LISTING PARTICULARS **29 May 2020**

VERKKOKAUPPA.COM OYJ

Listing on the Official List of Nasdaq Helsinki Ltd

As at the date of these listing particulars ("**Listing Particulars**"), the shares of Verkkokauppa.com Oyj ("**Verkkokauppa.com**" or the "**Company**") are subject to trading under the trading code "VERK"on the multilateral First North Growh Market Finland marketplace (the "**First North marketplace**") operated by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**"). Verkkokauppa.com has submitted an application to list all of the shares in the Company (the "**Shares**") on the official list of Nasdaq Helsinki under the trading code "VERK" (the "**Listing**"). Trading in the Shares is expected to commence on the official list of Nasdaq Helsinki on or about 5 June 2020.

The Company has prepared these Listing Particulars to enable the listing of the Shares on the official list of Nasdaq Helsinki. The Finnish Financial Supervisory Authority has approved the Finnish Prospectus as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). The Finnish Financial Supervisory Authority only approves the Finnish Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by the Prospectus Regulation. Such approval should not be considered an endorsement of the issuer that is the subject of the Finnish Prospectus.

The distribution of these Listing Particulars may be restricted by law in certain jurisdictions. These Listing Particulars may not be distributed in Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, Japan, New Zealand, Singapore, South Africa, or the United States. The Shares are not offered or sold, directly or indirectly, in or into the United States under these Listing Particulars, and the Shares have not been and will not be registered in accordance with the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), nor under any securities legislation of any state in the United States and, therefore, may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the U.S. Securities Act), unless they have been registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of the United States. These Listing Particulars do not constitute an offer to sell or a solicitation of an offer to buy the Shares in any jurisdiction where an offer or a solicitation would be unlawful. The Company or its representatives accept no legal responsibility for violations of these restrictions, regardless of whether the prospective purchasers of the Shares are aware of such restrictions. See also "*Important Information*".

IMPORTANT INFORMATION

In connection with the Listing, the Company has prepared a Finnish-language prospectus (the "**Finnish Prospectus**") in accordance with the Finnish Securities Markets Act (746/2012, as amended, the "**Securities Markets Act**"), Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"), Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 (Annexes 1 and 11) supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (together, the "**Delegated Prospectus Regulation**"), and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The FIN-FSA has approved the Finnish Prospectus as competent authority under the Prospectus Regulation. The FIN-FSA only approves the Finnish Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by the Prospectus Regulation. Such approval should not be considered an endorsement of the issuer that is the subject of the Finnish Prospectus. The record number of the FIN-FSA's approval decision concerning the Finnish Prospectus is FIVA 25/02.05.04/2020. These Listing Particulars have been prepared based on the Finnish Prospectus, and they contain the same information. The FIN-FSA has not approved these English-language Listing Particulars. In the event of any discrepancies between the original Finnish Prospectus and the English-language Listing Particulars, the Finnish Prospectus prevails. These Listing Particulars are valid until the Listing or until 28 May 2021 at the latest.

All references made to "**Verkkokauppa.com**" or the "**Company**" in these Listing Particulars are references to Verkkokauppa.com Oyj. References made and matters relating to the Shares and share capital of the Company or matters of administration of the Company refer to the Shares, share capital, and matters of administration of Verkkokauppa.com Oyj.

No person has been authorized to disclose any information or to make any statements not included in these Listing Particulars in connection with the Listing. If such information is disclosed or statements made, it must be noted that they have not been authorized by the Company. Any information disclosed or statements made in connection with the Listing that are inconsistent with those contained in these Listing Particulars are invalid. The information presented herein is current as at the date of these Listing Particulars. Neither the distribution of these Listing Particulars nor the Listing means that no adverse changes have occurred or that no events have taken place that could have an adverse effect on the Company's business, financial condition, and results of operations. However, if a significant new factor, material mistake, or material inaccuracy relating to the information included in these Listing Particulars, which may affect the assessment of an investment arises or is noted prior to the Listing, these Listing Particulars will be supplemented in accordance with the Prospectus Regulation. The obligation to supplement the Listing Particulars under the Prospectus Regulation will end when the Listing Particulars expire. No information presented in these Listing Particulars constitutes or is to be relied upon as a promise or representation by the Company as regards the future. See "*Certain Matters – Forward-Looking Statements*".

