.2 per cent of all outstanding Shares in Musti**). The Consortium members have committed to transfer or tender all Shares held by them or their affiliates to the Offeror in connection with the Tender Offer pursuant to the agreements entered into among the Consortium members (see also "*Presentation of the Offeror – Contribution of Shares*").

The fourth paragraph of the section "*Information on the pricing of the Tender Offer – Grounds for Determining the Offer Price*" is amended by replacing the following strikethrough number with the number that is underlined and set in bold and by adding the passage that is underlined and set in bold:

Neither the Offeror nor any party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has during the period of six (6) months preceding the Announcement purchased any Shares in Musti in public trading or otherwise. The Offeror has, after the Announcement and until the date of this Offer Document, purchased an aggregate of 861,806 Shares in Musti. The highest price paid in such purchases has been EUR 26.00 per Share. The Offeror has, during the Offer Period, purchased an aggregate of ~~12,918~~ **55,411** Shares in Musti, **representing in aggregate approximately 0.2 per cent of all outstanding Shares in Musti**. The highest price paid in such purchases has been EUR 26.10 per Share. Moreover, an intended Share reallocation between separate accounts controlled by David Rönnerberg was inadvertently executed as share trades with third parties on the stock exchange at a purchase price of EUR 26.10 per Share between 4 December 2023 and 5 December 2023.

The second and third paragraph of the section "*Presentation of the Offeror – Persons Related to the Offeror as Stipulated in Chapter 11, Section 5 of the Finnish Securities Markets Act*" are amended by replacing the following strikethrough numbers with the numbers that are underlined and set in bold and by adding the passages that are underlined and set in bold:

As at the date of this Tender Offer Document, the Offeror hold 861,806 Shares and votes carried by the Shares in Musti (after which the Offeror has acquired an aggregate of ~~12,918~~ **55,411** Shares during the Offer Period, **representing in aggregate approximately 0.2 per cent of all outstanding Shares in Musti**), Sonae holds 566,661 Shares and votes

carried by the Shares in Musti, Jeffrey David holds (directly and through his affiliate) 217,136 Shares and votes carried by the Shares in Musti, Johan Dettel holds (directly and through his affiliates) 14,095 Shares and votes carried by the Shares in Musti and David Rönnerberg holds (directly and through his affiliate) 605,597 Shares and votes carried by the Shares in Musti.

Neither the Offeror nor any other party related to the Offeror in the manner referred to in Chapter 11, Section 5 of the Finnish Securities Markets Act has purchased any Shares within the six (6) months preceding the Announcement. The Offeror has, after the Announcement and until the date of this Offer Document, purchased an aggregate of 861,806 Shares in Musti. The highest price paid in such purchases has been EUR 26.00 per Share. The Offeror has, during the Offer Period, purchased an aggregate of ~~12,918~~ **55,411** Shares in Musti, **representing in aggregate approximately 0.2 per cent of all outstanding Shares in Musti**. The highest price paid in such purchases has been EUR 26.10 per Share. Moreover, an intended Share reallocation between separate accounts controlled by David Rönnerberg was inadvertently executed as share trades with third parties on the stock exchange at a purchase price of EUR 26.10 per Share between 4 December 2023 and 5 December 2023.

Availability of Documents

The Finnish language version of this Supplement Document is available as of 5 February 2024, on the internet at flybird-tenderoffer.com, mustigroup.com/fi/sijoittajat/flybird-ostotarjous and www.nordea.fi/musti-ostotarjous. The English language translation of this Supplement Document is available as of 5 February 2024, on the internet at flybird-tenderoffer.com, mustigroup.com/investors/flybird-tender-offer and www.nordea.fi/musti-offer.

The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has approved the Finnish language version of this Supplement Document but the FIN-FSA assumes no responsibility for the accuracy of the information presented therein. The decision number of the approval of the FIN-FSA is FIVA/2024/156. This Supplement Document has been translated into the English language. In the event of any discrepancy between the two language versions of the Supplement Document, the Finnish language version shall prevail.

The Tender Offer is not being made, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa and the Tender Offer Document or this Supplement Document and any and all materials related thereto should not be sent in or into Australia, Canada, Hong Kong, Japan, New Zealand or South Africa (including by use of, or by any means or instrumentality, for example, e-mail, post, facsimile transmission, telephone or internet, of interstate or foreign commerce, or any facilities of a national securities exchange), and the Tender Offer cannot be accepted directly or indirectly or by any such use, means or instrumentality, in or from within Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Accordingly, copies of the Tender Offer Document and this Supplement Document and any related materials are not being, and must not be, mailed, forwarded, transmitted or otherwise distributed or sent in or into or from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa or, in their capacities as such, to custodians, trustees, agents or nominees holding Shares for Australian, Canadian, Hong Kong, Japanese, New Zealander or South African persons, and persons receiving any such documents (including custodians, nominees and trustees) must not distribute, forward, mail, transmit or send them in, into or from Australia, Canada, Hong Kong, Japan, New Zealand or South Africa. Any person accepting the Tender Offer shall be deemed to represent to the Offeror such person's compliance with these restrictions and any purported acceptance of the Tender Offer that is a direct or indirect consequence of a breach or violation of these restrictions shall be null and void.

Information for shareholders of Musti in the United States

The Tender Offer is being made for the issued and outstanding Shares in Musti, which is a public limited company incorporated and admitted to trading on a regulated market in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer will be made to Musti shareholders in the United States in compliance with the applicable U.S. tender offer rules under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and otherwise in accordance with the requirements of Finnish law. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the Tender Offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer law and practice. The financial information included in this Supplement Document has not been prepared in accordance with U.S. GAAP, or derived therefrom, and may therefore differ from, and not be comparable with, financial information of U.S. companies.

In accordance with the laws of Finland, the Offeror and its respective affiliates or brokers (acting as agents for the Offeror or its affiliates, as applicable) may from time to time, and other than pursuant to the Tender Offer, directly or indirectly, purchase, or arrange to purchase outside the United States, Shares in Musti or any securities that are immediately convertible into, exchangeable for or exercisable for such Shares before or during the period in which the Tender Offer

remains open for acceptance, to the extent permitted by, and in compliance with, Rule 14e-5 under the U.S. Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Musti of such information. In addition, subject to the applicable laws of Finland and applicable U.S. securities laws, including Rule 14e-5 under the U.S. Exchange Act, the financial advisers to the Offeror or their respective affiliates may also engage in ordinary course trading activities in securities of Musti, which may include purchases or arrangements to purchase such securities.

Neither the U.S. Securities and Exchange Commission ("**SEC**") nor any U.S. state securities commission has approved or disapproved of the Tender Offer, passed upon the merits or fairness of the Tender Offer, or determined if this Supplement Document or Tender Offer Document is accurate or complete. Any representation to the contrary is a criminal offense in the United States.

The Tender Offer, if consummated, may have consequences under U.S. federal income tax and applicable U.S. state and local, as well as non-U.S., tax laws for Musti shareholders. Each Musti shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Tender Offer.

It may not be possible for Musti shareholders in the United States to effect service of process within the United States upon Musti, the Offeror, Sonae Holdings, S.A. or any other member of the Consortium, or their respective officers or directors, some or all of which may reside outside the United States, or to enforce against any of them judgments of the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States or other U.S. law. It may not be possible to bring an action against Musti, the Offeror, Sonae Holdings, S.A. any other member of the Consortium or their respective officers or directors (as applicable), in a non-U.S. court for violations of U.S. law, including the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement. In addition, it may be difficult to enforce in Finland or Portugal original actions, or actions for the enforcement of judgments of U.S. courts, based on the civil liability provisions of the U.S. federal securities laws.

Forward-looking Statements

This Supplement Document includes "forward-looking statements", including statements about the expected timing and completion of the Tender Offer, and language indicating trends. Generally, words such as may, should, could, aim, will, would, expect, intend, estimate, anticipate, believe, plan, seek, contemplate, envisage, continue or similar expressions identify forward-looking statements.

These statements are subject to risks, uncertainties, assumptions and other important factors, many of which may be beyond the control of the Offeror and could cause actual results to differ materially from those expressed or implied in these forward-looking statements.

Factors that could cause actual results to differ from such statements include: the occurrence of any event, change or other circumstances that could give rise to the termination of the Tender Offer, the risk that a condition to consummating the Tender Offer may not be satisfied, the ability of Musti to retain and hire key personnel and maintain relationships with customers, suppliers and other business partners pending the completion of the Tender Offer, and other factors.

Although the Offeror believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The Offeror undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws or by any appropriate regulatory authority. Any forward-looking statements contained in this Supplement Document speak only as at the date of this Supplement Document.

**ANNEX E: MUSTI'S STOCK EXCHANGE RELEASE ON THE DECISIONS OF THE ANNUAL GENERAL
MEETING**

Decisions of the Annual General Meeting of Musti Group plc

Musti Group plc Stock Exchange Release Decisions of General Meeting 31 January 2024 at 3:00 p.m.

Musti Group plc's (the "Company") Annual General Meeting was held today on 31 January 2024 in Helsinki. The Annual General Meeting adopted the annual accounts for the financial year 1 October 2022 – 30 September 2023 and discharged the persons who have acted as the members of the Board of Directors and CEO during the financial year from liability. In its advisory resolution, the Annual General Meeting did not approve the Remuneration Report for the governing bodies.

Use of profits shown on the balance sheet and the return of capital

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, that the profit for the financial year 1 October 2022 – 30 September 2023 be added to retained earnings and that no dividend will be paid. Instead, the Annual General Meeting resolved to authorize the Board of Directors, at its discretion, to decide on the payment of a return of capital of an aggregate maximum of EUR 0.60 per share from the Company's invested unrestricted equity reserve in one or more instalments later.

At the time of the Annual General Meeting, the offer period of the recommended public cash tender offer for the Company (the "Tender Offer") by the consortium formed by Sonae Holdings, S.A., Jeffrey David, Chairman of the Board of Directors of the Company, Johan Dettel, a member of the Board of Directors of the Company and David Rönnerberg, CEO of the Company, is still ongoing and the final results of the Tender Offer will only be known at a later date. As the offer document published on 15 December 2023 provides that the offer price payable in the Tender Offer shall be adjusted on a euro-for-euro basis should the Company declare or distribute dividend or otherwise distribute funds or any other assets to its shareholders, the Board of Directors' authorization to pay return of capital only enters into force as of the publication of the final results of the Tender Offer.

The authorization is valid until the beginning of the next Annual General Meeting. The Company shall publish any decisions concerning the return of capital made by the Board of Directors pursuant to the authorization separately and will in connection therewith confirm the record date and the payment date applicable to the return of capital.

Remuneration of the members of the Board of Directors

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

- Chair of the Board of Directors: EUR 65,000
- Other members of the Board of Directors: EUR 35,000

In addition, members of the Audit Committee and the Remuneration Committee of Board of Directors will be paid the following annual remuneration:

- Chair of the Committee: EUR 7,500
- Other Committee members: EUR 5,000

Composition of the Board of Directors

The Annual General Meeting decided that the number of members of the Board of Directors shall be five (5). Jeffrey David, Ingrid Jonasson Blank, Ilkka Laurila, Inka Mero and Johan Dettel were re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting.

Election and remuneration of the auditor

Ernst & Young Oy, Authorized Public Accountants, was re-elected as the auditor of the Company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Oy has notified the Company that Johanna Winqvist-Ilkka, Authorized Public Accountant, will act as the auditor with principal responsibility. The Annual General Meeting decided that the remuneration to the auditor shall be paid against a reasonable invoice approved by the Audit Committee.

Authorizing the Board of Directors to decide to repurchase and/or to accept the Company's own shares as pledge

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows.

The number of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 percent of all the shares in the Company. However, the Company together with its subsidiaries may not at any moment own and/or hold as pledge more than 10 percent of all the shares in the Company.

Own shares may be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets.

The Board of Directors decides on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares may be repurchased using, inter alia, derivatives. Own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

This authorization cancels the authorization given by the Annual General Meeting held on 30 January 2023 to decide on the repurchase the Company's own shares and/or to accept the Company's own shares as pledge. The authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 31 March 2025.

Authorizing the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows.

The number of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 percent of all of the shares in the Company. The authorization covers both the issuance of new shares as well as the transfer of treasury shares held by the Company.

The Board of Directors decides on all other conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

This authorization cancels the authorization given by the Annual General Meeting held on 30 January 2023 to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. The authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 31 March 2025.

Waiver of the transfer restriction regarding the remuneration of the members of the Board of Directors

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that the transfer restriction on the Board of Directors' remuneration shares resolved at the Annual General Meeting held on 27 January 2022 be waived.

The waiver of the transfer restriction enables the members of the Board of Directors holding such remuneration shares, should they wish, to participate in the Tender Offer with such shares.

In Helsinki, 31 January 2024

MUSTI GROUP PLC

THE BOARD OF DIRECTORS

Additional information:

Martin Svedholm, Director, Treasury and Investor Relations, tel. +358 50 579 0324

Distribution:

Nasdaq Helsinki

Principal media

www.mustigroup.com

Musti Group in brief

Musti makes the life of pets and their owners easier, safer and more fun. We are the leading Nordic pet care company, and we operate an omnichannel business model to cater for the needs of pets and their owners across Finland, Sweden and Norway. We offer a wide, curated assortment of pet products. We also provide pet care services such as grooming, training and veterinary services in selected locations.

Musti Group's net sales were EUR 426 million in the financial year 2023. At the end of the financial year 2023, the company had 1,643 employees, 1.5 million loyal customers and 342 stores.

**ANNEX F: MUSTI'S UNAUDITED INTERIM REPORT FOR THE PERIOD OF 1 OCTOBER 2023 – 31
DECEMBER 2023**



**October 2023 –
December 2023
Interim Report
Q1/2024**

1 October 2023 –
31 December 2023

Interim Report 1 October 2023 – 31 December 2023

Stable performance continues**October – December 2023**

- Group net sales totaled EUR 115.7 (110.4) million, an increase of 4.8%.
- Group net sales growth excluding the changes in the currency exchange rates was 8.7%.
- Like-for-like sales growth was 4.8%.
- Adjusted EBITDA was EUR 20.5 (19.1) million, up by 7.0%.
- Adjusted EBITDA margin was 17.7% (17.3%).
- Adjusted EBITA was EUR 12.4 (11.7) million, up by 6.1%.
- Adjusted EBITA margin was 10.7% (10.6%).
- Net cash flow from operating activities was EUR 15.7 (18.7) million, down by 16.1%.
- Operating profit decreased by 7.1% to EUR 9.4 (10.1) million, representing 8.1% (9.2%) of net sales.
- Profit for the period totaled EUR 5.8 (7.0) million.
- Earnings per share, basic was EUR 0.17 (0.21).
- Number of stores grew to 348 (340).
- Number of loyal customers grew to 1,552 thousand (1,485 thousand).

Key Events

- The Company has withdrawn three batches of SMAAK pet food following customer claims in November 2023. The high concentration of glycoalkaloids in a batch of imported potato flakes was identified as the reason for the symptoms caused by the withdrawn products. So far, the Company has incurred approximately EUR 0.8 million costs for the investigation of the matter, the product recall and the customer claims, for which the Company expects to receive at least partial insurance compensation.
- Flybird Holding Oy, owned by Consortium formed by Sonae Holdings, S.A. (a subsidiary wholly-owned and controlled by Sonae - SGPS, S.A.), Jeffrey David, Johan Dettel and David Rönnberg, and Musti Group Plc announced on 29 November 2023 that they have entered into a combination agreement, whereby the Offeror will make a recommended voluntary public cash tender offer for all the issued and outstanding shares in Musti that are not held by Musti or its subsidiaries at offer price of EUR 26.00 per share.
- On 15 December 2023 Musti announced, that the offer period for the Tender Offer will commence on 18 December 2023, at 9:30 (Finnish time) and expire on 5 February 2024, at 16:00 (Finnish time), unless the offer period is extended as described in the terms and conditions of the Tender Offer.

The figures in parentheses refer to the comparison period, i.e., the same period in the previous year, unless stated otherwise. Musti Group's financial year is from 1 October to 30 September.

Key figures

EUR million or as indicated	10-12/2023	10-12/2022	Change %	FY2023
Net sales	115.7	110.4	4.8%	425.7
Net sales growth, %	4.8%	8.9%		8.9%
LFL sales growth, %	4.8%	7.0%		9.5%
LFL store sales growth, %	2.5%	3.7%		6.7%
Online share, %	23.3%	22.2%		23.0%
Gross margin, %	45.9%	45.9%		45.7%
EBITDA	18.8	19.1	-1.6%	74.6
EBITDA margin, %	16.3%	17.3%		17.5%
Adjusted EBITDA	20.5	19.1	7.0%	73.6
Adjusted EBITDA margin, %	17.7%	17.3%		17.3%
EBITA	10.8	11.7	-7.9%	43.6
EBITA margin, %	9.3%	10.6%		10.2%
Adjusted EBITA	12.4	11.7	6.1%	42.6
Adjusted EBITA margin, %	10.7%	10.6%		10.0%
Operating profit	9.4	10.1	-7.1%	37.8
Operating profit margin, %	8.1%	9.2%		8.9%
Profit/loss for the period	5.8	7.0	-17.1%	26.5
Earnings per share, basic, EUR	0.17	0.21	-17.5%	0.79
Net cash flow from operating activities	15.7	18.7	-16.1%	79.6
Investments in tangible and intangible assets	4.0	3.0	33.6%	11.9
Net debt / LTM adjusted EBITDA	1.8	2.0	-10.0%	1.9
Number of loyal customers, thousands	1,552	1,485	4.5%	1,543
Number of stores at the end of the period	348	340	2.4%	342
of which directly operated	338	325	4.0%	330

“In a quarter disturbed by the SMAAK product recall and continuing consumer distress, Musti again highlighted the resilience of its format and the strength of commitment of our team delivering a quarter of stable performance.” – David Rönnerberg, Musti Group CEO

The quarter was far from ordinary for Musti. In November, a bad batch of potato flakes led to a recall of four items within the SMAAK brand and the announced ongoing tender offer had the potential to further disrupt team focus and application, yet again the team highlighted their commitment to our Pet Parents by not allowing either of these factors to impact the delivery of our customer service goals.

Notwithstanding these events, we continued our journey of profitable growth, emphasizing the strength of our business model and brand. The team again gave me reason to be proud of their achievements.

Sales growth and financial performance, given the circumstances were solid, supporting another quarter of strong cashflow. Net sales increased by 4.8% to EUR 115.7 million, growth in local currency excluding exchange rate impact was 8.7%. Adjusted EBITA increased by 6.1% to EUR 12.4 million affected negatively by EUR 0.6 million due to exchange rates. The increase in profitability was due to production integration, stable gross margin, tight cost control and continued efficiency in the central warehouse highlighting that the company continues to perform efficiently in this difficult and volatile operational environment.

During the quarter we successfully expanded the store network opening eight directly operated stores taking the total number of stores up to 348. We plan to continue to open 20 to 25 stores a year, primarily in Norway and Sweden.

Our online business continued to perform very well. Like-for-like online sales grew by 13% to EUR 26.9 million and accounted for 23.3% of total net sales. These numbers show that our online customers appreciate our broad offering and delivery options.

The incident with SMAAK was a wake-up call not only for Musti, but for the pet food industry. At Musti we have improved our quality control processes and standards taking new measures to prevent such incidents going forward. I'm confident that our products will continue to meet the high demands of our customers and we are winning back the trust of those customers that were impacted by the recall.

As we move into Q2 our focus remains to deliver great value to our Pet Parents. Our ability to combine a growing portfolio of products, services, and advice into convenient propositions for Pet Parents is unique and will be the key enabler of future success. This will help us to continue to gain market share in our core markets and seek additional value creation opportunities that are practical and suitable for our business platform.

To our team members - on behalf of our shareholders, our Board, our Group management team and myself, thank you once again for your tireless commitment to support our customers and their pets.

David Rönnerberg,
CEO

Financial targets

The long-term financial targets updated by the Board of Directors on 3 May 2021 are:

Growth	Net sales to reach at least EUR 500 million by the financial year 2024 by continuation of strong customer acquisition momentum and increasing share of wallet.
Profitability	Mid- to long-term adjusted EBITA margin of at least 13 per cent with steadily improving profile. Margin increase is expected to be realised through steady gross margin and improving operating leverage.
Capital structure	Maintain net debt in relation to adjusted EBITDA below 2.5x in the long term.
Dividend policy	To pay a dividend corresponding to 60-80 per cent of net profit. Any potential dividend shall take into account acquisitions, the company's financial position, cash flow and future growth opportunities.

The financial targets are forward-looking statements and are not guarantees of future financial performance.

Market outlook

Musti Group operates in the Nordic pet care market, broadly defined as the sale of pet food, products, services and veterinary care across Finland, Sweden and Norway. Musti Group's core market consisting of pet food and products was estimated by Euromonitor at approximately EUR 2.1 billion in 2022, with Sweden as the largest market, accounting for approximately EUR 0.8 billion, Finland approximately EUR 0.7 billion and Norway approximately EUR 0.6 billion.

Pet Parenting refers to the tendency of people to treat their pets like family members. As a result of this trend, people are spending more on higher quality and more premium food, as well as a more diverse range of products and services. This underlying pet parenting trend that drives the long-term structural growth of the pet care market remains robust, shifting spend towards higher quality nutrition, more diverse range of accessories and wider adoption of services.

The COVID-19 pandemic resulted in a period with increased number of new puppies and kitten across the Nordic markets. While the number of new puppies and kittens has thereafter stabilized closer to long term average levels, the larger cohorts 2020–2022 are visible as a step-change in the pet population and have thus increased the addressable market size for future years with a long tail effect.

Musti's latest fiscal year proves that the pet care market is by nature resilient, underpinned by non-discretionary purchasing behavior. Non-discretionary categories such as food and cat litter sum up to majority of total market spend and are characterized by repeat purchasing behavior. Consumers display willingness to sustain spending on non-discretionary pet care purchases even under times of economic pressure when expenditure on alternative retail categories have been affected.

Group Performance

Net sales

EUR million	10-12/2023	10-12/2022	Change %	FY2023
Net sales				
Group	115.7	110.4	4.8%	425.7
Finland	51.2	47.6	7.8%	189.9
Sweden	46.0	44.8	2.5%	170.9
Norway	18.5	18.0	2.5%	64.9

October – December 2023

Group net sales increased by 4.8% to EUR 115.7 million (EUR 110.4 million). The increase was largely due to price increases and was affected negatively by currency exchange rate fluctuations. The acquisition of Premium Pet Food Suomi Oy, which was carried out during Q3/2023, increased the net sales by EUR 2.1 million.