Prospective investors should rely on the information included in these Listing Particulars alone. No person has been authorized to disclose any other information or to make any statements concerning the Shares and, if disclosed or made, any such other information or statement should not be relied upon as having been authorized by the Company. Prospective investors should, prior to making an investment decision, carefully acquaint themselves with the entire Listing Particulars. When making an investment decision, prospective investors must rely on their own examinations of the Company and the Listing, including the benefits and risks involved therein. The Company makes no representation to the purchasers of Shares as regards the legality of their investments in the Shares under the laws applicable to them. Investors should consult their own advisers as they consider it necessary before purchasing Shares. Investors are required to make their own independent assessments of the legal, tax, business, financial, and other consequences and risks related to purchasing Shares.

The legislation of certain jurisdictions sets restrictions for distributing the Listing Particulars. Accordingly, the Shares may not be sold, directly or indirectly, and neither these Listing Particulars nor any other material or advertisement relating to the Shares may be distributed or published in any jurisdiction in which this would breach the applicable laws or require measures under the laws of any country other than Finland. The Company has not and will not take any measures to allow the public offering of the Shares outside of Finland. Accordingly, any person who resides in a country other than Finland may not be able to receive these Listing Particulars or purchase any Shares. It is not the responsibility of the Company to acquire appropriate information regarding or to comply with the above-mentioned restrictions. These Listing Particulars do not constitute an offer to sell or a solicitation of an offer to buy the Shares in any jurisdiction where an offer or a solicitation would be unlawful. The Company or its representatives do not accept any legal responsibility for any such violations, whether or not a prospective purchaser of the Shares is aware of such restrictions.

The Listing is governed by the laws of Finland. Any disputes arising in connection with the Listing are to be settled by a competent court in Finland.

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SUMMARY

Introduction

*This summary should be considered as an introduction to these listing particulars (the "**Listing Particulars**"). Any decision by an investor to invest in the shares of Verkkokauppa.com (the "**Shares**") ("**Verkkokauppa.com**" or the "**Company**") should be based on consideration of these Listing Particulars as a whole. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in these Listing Particulars is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating these Listing Particulars before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate, or inconsistent when read together with the other parts of these Listing Particulars or where it does not provide, when read together with the other parts of these Listing Particulars, key information in order to aid investors when considering whether to invest in the Shares.*

The identity and contact details of the issuer are:

Company..	Verkkokauppa.com Oyj
Business ID..	1456344-5
Legal entity identifier ("**LEI**")	743700QZE6B52SHHTV75
Domicile	Helsinki
Registered Office...	Tyynenmerenkatu 11, FI-00220 Helsinki, Finland

As at the date of these Listing Particulars, the Company has one share class. The ISIN code of the Shares is FI4000049812.

The Finnish Financial Supervisory Authority (the "**FIN-FSA**") has on 29 May 2020 approved the Finnish Prospectus as a competent authority under the Prospectus Regulation. The record number of the FIN-FSA's approval decision concerning the Finnish Prospectus is FIVA 25/02.05.04/2020. The address of the FIN-FSA is P.O. Box 103, FI-00101 Helsinki, Finland, its telephone number is +358 9 183 51, and its email address is kirjaamo@finanssivalvonta.fi.

Key Information on the Issuer

Who is the Issuer of the Securities?

The issuer's legal name is Verkkokauppa.com Oyj. Verkkokauppa.com is a Finnish public limited liability company subject to the laws of Finland and domiciled in Helsinki, Finland, and its LEI is 743700QZE6B52SHHTV75.

Principal Activities

Verkkokauppa.com Oyj is an online and retail sales company that operates mainly in Finland and offers products and services to both consumers and businesses. Depending on the season, the Company markets, sells, and distributes some 60,000–70,000 products in 26 different main product categories through its webstore, retail stores, and network of pick-up points. The Company operates mainly in the field of consumer electronics and offers services related to the products it sells. Verkkokauppa.com is Finland's most popular[1] and most visited[2] Finnish online retailer, and it is Finland's largest webstore measured by net sales[3]. In 2019, the Company's website had daily single visits of approximately 200,000 on average[4].