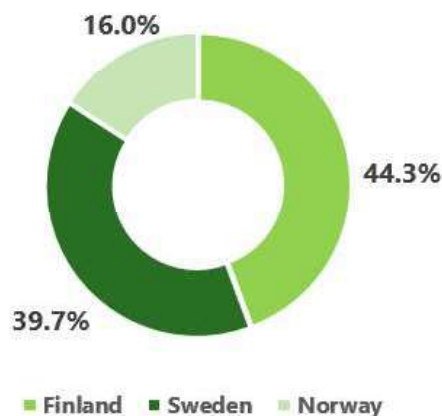
Currency exchange rate changes affected the growth negatively by 3.9%-points. Weakened SEK exchange rate decreased sales by EUR 1.9 million bringing 1.7 %-points headwind to growth. Weakened NOK exchange rate decreased sales by EUR 2.5 million bringing 2.3 %-points headwind to the growth. Group net sales growth excluding the changes in the currency exchange rates was 8.7%.

The impact of price increases in local currencies was 6.5%. Like-for-like growth, which is calculated in local currencies, amounted to 4.8% (7.0%), with higher growth in food than in discretionary categories.

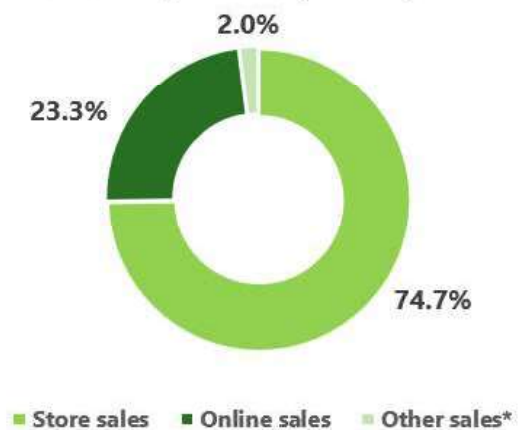
Store sales increased by 1.3% to EUR 86.4 million (EUR 85.4 million). We added a net eight directly operated stores during the quarter to our network. Like-for-like store sales growth was 2.5% (3.7%). Online sales increased by 9.8% to EUR 26.9 million (EUR 24.5 million). Like-for-like online sales growth was 13.0% (18.9%). Online sales accounted for 23.3% (22.2%) of total net sales.

The number of loyal customers increased by 4.5% to 1,552 thousand (1,485 thousand). Rolling 12 months average spend per loyal customer was EUR 188.4 (EUR 181.2) as per 31 December 2023.

Net sales by segment 10/2023-12/2023



Net sales by channel 10/2023-12/2023



*Other sales include franchise fees and wholesale.

Result

October – December 2023

Group adjusted EBITA increased by 6.1% to EUR 12.4 million (EUR 11.7 million). The increase was due to good performance in the central warehouse, production integration, price increases mitigating the inflation and tight cost control, despite the inflationary environment. The acquisition of Premium Pet Food Suomi Oy, which was carried out during Q3/2023, had a positive impact on the EBITA amounting to EUR 0.6 million. Recent movements of the local currencies SEK and NOK had a negative impact of EUR 0.6 million on adjusted EBITA (EUR 0.7 million negative in the comparison period). Adjusted EBITA margin was 10.7% (10.6%).

Gross margin was 45.9% (45.9%). Gross margin remained stable despite the impacts of unfavorable currency exchange rates and one-off inventory write-offs amounting to EUR 0.4 million relating to SMAAK-case. The share of sales of own and exclusive brands was 53.0% (53.7%). The share of employee benefits and other operating expenses as percentage of sales was 30.3% (29.0%).

Depreciation amounted to EUR 8.1 million (EUR 7.5 million) and amortization amounted to EUR 1.4 million (EUR 1.6 million). Main driver is the growing store network via IFRS 16 impact.

There were EUR 1.6 million (EUR 0.0 million) adjustments to EBITA in the reporting period. The adjustments include costs related to the ongoing public tender offer and product recall which was made in November.

Operating profit decreased by 7.1% to EUR 9.4 million (EUR 10.1 million), affected negatively by EUR 0.6 million by the currency exchange rates.

Profit before taxes decreased to EUR 7.4 million (EUR 9.0 million). The impact of financial income and expenses (net) on profit before taxes was EUR 2.0 million negative (EUR 1.1 million negative). Profit for the period was EUR 5.8 million (EUR 7.0 million) and basic earnings per share was EUR 0.17 (0.21).

Musti Group has been subject to a tax audit of Musti Group Oy, Musti Group Finland Oy and Musti Group Nordic Oy regarding financial years 2018-2020. Musti Group Oy has in October 2021 received a tax audit report from the Finnish tax authorities. The tax audit report included subsequent taxes and tax increases amounting to a total of EUR 0.9 million, relating to the VAT deductibility of IPO related costs. Tax and increases have been paid in November 2021. The company disagrees with the interpretation made in the tax audit. The company has been reassessed in accordance with the interpretations set out in the tax audit report but, the company filed a claim for adjustment to the Finnish Tax Administration's Assessment Adjustment Board. In May 2023, the Board issued a decision remitting the decision to the Tax Administration for reconsideration. Based on the decision the Company recognized EUR 0.4 million of VAT as an expense. The case is still pending with the tax administration. There were no repercussions of the tax audit for the financial years 2018-2020 of Musti Group Finland Oy's and Musti Group Nordic Oy's.

Financial position and cash flow

In October - December 2023, the net cash flow from operating activities totaled EUR 15.7 million (EUR 18.7 million). The main driver for the cash flow was the development of the net working capital and one-off items in the income statement. Cash flow used in investing activities during the quarter amounted to EUR 6.7 million (EUR 5.4 million).

Cash and cash equivalents at the end of the period amounted to EUR 18.9 million (30 September 2023: EUR 22.0 million). Total consolidated assets amounted to EUR 399.5 million (30 September 2023: EUR 394.2 million).

Equity attributable to owners of the parent company totaled EUR 171.3 million (30 September 2023: EUR 164.3 million).

Gearing at the end of the reporting period was 80.0% (30 September 2023: 83.9%) and net debt amounted to EUR 137.0 million (30 September 2023: EUR 137.9 million). At the end of the period, the interest-bearing loans and commercial papers included in net debt amounted to EUR 74.9 million (30 September 2023: EUR 79.4 million) and lease liabilities EUR 79.3 million (30 September 2023: EUR 79.8 million).

Musti Group focuses on maintaining sufficient liquidity in the group. In addition to the cash and cash equivalents of EUR 18.9 million at the end of the period, Musti Group had an unutilized EUR 5.0 million bank overdraft, unutilized revolving credit facilities in total of EUR 40 million and an EUR 50 million commercial paper program of which EUR 5 million was in use.

Investments

In October – December 2023 investments in tangible and intangible assets amounted to EUR 4.0 million (EUR 3.0 million). Investments were mainly related to new and relocated stores, production equipment, as well as IT and digital platform development projects. In addition, in October – December EUR 2.7 million were invested in business acquisitions of stores in Sweden. Musti Group acquired 3 pet stores in Sweden as business acquisitions during October – December 2023.

Business segment performance

Musti Group's reporting segments are based on geographical regions Finland, Sweden and Norway. The segment structure is based on geographical division where Finland, Sweden and Norway are separated to individual operating segments based on how the chief operating decision-maker monitors the business operations. In other items, Musti Group reports the Group functions, including the operations of the headquarters, the central warehouse and production.

Finland

Finland is Musti Group's most mature market. Musti Group holds approximately 32% share of the total pet food and products market. Musti's network has nationwide coverage, and a vast majority of Finnish pet parents are within convenient reach of a Musti store, which are typically located at high traffic locations such as large hypermarkets and popular retail areas. Management continuously seeks opportunities to further optimize convenience to meet the needs of pet parents.

In Finland, Musti Group focus is both on serving existing customers better to increase share of wallet and to continue winning new customers, both of which support like-for-like growth. Musti's brands in Finland include Musti ja Mirri (store and omnichannel) and Peten Koiratarvike (online focus complemented by select stores).

EUR million or as indicated	10-12/2023	10-12/2022	Change %	FY2023
Net sales	51.2	47.6	7.8%	189.9
Net sales growth, %	7.8%	8.5%		11.9%
LFL segment sales growth, %	3.4%	6.9%		9.7%
EBITDA	14.1	12.6	11.6%	52.6
EBITDA margin, %	27.4%	26.5%		27.7%
Adjusted EBITDA	14.3	12.6	13.4%	52.6
Adjusted EBITDA margin, %	27.9%	26.5%		27.7%
EBITA	11.2	9.9	13.1%	41.5
EBITA margin, %	21.9%	20.9%		21.8%
Adjusted EBITA	11.5	9.9	15.5%	41.5
Adjusted EBITA margin, %	22.4%	20.9%		21.9%
Number of stores	137	139	-1.4%	136
of which directly operated	137	139	-1.4%	136

October – December 2023

Net sales in Finland increased by 7.8% to EUR 51.2 million (EUR 47.6 million). Sales growth was a result of steady growth especially in online channels, price increases and the acquisition of Premium Pet Food Suomi Oy pet food factory. Sales were negatively affected by the product recall in November. Like-for-like growth was 3.4%.

EBITA increased by 13.1% to EUR 11.2 million (EUR 9.9 million). Adjusted EBITA increased by 15.5% to EUR 11.5 million (EUR 9.9 million). The increase in profitability was mainly due to healthy gross margin development, the acquisition of Premium Pet Food Suomi Oy pet food factory and cost control, despite the inflationary environment. Adjusted EBITA margin was 22.4% (20.9%).

During Q1, one new directly operated store was opened.

Sweden

In Sweden, Musti Group's focus is on further expansion and increasing efficiency. Musti is the overall market leader with approximately 28% market share. Musti's brands in Sweden are Arken Zoo (store and omnichannel) and VetZoo (online focus).

Musti's goal in Sweden is to continue strong like-for-like growth across all channels through customer acquisition and gaining share of wallet, continued network expansion and strong margin improvement. Significant network expansion has taken place in FY20 to FY23, taking directly operated store count from 68 at end of FY19 to 119 by end of FY23 and strengthening our position across Swedish cities. Ramping up newer store cohorts is a key growth and margin driver, along with increasing own and exclusive brands share of sales and online channel profitability towards the levels in Finland.

EUR million or as indicated	10-12/2023	10-12/2022	Change %	FY2023
Net sales	46.0	44.8	2.5%	170.9
Net sales growth, %	2.5%	4.3%		3.6%
LFL segment sales growth, %	4.5%	7.3%		8.6%
EBITDA	10.2	9.4	8.1%	36.3
EBITDA margin, %	22.1%	21.0%		21.2%
Adjusted EBITDA	10.3	9.4	9.7%	36.5
Adjusted EBITDA margin, %	22.4%	21.0%		21.4%
EBITA	7.4	6.7	9.1%	25.5
EBITA margin, %	16.0%	15.0%		14.9%
Adjusted EBITA	7.5	6.7	11.4%	25.7
Adjusted EBITA margin, %	16.3%	15.0%		15.0%
Number of stores	134	131	2.3%	131
of which directly operated	124	116	6.9%	119

October – December 2023

Net sales in Sweden increased by 2.5% to EUR 46.0 million (EUR 44.8 million). The weakened SEK exchange rate decreased sales by EUR 2.1 million in Q1. The growth excluding the adverse effect from the currency exchange rate change was 7.0%. The like-for-like growth, which is calculated in local currencies, was 4.5%.

EBITA increased by 9.1% to EUR 7.4 million (EUR 6.7 million). Adjusted EBITA increased by 11.4% to EUR 7.5 million (EUR 6.7 million). The increase was due to steady gross margin development and good cost control. Adjusted EBITA margin increased to 16.3% (15.0%).

During Q1, two new directly operated stores were opened, three stores were acquired, and one franchise store left the chain.

Norway

In Norway, Musti Group's focus is on market share gain through continued customer acquisition supported by store roll-out, and on increasing country profitability. Norway remains a more fragmented market compared to Finland and Sweden with Musti holding approximately 16% share of the total pet food and products market. Musti Group's brands in Norway are Musti (store and omnichannel) and VetZoo (online).

Musti entered Norway in October 2016, and average age profile of the 75 stores (at end of FY23) is young with many stores in ramp-up mode. Ramp-up has progressed according to Musti Group's plans and maturation of the network continues to be a key driver of growth and country profitability.

EUR million or as indicated	10-12/2023	10-12/2022	Change %	FY2023
Net sales	18.5	18.0	2.5%	64.9
Net sales growth, %	2.5%	23.7%		14.9%
LFL segment sales growth, %	10.3%	6.5%		11.3%

EBITDA	4.7	4.7	0.2%	15.1
EBITDA margin, %	25.5%	26.1%		23.2%
Adjusted EBITDA	4.8	4.7	1.6%	15.1
Adjusted EBITDA margin, %	25.9%	26.1%		23.2%
EBITA	3.3	3.3	-1.8%	9.4
EBITA margin, %	17.7%	18.5%		14.5%
Adjusted EBITA	3.3	3.3	0.2%	9.4
Adjusted EBITA margin, %	18.0%	18.5%		14.5%
Number of stores	77	70	10.0%	75
of which directly operated	77	70	10.0%	75

October – December 2023

Net sales in Norway increased by 2.5% to EUR 18.5 million (EUR 18.0 million), driven by like-for-like growth of 10.3% and ramp-up of the stores opened during the latest twelve months. The NOK exchange rate in Q1 had a EUR 2.2 million negative impact on net sales. The growth excluding the adverse effect from the currency exchange rate change was 15.1%.

EBITA was EUR 3.3 million (EUR 3.3 million). Adjusted EBITA increased by 0.2% to EUR 3.3 million (EUR 3.3 million). The modest increase was mainly due to a negative gross margin development caused by currency exchange rates. Adjusted EBITA margin was 18.0% (18.5%).

During Q1, two directly operated stores were opened in Norway.

Group functions

October – December 2023

The EBITA impact of the Group functions was EUR -11.1 million (EUR -8.3 million). Adjusted EBITA was EUR -9.9 million (EUR -8.3 million). The adjustments include costs relating to the ongoing public tender offer and the product recall in November. Adjusted Group functions cost in relation to group net sales was 8.6% (7.5%). The increase related to the changed structure of the Group functions after the integration of Premium Pet Food Suomi Oy's production; without the impact of production the cost of Group functions in relation to Group net sales would have been 7.6%.

Personnel

At the end of the reporting period on 31 December 2023, the number of personnel was 1,704 (1,614) of whom 695 (662) were employed in Finland, 672 (658) in Sweden and 337 (295) in Norway.

Changes in Group structure

There were no changes in Group structure during October 2023 – December 2023.

Changes in Group management

There were no changes in Group management during October 2023 – December 2023.

Governance

Annual General Meeting

Musti Group plc's Annual General Meeting will be held on 31 January 2024 at 11:00 a.m. at Sanomatalo in Helsinki, Finland. Shareholders can participate in the Annual General Meeting and exercise shareholder rights by attending the meeting, by voting in advance or by way of proxy representation.

The Board of Directors proposes that based on the balance sheet to be adopted for the financial year ended on 30 September 2023, no dividend is distributed. Instead, the Board of Directors proposes to be authorized, at its discretion, to decide on the payment of a return of capital of an aggregate maximum of EUR 0.60 per share from the Company's invested unrestricted equity reserve in one or more instalments later.

Shares and shareholders

Share capital

At the end of the reporting period on 31 December 2023, Musti Group's share capital was EUR 11,001,853.68 and the total number of shares outstanding was 33,535,453. The company has one share class. Each share carries one vote and entitles to the same dividend.

Trading of shares

Trading of Musti Group's share commenced on the Prelist of Nasdaq Helsinki Ltd on 13 February 2020 and on the Official List on 17 February 2020.

The opening price of the share was EUR 18.00 on the first trading day of the first quarter on 2 October 2023. The closing price of the share on the last trading day of the reporting period on 29 December 2023 was EUR 26.12. The highest price of the share during October – December 2023 was EUR 26.86, the lowest EUR 16.20. The average closing price during October – December 2023 was EUR 21.39 and the average volume per day was 123,563 shares.

Musti Group's market capitalization was EUR 875.9 million on 29 December 2023.

Own shares

On 31 December 2023 Musti Group held 147,566 (244,000) own shares representing 0.44% (0.73%) of the total number of shares and votes.

Musti Group did not purchase its own shares during the reporting period.

Public Tender Offer for Musti's shares

Flybid Holding Oy, owned by Consortium formed by Sonae Holdings, S.A. (a subsidiary wholly-owned and controlled by Sonae - SGPS, S.A.), Jeffrey David, Johan Dettel and David Rönnerberg, and Musti Group Plc announced on 29 November 2023 that they have entered into a combination agreement, whereby the Offeror will make a recommended voluntary public cash tender offer for all the issued and outstanding shares in Musti that are not held by Musti or its subsidiaries at offer price of EUR 26.00 per share. The offer period for the Tender Offer commenced on 18 December 2023, and will expire on 5 February 2024, unless the offer period is extended or suspended as described in the terms and conditions of the Tender Offer and applicable laws and regulations.

Authorizations of the Board of Directors

The Annual General Meeting 30 January 2023 authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows.

The number of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in the Company. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company.

Own shares may be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets.

The Board of Directors was also authorized to decide on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

This authorization cancels the authorization given by the Annual General Meeting held on 27 January 2022 to decide on the repurchase the Company's own shares and/or to accept the Company's own shares as pledge. This authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 31 March 2024.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows. The number of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 per cent of all of the shares in the Company. The authorization covers both the issuance of new shares as well as the transfer of treasury shares held by the Company.

The Board of Directors was authorized to decide on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

This authorization cancels the authorization given by the Annual General Meeting held on 27 January 2022 to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. This authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 31 March 2024.

Shareholders and flagging notifications

At the end of the reporting period, the number of registered shareholders was 10,726. The proportion of nominee-registered shareholders was 68.00% of the company's shares. The 20 largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 24.80% of Musti Group's shares and votes at the end of the reporting period.

During October 2023 – December 2023, Musti Group received the following announcement under Chapter 9, Section 5 of the Securities Markets Act:

- On 23 November 2023 Musti Group plc received a notification according to which Grandeur Peak Global Advisors LLC's holding of the shares and votes of the company decreased below the threshold of 5 percent on 22 November 2023.
- On 5 December 2023 Musti Group plc received a notification according to which FMR LLC's holding of the shares and votes of the company decreased below the threshold of 5 percent on 4 December 2023.
- On 12 December 2023 Musti Group plc received a notification according to which SMALLCAP World Fund, Inc.'s holding of the shares and votes of the company decreased below the threshold of 5 percent on 8 December 2023.
- On 14 December 2023 Musti Group plc received a notification according to which The Capital Group Companies, Inc.'s holding of the shares and votes of the company decreased below the threshold of 5 percent on 13 December 2023.
- On 21 December 2023 Musti Group plc received a notification according to which The Goldman Sachs Group, Inc.'s holding of the shares and votes of the company increased above the threshold of 5 percent on 20 December 2023.
- On 22 December 2023 Musti Group plc received a notification according to which The Goldman Sachs Group, Inc.'s holding of the shares and votes of the company decreased below the threshold of 5 percent on 21 December 2023.
- On 5 January 2024 Musti Group plc received a notification according to which The Goldman Sachs Group, Inc.'s holding of the shares and votes of the company increased above the threshold of 5 percent on 3 January 2024.
- On 11 January 2024 Musti Group plc received a notification according to which Samson Rock Event Driven Master Fund Limited's holding of the votes of the company increased above the threshold of 5 percent on 10 January 2024.
- On 16 January 2024 Musti Group plc received a notification according to which the combined ownership of the following parties increased above the threshold of 5 percent on 15 January 2024: Sand Grove Opportunities Master Fund Ltd, Investment Opportunities SPC for the Account of Investment Opportunities 2 Segregated Portfolio, New Holland Tactical Alpha Fund, Prelude Structured Alternatives Master Fund Lp, QSMA Torus SP, Amundi Sand Grove Event Driven Fund
- On 18 January 2024 Musti Group plc received a notification according to which JPMorgan Securities PLC's holding of the votes of the company increased above the threshold of 5 percent on 17 January 2024
- On 24 January 2024 Musti Group plc received a notification according to which JPMorgan Securities PLC's direct holding of the votes of the company increased above the threshold of 5 percent on 22 January 2024

A list of the largest registered shareholders is available on the company's website at www.mustigroup.com/investors/.

Managers' transactions

Musti Group's managers' transactions as of the listing have been published as stock exchange releases, and they are available at the company's website at <https://www.mustigroup.com/releases-and-publications/>.

Remuneration schemes

The Board of Directors decides on Musti Group's remuneration schemes and plans, such as short- and long-term incentive schemes as well as pension arrangements, upon the recommendation of the Remuneration Committee and in accordance with the company's effective remuneration policy. Musti Group presented a remuneration policy for approval to the shareholders for the first time at the Annual General Meeting 2021.

Bonus scheme

The company operates a bonus scheme, which is determined by the Board of Directors of the company upon the recommendation of the Remuneration Committee and in accordance with the company's effective remuneration policy. The CEO and the members of the management team are eligible to participate in the bonus scheme in accordance with the company's bonus policy. The payment of annual bonuses is conditional upon the attainment of key performance targets of the company.

The bonuses of the CEO and the management team are based on personal targets and certain profitability targets set for the financial year. The maximum performance bonus is equivalent to a six months' full salary for the CEO and a three months' full salary for the members of the management team.

Long-term incentives

The Board of Directors of Musti Group plc decided on 7 May 2020 on a long-term incentive plan for the management team and the key employees, the Performance Share Plan (PSP) 2020-2024.

On 16 December 2022, The Board of Directors of Musti Group plc decided to launch a new share-based incentive plan for Musti Group's key employees, the Performance Share Plan (PSP) 2023-2027.

The aim of a share-based compensation plans is to align the objectives of the shareholders and key employees for increasing the value of the company in the long term. The plans are also to commit the key employees to the company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

Performance Share Plan 2020–2024

The Performance Share Plan consists of three performance periods, covering the financial years of 2020–2022, 2021–2023 and 2022–2024. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of each performance period. The potential reward based on the plan will be paid partly in the company's shares and partly in cash after the end of each performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to a participant. The Board of Directors decided in December 2023 that the rewards for the performance period 2021-2023 will be settled fully in cash in January 2024.