As indicated by its name, Verkkokauppa.com has operated on the terms of e-commerce from the beginning, and it aims to stay at the forefront of the transformation of the retail industry as retail shifts further towards online and mobile channels. Verkkokauppa.com delivers products to more than 3,000 pick-up points and also offers home deliveries and installations through cooperation partners. In addition to the webstore, the Company has four megastores: in Oulu, Pirkkala, Raisio, and Helsinki. The Company believes that the combination of a webstore and retail stores enables it to serve its customers as

[1] Source: Posti's Suuri verkkokauppa 2019 online store survey.
[2] Source: SimilarWeb, Top Websites Ranking Finland (1 April 2020). Access method: https://www.similarweb.com/top-websites/finland. Accessed 19 May 2020.
[3] Source: Statista 2020, ecommerceDB.com Country Report. Access method: https://www.statista.com/study/70352/ecommerce-in-finland/. Accessed 19 May 2020.
[4] According to the tool used by the Company to monitor website traffic, the Company's website had more than 72 million single visits between 1 January 2019 and 31 December 2019. A single visit refers to each visit made to the site from a browser, regardless of the number of single visits made from said browser.

effectively as possible. The Company's customer promise is to sell products to its customers at probably always cheaper prices, making use of a low cost structure.

Major Shareholders

The following table sets forth Verkkokauppa.com's ten largest shareholders that appear in the shareholders' register maintained by Euroclear Finland Ltd ("**Euroclear Finland**") as at 27 May 2020.

Shareholder	**Number of Shares**	**Percent of Shares and Votes**
Seppälä Samuli	22,111,342	49.07
Rite Ventures Finland AB	2,172,576	4.82
The Local Government Pensions Institution	2,171,000	4.82
Varma Mutual Pension Insurance Company	2,065,932	4.58
Nordea Nordic Small Cap Fund	1,690,607	3.75
Mandatum Life Insurance Company Limited	1,673,378	3.71
Evli Finnish Small Cap Fund	644,000	1.43
Skogberg Ville Johannes	634,266	1.41
Kaleva Mutual Insurance Company	466,475	1.04
Aktia Nordic Micro Cap Fund Ytj	450,000	1.00
Other shareholders including nominee-registered shareholders	10,985,554	24.38
Total Shares in the Company	**45,065,130**	**100.00**

To the knowledge of the Company, Verkkokauppa.com is not, directly or indirectly, owned or controlled by any one person.

Chief Executive Officer and Management Team

The following table presents the members of the Management Team as at the date of these Listing Particulars:

Name	**Year of Birth**	**Citizenship**	**Position**	**Appointed**	**Employed as of**
Panu Porkka	1977	Finland	CEO	2018	2018
Mikko Forsell	1974	Finland	CFO	2019	2019
Miika Heinonen	1976	Finland	Logistics Director	2011	2005
Vesa Järveläinen	1983	Finland	Commercial Director	2017	2015
Kalle Koutajoki	1976	Finland	Chief Sales Officer	2019	2019
Seppo Niemelä	1981	Finland	Director of Marketing and Communications	2018	2018
Taina Suorsa	1977	Finland	HR Director	2019	2014
Henrik Weckström	1976	Finland	CTO	2008	1999

Statutory Auditor

Verkkokauppa.com's statutory auditor is PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Ylva Eriksson as the principal auditor. Ylva Eriksson is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended).

What Is the Key Financial Information Regarding the Issuer?

The selected financial statement information presented below has been derived from the Company's unaudited financial information for the three months ended 31 March 2020, including the unaudited comparative financial information for the three months ended 31 March 2019, which has been prepared in accordance with "IAS 34 – Interim Financial Reporting", and the Company's audited financial statements for the years ended 31 December 2019 and 31 December 2018 prepared in accordance with the International Financial Reporting Standards ("**IFRS**") adopted by the EU, and the Company's unaudited comparative information for the year ended 31 December 2017, which is included in the audited financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS. In addition, the Company's audited financial statements for the year ended 31 December 2017, prepared in accordance with the Finnish Accounting Standards ("**FAS**"), have been incorporated by reference into these Listing Particulars.