The company's management team member is obliged to hold at least 50 per cent of the net number of shares paid to the member on the basis of the plan, until the value of his or her total shareholding in the company equals to 50 per cent (100 per cent for the CEO) of his or her annual base salary. Such number of shares must be held as long as the membership in the Management Team continues.

Performance Share Plan 2023–2027

The Performance Share Plan 2023–2027 consists of three consecutive performance periods, covering the financial years of 2023–2025, 2024–2026 and 2025–2027. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of each performance period. The potential reward based on the plan will be paid partly in the company's shares and partly in cash after the end of each performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to a participant.

The company's group management team member is obliged to hold at least 50 per cent of the net number of shares paid to the member on the basis of the plan, until the value of his or her total shareholding in the company equals to 50 per cent (100 per cent for the CEO) of his or her annual base salary. Such number of shares must be held as long as the membership in the group Management Team continues.

Responsibility

Musti Group is committed to developing its responsibility policies and best practices on a long-term basis and it is committed to being a responsible forerunner in its industry. Musti Group is the only pet specialty company to have committed to the United

Nations Global Compact. The company has built a strong responsibility foundation and key performance indicators to measure the results and revises responsibility program and targets regularly as part of a continuous improvement to stay relevant in the responsibility work.

Conducting operations in a sustainable, responsible, and environmentally friendly way requires focused and purposeful actions at all levels of the organization. The basis of all Musti Group's responsibility approach is a responsible supply chain, reducing environmental impact as well as good governance and high ethics. In addition, the company has identified three particular focus areas, themes, in order to communicate with its stakeholders: pets and their parents, employees and communities. The most important themes under pets and their parents are high-quality and safe products and services as well as satisfied and loyal customers. Under employees, the most important themes are thriving experts and well-being at work, and under communities, working for the common good and openness for new inventions.

Musti Group sets high standards for quality, safety and expertise, putting the welfare of pets, people and the environment first. The company has already taken concrete actions to this end, having been a member of amfori Business Social Compliance Initiative (amfori BSCI) since 2017. The company also expects its major suppliers to commit to Musti Group's requirements regarding responsible business practices. Following the Musti Group Supplier Code of Conduct and all national laws and regulations is imperative. The company is conducting visits to the supplier sites in Europe, also the BSCI visits the company's supplier sites in high-risk countries. Furthermore, the company has a third-party partner in China who visits and audits the sites in Asia. The company has initiated more systematic processes for supply chain sustainability, especially in high-risk countries and in high-risk countries 100% of our tier one suppliers have been audited.

Musti Group's Non-Financial Information Report for the financial year 2023 was published on 15 December 2023 together with the Financial Statements and the Board of Directors' report. The report is available at <https://www.mustigroup.com/investors/reports-and-presentations/>.

Risks and uncertainties

Musti Group's risk profile follows the general risk level of the retail and grocery trade. The industry is not particularly cyclical and not subject to rapid changes. The company regularly monitors changes in the risks and their impact on the business. The company implements risk management continuously and systematically according to a scheduled process. The risk management process ensures that risks related to the Group are identified, estimated, and controlled in a proactive way and the management of risks is monitored. The company's risk management includes, among others: identification and review of risks, risk assessment, determining and implementing control measures for the identified risks, and monitoring and reporting of risks.

Musti Group's risk management and risks related to the company's operations are described in more detail in the Board of Directors' Report published on 15 December 2023 which is available at <https://www.mustigroup.com/investors/reports-and-presentations/>.

Seasonality

Musti Group's business is characterized by a generally limited seasonality effect, with the high share of recurring food and stable products of net sales translating into low seasonality within years. However, there are certain intra-year fluctuations that affect cash flows, sales and profitability, which are made evident by Musti Group's financial year being from 1 October to 30 September. Usually, the period between July to December has higher sales and profitability margins compared to January to June, driven by higher sales of accessories and other seasonal products.

The volumes and timing of Musti Group's sales may vary somewhat due to weather conditions, with sales of pet clothing being primarily impacted. Cold winters and rainy weather generally result in higher sales of coats and shoes for pets.

Significant events after the reporting period

On 19 January 2024 Musti announced that The Offeror has received unconditional merger control clearance for completing the Tender Offer from the European Commission. Therefore, the Offeror announced that it has received all necessary regulatory approvals for the completion of the Tender Offer. The Offeror confirmed that the condition to completion of the Tender Offer concerning the receipt of regulatory approvals has been fulfilled.

On 25 January 2024 Musti announced that the Offeror has announced that it increases the offer price under the Tender Offer to EUR 26.10 in cash for each Share validly tendered in the Tender Offer (the "Increased Offer Price"). The Offeror will supplement the Tender Offer Document with detailed information on the Increased Offer Price as soon as practicably possible and expects the supplement to be approved and published the week commencing 29 January 2024.

Financial calendar

Musti Group's Half-Year Financial Report for October 2023 – March 2024 will be published on 30 April 2024.

Webcast for analysts and media

A webcast and a teleconference for analysts and media will be arranged on 31 January 2024 at 14:00 EEST. The event will be held in English. The report will be presented by CEO David Rönnerberg and CFO Toni Rannikko.

The webcast can be followed at <https://mustigroup.videosync.fi/2024-q1-results>. A recording of the webcast will be available later at the company's website at www.mustigroup.com/investors/reports-and-presentations/.

The teleconference can be accessed by registering at <http://palvelu.flik.fi/teleconference/?id=10012559>.

After the registration, participants will be provided with phone numbers and a conference ID to access the conference. To ask a question, please dial *5 on your telephone keypad to enter the queue.

Helsinki 31 January 2024

Board of Directors

The information in this Interim Report is unaudited.

Further Information:

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Distribution:

Nasdaq Helsinki
Principal media
www.mustigroup.com

Condensed financial information

Condensed consolidated statement of income

EUR thousand	1 Oct 2023 - 31 Dec 2023	1 Oct 2022 - 31 Dec 2022	1 Oct 2022 - 30 Sep 2023
Net sales	115 658	110 402	425 740
Other operating income	832	531	5 052
Share of profit of a joint venture	0	-30	324
Materials and services	-62 582	-59 765	-231 252
Employee benefit expenses	-20 747	-19 664	-76 782
Other operating expenses	-14 319	-12 333	-48 527
Depreciation, amortization and impairment	-9 434	-9 015	-36 756
Operating profit	9 410	10 126	37 800
Financial income and expenses, net	-1 977	-1 107	-4 083
Profit before taxes	7 433	9 019	33 717
Income tax expense	-1 593	-1 978	-7 229
Profit/loss for the period	5 840	7 041	26 487
Attributable to:			
Owners of the parent	5 836	7 056	26 448
Non-controlling interest	4	-15	39
Earnings per share (EUR) for profit attributable to owners of the parent			
Basic EPS (EUR)	0,17	0,21	0,79
Diluted EPS (EUR)	0,17	0,21	0,79

Consolidated statement of comprehensive income, IFRS

Profit/loss for the period	5 840	7 041	26 487
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	4 115	-1 825	-5 562
Other comprehensive income, net of tax	4 115	-1 825	-5 562
Tax on other comprehensive income	-278	145	450
Total comprehensive income	9 677	5 360	21 375
Attributable to:			
Owners of the parent	9 670	5 376	21 338
Non-controlling interest	7	-15	37

Consolidated statement of financial position

EUR thousand	31 Dec 2023	31 Dec 2022	30 Sep 2023
ASSETS			
Non-current assets			
Goodwill	179 919	171 329	174 375
Other intangible assets	18 708	16 509	18 413
Right-of-use assets	75 061	74 224	75 771
Property, plant and equipment	28 371	18 613	27 570
Investments in joint ventures	0	1 044	0
Deferred tax assets	2 835	3 834	2 824
Derivative financial instruments	0	0	1 257
Other non-current receivables	112	154	111
Total non-current assets	305 006	285 708	300 322
Current assets			
Inventories	58 459	62 955	58 385
Trade and other receivables	13 886	11 228	11 575
Derivative financial instruments	1 251	1 729	394
Income tax receivables	1 991	1 770	1 612
Cash and cash equivalents	18 936	14 684	21 954
Total current asset	94 524	92 367	93 920
TOTAL ASSETS	399 530	378 075	394 242
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11 002	11 002	11 002
Other reserves	123 349	140 043	123 349
Treasury shares	-5 340	-6 910	-5 340
Translation differences	-6 608	-6 986	-10 721
Retained earnings	48 906	28 583	46 009
Total equity attributable to owners of the parent	171 309	165 731	164 299
Equity attributable to non-controlling interest	89	53	88
Total equity	171 398	165 785	164 387
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	9 954	59 909	69 943
Lease liability	54 228	55 306	55 518
Deferred tax liabilities	5 186	3 398	4 881
Non-current interest-free liabilities	2 068	0	2 031
Total non-current liabilities	71 435	118 613	132 372
Current liabilities			
Loans from credit institutions	60 000	0	0
Commercial papers	4 965	12 414	9 412
Lease liability	25 031	23 221	24 307
Trade and other payables	62 114	53 467	61 725
Derivative financial instruments	987	144	306
Income tax liabilities	3 599	4 431	1 711
Provisions	0	0	21
Total current liabilities	156 696	93 677	97 482
Total liabilities	228 131	212 290	229 855
TOTAL EQUITY AND LIABILITIES	399 530	378 075	394 242

Consolidated statement of cash flows

	1 Oct 2023 - 31 Dec 2023	1 Oct 2022 - 31 Dec 2022	1 Oct 2022 - 30 Sep 2023
EUR thousand			
Cash flows from operating activities			
Profit before income taxes	7 433	9 019	33 717
Adjustments			
Depreciation, amortization and impairment	9 434	9 015	36 756
Financial income and expenses, net	1 977	1 107	4 083
Other adjustments	74	89	-2 174
Cash flows before changes in working capital	18 917	19 230	72 381
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	-2 243	-1 820	-522
Increase (-) / decrease (+) in inventories	1 524	-2 160	2 127
Increase (+) / decrease (-) in trade and other payables	-2 260	5 179	13 096
Cash flows from operating activities before financial items and taxes	15 938	20 428	87 082
Income taxes paid	-254	-1 734	-7 532
Net cash from operating activities	15 684	18 694	79 550
Cash flows from investing activities			
Investments in tangible and intangible assets	-4 022	-3 010	-11 863
Acquisition of subsidiaries and business acquisitions, net of cash acquired	-2 717	-2 426	-6 715
Net cash from investing activities	-6 738	-5 436	-18 578
Cash flows from financing activities			
Capital returns paid	0	0	-16 770
Dividends paid	0	0	0
Proceeds from non-current loans	0	0	10 044
Repayments of non-current loans	0	0	-8 427
Issuance of commercial papers	-4 436	-2 335	-6 138
Repayments of lease liabilities	-6 288	-5 989	-24 427
Interest and other financial expenses paid	-1 853	-759	-4 147
Interest and other finance income received	583	456	1 209
Net cash flow from financing activities	-11 993	-8 628	-48 655
Net change in cash and cash equivalents	-3 048	4 630	12 317
Cash and cash equivalents at the beginning of the period	21 954	10 054	10 054
Foreign exchange differences and cash of acquired subsidiary	30	0	-417
Cash and cash equivalents at end of the period	18 936	14 684	21 954

Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total		
Equity at 1 Oct 2023	11 002	123 349	-5 340	-10 721	46 009	164 299	88	164 387
Profit/loss for the period					5 836	5 836	4	5 840
Translation differences				4 113		4 113	3	4 115
Tax on other comprehensive income					-278	-278		-278
Comprehensive income	0	0	0	4 113	5 557	9 670	7	9 677
Capital return		0				0		0
Share-based incentive plan			0		-2 666	-2 666		-2 666
Other changes					6	6	-6	0
Equity at 31 Dec 2023	11 002	123 349	-5 340	-6 608	48 906	171 309	89	171 398

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total		
Equity at 1 Oct 2022	11 002	140 043	-6 910	-5 161	21 318	160 292	75	160 367
Profit/loss for the period					7 056	7 056	-15	7 041
Translation differences				-1 825		-1 825	0	-1 825
Tax on other comprehensive income					145	145		145
Comprehensive income	0	0	0	-1 825	7 201	5 376	-16	5 360
Share-based incentive plan					57	57		57
Other changes					6	6	-6	0
Equity at 31 Dec 2022	11 002	140 043	-6 910	-6 986	28 583	165 731	53	165 785

Basis of preparation and accounting policies

The Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as implemented within the EU.

The interim report for 1 October 2023 – 31 December 2023 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and the accounting principles applied in the interim report are the same as in the financial statements.

The figures of the interim report have not been audited.

The Group's consolidated financial statements are prepared in euros, which is the company's operating currency and the company's and the Group's reporting currency. The interim report is presented in thousand euros unless otherwise stated.

Critical accounting estimates and judgements

An IFRS-compliant interim report requires the Group's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the interim report.

Segments					
10/2023-12/2023					
EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	51 245	45 957	18 456	0	115 658
% split of net sales between segment	44 %	40 %	16 %	0 %	100 %
EBITDA	14 062	10 163	4 715	-10 097	18 843
Adjustments	237	152	66	1 180	1 635
Adjusted EBITDA	14 298	10 315	4 782	-8 917	20 478
Depreciation and impairment of right-of use assets and tangible assets	-2 835	-2 805	-1 453	-987	-8 079
EBITA	11 227	7 359	3 262	-11 084	10 764
Adjustments	237	152	66	1 180	1 635
Adjusted EBITA	11 463	7 511	3 329	-9 904	12 399
Amortization and impairment of intangible assets					-1 354
Operating profit					9 410
Financial income and expenses, net					-1 977
Profit before taxes					7 433
Income tax expense					-1 593
Profit/loss for the period					5 840

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

10/2022-12/2022					
EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	47 558	44 845	17 999	0	110 402
% split of net sales between segment	43 %	41 %	16 %	0 %	100 %
EBITDA	12 603	9 404	4 706	-7 572	19 141
Adjustments	0	0	0	0	0
Adjusted EBITDA	12 603	9 404	4 706	-7 572	19 141
Depreciation and impairment of right-of use assets and tangible assets	-2 680	-2 662	-1 384	-729	-7 455
EBITA	9 923	6 742	3 322	-8 302	11 686
Adjustments	0	0	0	0	0
Adjusted EBITA	9 923	6 742	3 322	-8 302	11 686
Amortization and impairment of intangible assets					-1 559
Operating profit					10 126
Financial income and expenses, net					-1 107
Profit before taxes					9 019
Income tax expense					-1 978
Profit/loss for the period					7 041

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

FY2023

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	189 908	170 899	64 933	0	425 740
% split of net sales between segment	45 %	40 %	15 %	0 %	100 %
EBITDA	52 569	36 282	15 072	-29 368	74 555
Adjustments	68	215	23	-1 239	-933
Adjusted EBITDA	52 637	36 497	15 095	-30 607	73 623
Depreciation and impairment of right-of use assets and tangible assets	-11 116	-10 781	-5 667	-3 416	-30 980
EBITA	41 453	25 500	9 405	-32 783	43 575
Adjustments	68	215	23	-1 239	-933
Adjusted EBITA	41 521	25 716	9 428	-34 023	42 643
Amortization and impairment of intangible assets					-5 776
Operating profit					37 800
Financial income and expenses, net					-4 083
Profit before taxes					33 717
Income tax expense					-7 229
Profit/loss for the period					26 487

Business combinations

During the period 1 October 2023 - 31 December 2023 Musti Group acquired three pet stores in Sweden as business acquisitions. The total purchase price for the stores was approximately EUR 2.7 million and the resulting goodwill EUR 2.6 million. Goodwill is based on synergies from the acquisitions. The acquisitions did not have a material impact on group's net sales or result.

Personnel

	31 Dec 2023	31 Dec 2022	30 Sep 2023
Personnel on average	1 691	1 617	1 640
Personnel at the end of period	1 704	1 614	1 643

Related party transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions. Musti Group's related parties include its subsidiaries, Board of Directors and the members of the management team, including the CEO, as well as their family members.

The following transactions were carried out with joint ventures

EUR thousand	31 Dec 2023	31 Dec 2022	30 Sep 2023
Purchases of goods and services	0	2 019	4 638
Receivables	0	76	0
Payables	0	633	0
Guarantees given on behalf of joint ventures	0	5 177	0

Related party transactions are executed with the arms-length principle, and their terms and conditions correspond to transactions carried out with independent parties. No loans have been granted to the management, and no other transactions have been conducted with the management.

During the financial year 2023 Musti Group had a joint venture Premium Pet Food Suomi Oy, of which the Group acquired the full ownership on 3rd of April 2023, and it became a fully owned subsidiary. Prior to the transaction, Musti Group held 49.2% of the shares in the company.

Goodwill, intangible assets and property, plant and equipment

EUR thousand	31 Dec 2023	31 Dec 2022	30 Sep 2023
Cost at the beginning of the period	220 356	205 937	205 937
Amortization, depreciation and impairment	-3 082	-3 200	-12 490
Additions	6 504	5 309	16 318
Acquisitions through business combinations	0	0	15 717
Disposals and closing of stores	0	0	-55
Exchange rate differences	3 218	-1 596	-5 071
Cost at the end of the period	226 997	206 450	220 356

Leases

Right-of-use assets

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Total
31 Dec 2023				
Cost at the beginning of the reporting period	179	74 550	1 043	75 771
New contracts	0	1 716	221	1 937
Terminated contracts	0	-61	-1	-62
Revaluations and modifications	0	2 307	-2	2 305
Exchange rate differences	0	1 434	27	1 461
Depreciation	-1	-6 233	-118	-6 352
Cost at the end of the reporting period	178	73 713	1 170	75 061

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Total
31 Dec 2022				
Cost at the beginning of the reporting period	0	75 604	623	76 227
New contracts	0	2 951	54	3 005
Terminated contracts	0	-17	-7	-24
Revaluations and modifications	0	1 387	19	1 405
Exchange rate differences	0	-566	-8	-574
Depreciation	0	-5 747	-67	-5 814
Cost at the end of the reporting period	0	73 610	614	74 224

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Total
30 Sep 2023				
Cost at the beginning of the reporting period	0	75 604	623	76 227
New contracts	0	7 732	369	8 101
Acquisitions through business combinations	181	0	315	496
Terminated contracts	0	-1 470	-30	-1 500
Revaluations and modifications	0	19 384	118	19 502
Exchange rate differences	0	-2 764	-25	-2 789
Depreciation	-2	-23 937	-327	-24 266
Cost at the end of the reporting period	179	74 550	1 043	75 771

Lease liability

EUR thousand	31 Dec 2023	31 Dec 2022	30 Sep 2023
Lease liability at the beginning of the reporting period	79 825	80 681	80 681
Net increases	5 724	3 770	23 553
Rent expenses	-6 941	-6 453	-26 743
Interest expense	650	530	2 334
Lease liability at the end of the reporting period	79 259	78 527	79 825

EUR thousand	31 Dec 2023	31 Dec 2022	30 Sep 2023
Non-current lease liability	54 228	55 306	55 518
Current lease liability	25 031	23 221	24 307
Total	79 259	78 527	79 825

Lease contracts in the income statement

EUR thousand	1 Oct 2023 - 31 Dec 2023	1 Oct 2022 - 31 Dec 2022	1 Oct 2022 - 30 Sep 2023
Expenses from rental agreements not included in lease liability	-315	-276	-1 054
Depreciation of right-of-use assets	-6 352	-5 814	-24 266
Interest expenses from lease liability	-650	-530	-2 334
Total	-7 318	-6 620	-27 654

Financial assets and liabilities

Financial assets

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
31 Dec 2023					
Non-current assets					
Other non-current assets		112	112	112	Level 2
Total		112	112	112	
Current assets					
Trade and other receivables*		7 868	7 868	7 868	Level 2
Derivative financial instruments	1 251		1 251	1 251	Level 2
Cash and cash equivalents		18 936	18 936	18 936	Level 2
Total	1 251	26 804	28 055	28 055	
Financial assets, total	1 251	26 916	28 167	28 167	

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
31 Dec 2022					
Non-current assets					
Other non-current assets		154	154	154	Level 2
Total		154	154	154	
Current assets					
Trade and other receivables*		4 168	4 168	4 168	Level 2
Derivative financial instruments	1 729		1 729	1 729	Level 2
Cash and cash equivalents		14 684	14 684	14 684	Level 2
Total	1 729	18 852	20 582	20 582	
Financial assets, total	1 729	19 006	20 736	20 736	

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
30 Sep 2023					
Non-current assets					
Derivative financial instruments	1 257		1 257	1 257	Level 2
Other non-current assets		111	111	111	Level 2
Total	1 257	111	1 369	1 369	
Current assets					
Trade and other receivables*		6 050	6 050	6 050	Level 2
Derivative financial instruments	394		394	394	Level 2
Cash and cash equivalents		21 954	21 954	21 954	Level 2
Total	394	28 004	28 398	28 398	
Financial assets, total	1 651	28 115	29 766	29 766	

Financial liabilities

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
31 Dec 2023					
Non-current liabilities					
Loans from credit institutions		9 954	9 954	9 954	Level 2
Lease liability		54 228	54 228	54 228	Level 2
Other non-current liabilities		2 068	2 068	2 068	Level 3
Total		66 249	66 249	66 249	
Current liabilities					
Loans from credit institutions		60 000	60 000	60 000	Level 2
Commercial papers		4 965	4 965	4 965	Level 2
Lease liability		25 031	25 031	25 031	Level 2
Trade and other payables*		30 066	30 066	30 066	Level 2
Derivative financial instruments	987		987	987	Level 2
Total	987	120 062	121 050	121 050	
Financial liabilities, total	987	186 312	187 299	187 299	

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
31 Dec 2022					
Non-current liabilities					
Loans from credit institutions		59 909	59 909	59 909	Level 2
Lease liability		55 306	55 306	55 306	Level 2
Total		115 215	115 215	115 215	
Current liabilities					
Commercial papers		12 414	12 414	12 414	Level 2
Lease liability		23 221	23 221	23 221	Level 2
Trade and other payables*		26 927	26 927	26 927	Level 2
Derivative financial instruments	144		144	144	Level 2
Total	144	62 562	62 706	62 706	
Financial liabilities, total	144	177 777	177 922	177 922	

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
30 Sep 2023					
Non-current liabilities					
Loans from credit institutions		69 943	69 943	69 943	Level 2
Lease liability		55 518	55 518	55 518	Level 2
Other non-current liabilities		2 031	2 031	2 031	Level 3
Total		127 492	127 492	127 492	
Current liabilities					
Commercial papers		9 412	9 412	9 412	Level 2
Lease liability		24 307	24 307	24 307	Level 2
Trade and other payables*		36 078	36 078	36 078	Level 2
Derivative financial instruments	306		306	306	Level 2
Total	306	69 798	70 104	70 104	
Financial liabilities, total	306	197 289	197 596	197 596	

*Other receivables and other payables include only items classified as financial assets or liabilities.

Level 1

Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include investments in funds classified as financial instruments at fair value through profit and loss. Musti Group does not have Level 1 financial instruments.

Level 2

The fair value of financial instruments on level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Musti Group has classified derivatives on level 2 of the fair value hierarchy.

Level 3

A financial instrument is categorized into level 3, if the calculation of the fair value cannot be based on observable market data. Musti Group has classified earn-out liabilities on level 3 of the fair value hierarchy.

During the reporting period there has not been any transfers between the levels of the fair value hierarchy.

Derivative financial instruments

EUR thousand	Nominal value	Receivables at fair	Payables at fair value	Net fair value
31 Dec 2023				
Forward exchange contracts	52 131	371	-987	-616
Interest rate swaps	30 000	880		880
Total	82 131	1 251	-987	264

EUR thousand	Nominal value	Receivables at fair	Payables at fair value	Net fair value
31 Dec 2022				
Forward exchange contracts	21 018	34	-144	-110
Interest rate swaps	30 000	1 695		1 695
Total	51 018	1 729	-144	1 585

EUR thousand	Nominal value	Receivables at fair value	Payables at fair value	Net fair value
30 Sep 2023				
Forward exchange contracts	34 537	394	-306	87
Interest rate swaps	30 000	1 257		1 257
Total	64 537	1 651	-306	1 345

Group commitments

EUR thousand	31 Dec 2023	31 Dec 2022	30 Sep 2023
Pledges given on behalf of Group companies and joint ventures			
Guarantees relating to rental payments	3 997	4 459	3 846
Other commitments	23	43	23
Total	4 021	4 501	3 870

Other commitments

Other guarantees	0	5 177	0
Lease liabilities for leases not recognized in the balance sheet	1 314	1 891	1 939
Total	1 314	7 068	1 939

Lease liabilities not recognized in the balance sheet include the nominal amount of low-value and short-term lease liabilities and the liability for agreements that will enter into force in the future.

Contingent liabilities

Musti Group has been subject to a tax audit of Musti Group Oyj, Musti Group Finland Oy and Musti Group Nordic Oy regarding financial years 2018-2020. Musti Group Oyj has in October 2021 received a tax audit report from the Finnish tax authorities. The tax audit report included subsequent taxes and tax increases amounting to a total of EUR 0.9 million, relating to the VAT deductibility of IPO related costs. Tax and increases have been paid in November 2021. The company disagrees with the interpretation made in the tax audit. The company has been reassessed in accordance with the interpretations set out in the tax audit report but, the company filed a claim for adjustment to the Finnish Tax Administration's Assessment Adjustment Board. In May 2023, the Board issued a decision remitting the decision to the Tax Administration for reconsideration. The case is still pending with the tax administration. There were no repercussions of the tax audit for the financial years 2018-2020 of Musti Group Finland Oy's and Musti Group Nordic Oy's.

Financial ratios and alternative performance measures

EUR millions or as indicated	10-12/2023	10-12/2022	Change %	FY2023
Net sales	115,7	110,4	4,8 %	425,7
Net sales growth, %	4,8 %	8,9 %		8,9 %
LFL sales growth, %	4,8 %	7,0 %		9,5 %
LFL store sales growth, %	2,5 %	3,7 %		6,7 %
LFL online sales growth, %	13,0 %	18,9 %		19,0 %
Store sales	86,4	85,4	1,3 %	322,3
Online sales	26,9	24,5	9,8 %	97,8
Online share of net sales, %	23,3 %	22,2 %		23,0 %
Gross margin, %	45,9 %	45,9 %		45,7 %
EBITDA	18,8	19,1	-1,6 %	74,6
EBITDA margin, %	16,3 %	17,3 %		17,5 %
Adjusted EBITDA	20,5	19,1	7,0 %	73,6
Adjusted EBITDA margin, %	17,7 %	17,3 %		17,3 %
EBITA	10,8	11,7	-7,9 %	43,6
EBITA margin, %	9,3 %	10,6 %		10,2 %
Adjusted EBITA	12,4	11,7	6,1 %	42,6
Adjusted EBITA margin, %	10,7 %	10,6 %		10,0 %
Operating Profit	9,4	10,1	-7,1 %	37,8
Operating Profit margin, %	8,1 %	9,2 %		8,9 %
Profit/loss for the period	5,8	7,0	-17,1 %	26,5
Earnings/Share, basic, EUR	0,17	0,21	-17,5 %	0,79
Earnings/Share, diluted, EUR	0,17	0,21	-17,5 %	0,79
Cash flow from operating activities	15,7	18,7	-16,1 %	79,6
Investments in tangible and intangible assets	4,0	3,0	33,6 %	11,9
Net debt	137,0	134,6	1,8 %	137,9
Gearing, %	80,0 %	81,2 %		83,9 %
Net debt / LTM Adjusted EBITDA	1,8	2,0	-10,0 %	1,9
Equity ratio %	43,0 %	43,9 %		41,7 %
Nr of loyal customers, thousands	1 552	1 485	4,5 %	1 543
Number of stores at end of period	348	340	2,4 %	342
of which directly operated	338	325	4,0 %	330
Own & Exclusive share, %	53,0 %	53,7 %		52,4 %

Finland				
Net sales	51,2	47,6	7,8 %	189,9
Net sales growth, %	7,8 %	8,5 %		11,9 %
LFL sales growth, %	3,4 %	6,9 %		9,7 %
EBITDA	14,1	12,6	11,6 %	52,6
EBITDA margin, %	27,4 %	26,5 %		27,7 %
Adjusted EBITDA	14,3	12,6	13,4 %	52,6
Adjusted EBITDA margin, %	27,9 %	26,5 %		27,7 %
EBITA	11,2	9,9	13,1 %	41,5
EBITA margin, %	21,9 %	20,9 %		21,8 %
Adjusted EBITA	11,5	9,9	15,5 %	41,5
Adjusted EBITA margin, %	22,4 %	20,9 %		21,9 %
Nr of loyal customers, thousands	533	526	1,4 %	534
Number of stores at end of period	137	139	-1,4 %	136
of which directly operated	137	139	-1,4 %	136
Own & Exclusive share, %	54,9 %	57,1 %		55,9 %
Sweden				
Net sales	46,0	44,8	2,5 %	170,9
Net sales growth, %	2,5 %	4,3 %		3,6 %
LFL sales growth, %	4,5 %	7,3 %		8,6 %
EBITDA	10,2	9,4	8,1 %	36,3
EBITDA margin, %	22,1 %	21,0 %		21,2 %
Adjusted EBITDA	10,3	9,4	9,7 %	36,5
Adjusted EBITDA margin, %	22,4 %	21,0 %		21,4 %
EBITA	7,4	6,7	9,1 %	25,5
EBITA margin, %	16,0 %	15,0 %		14,9 %
Adjusted EBITA	7,5	6,7	11,4 %	25,7
Adjusted EBITA margin, %	16,3 %	15,0 %		15,0 %
Nr of loyal customers, thousands	705	682	3,4 %	701
Number of stores at end of period	134	131	2,3 %	131
of which directly operated	124	116	6,9 %	119
Own & Exclusive share, %	47,9 %	47,8 %		46,4 %
Norway				
Net sales	18,5	18,0	2,5 %	64,9
Net sales growth, %	2,5 %	23,7 %		14,9 %
LFL sales growth, %	10,3 %	6,5 %		11,3 %
EBITDA	4,7	4,7	0,2 %	15,1
EBITDA margin, %	25,5 %	26,1 %		23,2 %
Adjusted EBITDA	4,8	4,7	1,6 %	15,1
Adjusted EBITDA margin, %	25,9 %	26,1 %		23,2 %
EBITA	3,3	3,3	-1,8 %	9,4
EBITA margin, %	17,7 %	18,5 %		14,5 %
Adjusted EBITA	3,3	3,3	0,2 %	9,4
Adjusted EBITA margin, %	18,0 %	18,5 %		14,5 %
Nr of loyal customers, thousands	314	277	13,4 %	308
Number of stores at end of period	77	70	10,0 %	75
of which directly operated	77	70	10,0 %	75
Own & Exclusive share, %	60,4 %	59,2 %		57,9 %

Calculation formulas of key performance indicators

Key Performance Indicator	Definition
Gross profit	Net sales - Material and services
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Operating profit + Depreciation, amortization and impairment
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	Operating profit + Depreciation, amortization and impairment + adjustments
Earnings before interest, taxes and amortization (EBITA)	Operating profit + amortization and impairment of intangible assets
Adjusted earnings before interest, taxes and amortization (Adjusted EBITA)	Operating profit + amortization and impairment of intangible assets + Adjustments
Earnings per share, basic	$\frac{\text{Profit/loss for the period} - \text{Non-controlling interests}}{\text{Average number of shares}}$
Earnings per share, diluted	$\frac{\text{Profit/loss for the period} - \text{Non-controlling interests}}{\text{Average diluted number of shares}}$
Net Debt	Interest bearing liabilities - Loan receivables +/- Derivative financial instruments - Cash and cash equivalents
Gearing (%)	$\frac{\text{Net debt}}{\text{Equity}}$
Net debt/LTM (last twelve months) Adjusted EBITDA	$\frac{\text{Net debt}}{\text{LTM adjusted EBITDA}}$
Equity ratio (%)	$\frac{\text{Total equity}}{\text{Total assets} - \text{Advances received}}$
LFL (Like-for-like) sales growth (%)	$\frac{\text{Sales of online channels and stores that have been open more than 13 months}}{\text{Sales from corresponding online channels and stores in the same time period}}$
Own & Exclusive share (%)	$\frac{\text{Sales of own and exclusive product sales}}{\text{Product sales in own channels}}$
Online share (%)	$\frac{\text{Online sales}}{\text{Net sales}}$

Reconciliation of key performance indicators

EUR millions or as indicated

	1 Oct 2023 - 31 Dec 2023	1 Oct 2022 - 31 Dec 2022	1 Oct 2022 - 30 Sep 2023
Gross profit			
Net sales	115,7	110,4	425,7
Material and services	-62,6	-59,8	-231,3
Gross profit	53,1	50,6	194,5
Gross margin (%)	45,9 %	45,9 %	45,7 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)			
Operating profit	9,4	10,1	37,8
Depreciation, Amortization and Impairment	9,4	9,0	36,8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	18,8	19,1	74,6
EBITDA margin (%)	16,3 %	17,3 %	17,5 %
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)			
Operating profit	9,4	10,1	37,8
Depreciation, amortization and Impairment	9,4	9,0	36,8
Adjustments	1,6	0,0	-0,9
Adjusted earnings before interest, taxes, depreciation and amortization	20,5	19,1	73,6
Adjusted EBITDA margin (%)	17,7 %	17,3 %	17,3 %
Adjustments (EBITDA)			
Restructuring related expenses	0,0	0,0	0,5
Acquisition & IPO related expenses	0,0	0,0	0,4
Non-recurring costs (Public Tender Offer & product recall)	1,6	0,0	0,0
Other items affecting comparability	0,0	0,0	-1,4
Adjustments (EBITDA)	1,6	0,0	-0,9
Earnings before interest, taxes and amortization (EBITA)			
Operating profit	9,4	10,1	37,8
Amortization and impairment of intangible assets	1,4	1,6	5,8
Earnings before interest, taxes and amortization (EBITA)	10,8	11,7	43,6
EBITA margin (%)	9,3 %	10,6 %	10,2 %
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)			
Operating profit	9,4	10,1	37,8
Amortization and impairment of intangible assets	1,4	1,6	5,8
Adjustments	1,6	0,0	-0,9
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)	12,4	11,7	42,6
Adjusted EBITA margin (%)	10,7 %	10,6 %	10,0 %
Adjustments (Operating profit)			
Restructuring related expenses	0,0	0,0	0,5
Acquisition & IPO related expenses	0,0	0,0	0,4
Non-recurring costs (Public Tender Offer & product recall)	1,6	0,0	0,0
Other items affecting comparability	0,0	0,0	-1,4
Adjustments (Operating profit)	1,6	0,0	-0,9
Earnings per share, basic			
Profit/loss for the period	5,8	7,0	26,5
Non-controlling interest	0,0	0,0	0,0
Average number of shares	33,4	33,3	33,4
Earnings per share, basic	0,17	0,21	0,79

Earnings per share, diluted			
Profit/loss for the period	5,8	7,0	26,5
Non-controlling interest	0,0	0,0	0,0
Average number of shares, diluted	33,6	33,6	33,6
Earnings per share, diluted	0,17	0,21	0,79
Net debt			
Interest-bearing liabilities	156,2	150,9	161,2
Derivative financial instruments	-0,3	-1,6	-1,3
Cash and cash equivalents	18,9	14,7	22,0
Net debt	137,0	134,6	137,9
Gearing (%)			
Net Debt	137,0	134,6	137,9
Equity	171,4	165,8	164,4
Gearing (%)	80,0 %	81,2 %	83,9 %
Net debt/LTM Adjusted EBITDA			
Net debt	137,0	134,6	137,9
LTM adjusted EBITDA	75,0	66,3	73,6
Net debt/LTM adjusted EBITDA	1,8	2,0	1,9
Equity ratio (%)			
Total equity	171,4	165,8	164,4
Total assets	399,5	378,1	394,2
Advances received	0,5	0,6	0,3
Equity ratio (%)	43,0 %	43,9 %	41,7 %
LFL sales growth (%)			
Net sales	115,7	110,4	425,7
Net sales growth %	4,8 %	8,9 %	8,9 %
Other growth %	-0,1 %	1,9 %	-0,6 %
LFL sales growth (%)	4,8 %	7,0 %	9,5 %
LFL store sales growth (%)			
Store sales	86,4	85,4	322,3
Store sales total growth %	1,3 %	9,5 %	7,3 %
Other growth %	-1,2 %	5,8 %	0,6 %
LFL store sales growth (%)	2,5 %	3,7 %	6,7 %
Net sales			
Store sales	86,4	85,4	322,3
Online sales	26,9	24,5	97,8
Other sales	2,3	0,5	5,7
Net sales	115,7	110,4	425,7
Online share (%)			
Net sales	115,7	110,4	425,7
Online sales	26,9	24,5	97,8
Online share (%)	23,3 %	22,2 %	23,0 %

**ANNEX G: MUSTI'S STOCK EXCHANGE RELEASE ON THE SUPPLEMENT OF THE STATEMENT BY THE
COMPANY'S BOARD OF DIRECTORS**

Musti Group Oyj
Tender offer

The Board of Directors of Musti Group Plc supplements its statement regarding the voluntary public cash tender offer by Flybird Holding Oy due to the increase in offer price

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The Board of Directors of Musti Group Plc supplements its statement regarding the voluntary public cash tender offer by Flybird Holding Oy due to the increase in offer price

Musti Group Plc

TENDER OFFER

1 February 2024 at 7:05 p.m. EET

As previously announced, Flybird Holding Oy (the “**Offeror**”), a company owned by a consortium (the “**Consortium**”) comprising Sonae Holdings, S.A. (a subsidiary wholly-owned and controlled by Sonae - SGPS, S.A. (“**Sonae**”)), Jeffrey David, Johan Dettel and David Rönnerberg, and Musti Group Plc (the “**Company**” or “**Musti**”), have on 29 November 2023 entered into a combination agreement (the “**Combination Agreement**”), pursuant to which the Offeror has made a recommended voluntary public cash tender offer to acquire all of the issued and outstanding shares in Musti that are not held by Musti or any of its subsidiaries (the “**Shares**” or, individually, a “**Share**”) (the “**Tender Offer**”). The Board of Directors of Musti, represented by a quorum comprising the non-conflicted members of the Board of Directors who are not part of the Consortium (the “**Board of Directors**”), has on 13 December 2023 issued a statement (the “**Statement**”) concerning the Tender Offer in accordance with Chapter 11 Section 13 of the Finnish Securities Markets Act (746/2012, as amended, the “**Finnish Securities Markets Act**”). The Statement has been included in the tender offer document published on 15 December 2023 by the Offeror (the “**Tender Offer Document**”).

The Offeror has on 25 January 2024 announced that it increases the offer price under the Tender Offer so that the offer price is EUR 26.10 in cash for each Share validly tendered in the Tender Offer (the “**Increased Offer Price**”), in lieu of the initial offer price of EUR 26.00. The Offeror has on the date herewith published a supplement to the Tender Offer Document (the “**Supplement Document**”) with detailed information on, among others, the Increased Offer Price and the extension to the offer period under the Tender Offer so that the offer period will expire on 15 February 2024 at 4:00 p.m. (Finnish time). The other terms and conditions of the Tender Offer remain as set out in the Tender Offer Document.

The Board of Directors must, pursuant to Chapter 11 Section 15 of the Finnish Securities Markets Act, supplement its Statement after the amended terms and conditions have been delivered to the Board of Directors. The Board of Directors has reviewed the amended terms and conditions and supplements its Statement by stating that the amendment of the terms and conditions concerning the increase in the offer price does not give cause for amending its previous recommendation. The Board of Directors refers to the Statement and, acting through its non-conflicted members, recommends unanimously that the shareholders accept the Tender Offer. The Board of Directors notes that the Increased Offer Price represents a premium of approximately:

- 27.6 per cent compared to EUR 20.46, i.e. the closing price of the Musti share on Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”) on 28 November 2023, the last trading day immediately preceding the announcement of the Tender Offer;
- 39.8 per cent compared to EUR 18.66, i.e. the three-month volume-weighted average trading price of the Musti share on Nasdaq Helsinki on the last trading day immediately preceding the announcement of the Tender Offer;
- 41.0 per cent compared to EUR 18.51, i.e. the six-month volume-weighted average trading price of the Musti share on Nasdaq Helsinki on the last trading day immediately preceding

the announcement of the Tender Offer; and

- 50.1 per cent compared to EUR 17.39, i.e. the twelve-month volume-weighted average trading price of the Musti share on Nasdaq Helsinki on the last trading day immediately preceding the announcement of the Tender Offer.

The Board of Directors states that according to information published by the Offeror, the Offeror has on 19 January 2024 received unconditional merger control clearance for completing the Tender Offer from the European Commission. Further, the Offeror has announced on 19 January 2024 that it has received all necessary regulatory approvals for the completion of the Tender Offer and confirmed that the condition to completion of the Tender Offer concerning the receipt of regulatory approvals has been fulfilled.

Being parties of the Consortium, members of the Board of Directors of Musti Jeffrey David and Johan Dettel have not participated in any consideration or decision-making concerning the implications of the Tender Offer or this supplement of the Statement.

This supplement does not constitute investment or tax advice, and the Board of Directors does not specifically evaluate herein the general price development or the risks relating to the Shares in general. The Board of Directors highlights, as presented in the Statement, that the Company's shareholders shall independently make their decision on whether to accept the Tender Offer by taking into account all relevant and available information, including aspects presented in the Supplement Document and in the Statement of the Board of Directors, and other information that may impact the value of the Shares and the circumstances of each individual shareholder.

Musti and the Offeror have undertaken to comply with the Helsinki Takeover Code referred to in Chapter 11, Section 28 of the Finnish Securities Markets Act.

Musti has appointed Jefferies GmbH as its financial adviser and Roschier, Attorneys Ltd. as its legal adviser as to Finnish law matters and Cravath, Swaine & Moore LLP as U.S. counsel in connection with the Tender Offer. Hill and Knowlton Finland Oy acts as Musti's communications advisor in the Tender Offer.

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IMPORTANT INFORMATION

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Information for shareholders of Musti in the United States

The Tender Offer will be made for the issued and outstanding Shares in Musti, which is a public limited company incorporated and admitted to trading on a regulated market in Finland, and is subject to Finnish disclosure and procedural requirements. The Tender Offer will be made to Musti shareholders in the United States in compliance with the applicable U.S. tender offer rules under the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), and otherwise in accordance with the requirements of Finnish law. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the Tender Offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer law and practice. The financial information included in this announcement or the Tender Offer Document has not been prepared in accordance with U.S. GAAP, or derived therefrom, and may therefore differ from, and not be comparable with, financial information of U.S. companies.

The Offeror and its respective affiliates or brokers (acting as agents for the Offeror or its affiliates, as applicable) may from time to time, and other than pursuant to the Tender Offer, directly or indirectly, purchase, or arrange to purchase outside the United States, Shares in Musti or any securities that are convertible into, exchangeable for or exercisable for such Shares before or during the period in which the Tender Offer remains open for acceptance, to the extent permitted by, and in compliance with, Rule 14e-5 under the U.S. Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Musti of such information. In addition, the financial advisers to the Offeror or their respective affiliates may also engage in ordinary course trading activities in securities of Musti, which may include purchases or arrangements to purchase such securities.

Neither the U.S. Securities and Exchange Commission (“**SEC**”) nor any U.S. state securities commission has approved or disapproved of the Tender Offer, passed upon the merits or fairness of the Tender Offer, or determined if this announcement or the Tender Offer Document is accurate or complete.

The Tender Offer, if consummated, may have consequences under U.S. federal income tax and applicable U.S. state and local, as well as non-U.S., tax laws for Musti shareholders. Each Musti shareholder is urged to consult his or her independent professional adviser regarding the tax consequences of the Tender Offer.

It may not be possible for Musti shareholders in the United States to effect service of process within the United States upon Musti, the Offeror, Sonae Holdings, S.A. or any other member of the

Consortium, or their respective officers or directors, some or all of which may reside outside the United States, or to enforce against any of them judgments of the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States or other U.S. law. It may not be possible to bring an action against Musti, the Offeror, Sonae Holdings, S.A., any other member of the Consortium or their respective officers or directors (as applicable), in a non-U.S. court for violations of U.S. law, including the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement. In addition, it may be difficult to enforce in Finland or Portugal original actions, or actions for the enforcement of judgments of U.S. courts, based on the civil liability provisions of the U.S. federal securities laws.

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