The following table presents a summary of Verkkokauppa.com's key financial information as at the dates and for the periods indicated:

In EUR thousand, unless otherwise indicated	As at 31 March and 1 January - 31 March		As at 31 December and 1 January - 31 December		
	2020	2019	2019	2018	2017
	IFRS (unaudited)		IFRS (audited, unless otherwise indicated)		IFRS (unaudited)
Income statement and statement of comprehensive income					
Revenue	125,255	115,797	504,113	477,833	431,870
Change in revenue, %	8.2	-	5.5[1]	10.6[1]	-
Operating profit	3,418	2,301	11,290	13,324	13,460
Operating profit-%	2.7	2.0	2.2[1]	2.8[1]	3.1
EBITDA	4,648	3,581	16,330[1]	18,414[1]	18,044
EBITDA-%	3.7	3.1	3.2[1]	3.9[1]	4.2
Profit for the financial year	2,444	1,525	7,810	9,334	9,449
Earnings per share, basic and diluted, EUR	0.05	0.03	0.17	0.21	0.21
Balance sheet					
Total assets	154,107	-	160,183	167,741	148,948
Total equity	36,771	-	36,563	37,565	36,797
Interest-bearing net debt	-22,339	-	-19,061[1]	-20,402[1]	-22,563
Statement of cash flows					
Net cash flow from operating activities	3,683	-11,185	9,690	8,861	23,233
Net cash flow from investing activities	-266	-51	-1,145	-1,356	-1,490
Net cash flow from financing activities	-936	-935	-12,796	-12,636	-11,557

[1)] Unaudited.

There are no qualifications in the audit reports relating to Verkkokauppa.com's audited financial statements for the years ended 31 December 2019 and 31 December 2018 prepared in accordance with IFRS and the financial statements for the year ended 31 December 2017 prepared in accordance with FAS.

What Are the Key Risks that Are Specific to the Issuer?

- The uncertainty in Verkkokauppa.com's key markets, the prevailing demand in the consumer electronics market in Finland, or the disruptions in the global economy and international financial markets may have an adverse effect on Verkkokauppa.com's business and results of operations;
- changes in customers' consumption behavior and alternative sales channels becoming more common may reduce Verkkokauppa.com's sales and profitability;
- competition in the industry is fierce, which may cause pricing pressure for the Company, which in turn may have an effect on the Company's business, result, and financial position. Furthermore, competition may lead to a decrease in the sales of products and cause Verkkokauppa.com to lose its market share;
- Verkkokauppa.com may not necessarily be able to successfully manage its business or efficiently implement its business strategy, which may lead to the Company not being able to achieve its financial targets;
- Verkkokauppa.com's business is partly seasonal, and the Company's revenue and operating profit depend largely on the sales in the last quarter, which makes it difficult to make plans and predictions and which subjects the business, for example, to risks associated with seasonality;
- disruptions, errors, and defects in the running, maintenance, and updating of the Company's website may prevent customers from purchasing the Company's products and services, which may have an adverse effect on the Company's business and result;
- difficulties in maintaining and updating IT systems, defects, interruptions, or disruptions in IT systems, and possible information security breaches could have an adverse effect on the Company's business and could result in surprising costs;
- the Company's brand and reputation are key competitive factors, and any reputational damage or negative market perceptions of the Company may undermine the Company's ability to attract customers and maintain customer loyalty, and to recruit and retain employees, which could have an adverse effect on the Company;

- the Company may fail in the cost-effective inventory management, and any damage to the stores or warehouses, or difficulties in their operations could limit the Company's ability to store, process and distribute its products and cause significant additional costs;
- delays in the deliveries by the suppliers, suppliers' and transportation services' delivery difficulties, and the Company's failure to control and scale its supply chain may have the result that the products cannot be put up for sale to customers quickly enough;
- Verkkokauppa.com operates in the retail industry and must comply with mandatory laws and regulations relating to its industry and business, and changes in these laws and regulations or failure to comply with them may have an adverse effect on the Company and undermine its business opportunities; and
- Verkkokauppa.com may not be able to obtain additional financing or follow the financial covenants of its credit arrangements and other loans.

Key Information on the Securities

What Are the Main Features of the Securities?

As at the date of these Listing Particulars, the Company's registered share capital is EUR 100,000 and the number of Shares issued is 45,065,130. The Shares have no nominal value, are denominated in euro, and all Shares issued have been paid in full and issued in accordance with Finnish laws. The Company has one share class, the ISIN code of which is FI4000049812.

Each Share entitles to one vote at the General Meetings of the Company, and all Shares provide equal rights to dividend and other distributable funds of the Company, including the distribution of the Company's assets in dissolution. There are no voting or transfer restrictions related to the Shares.

The rights attached to the Shares are determined by the Finnish Companies Act (624/2006, as amended) (the "**Companies Act**") and other applicable Finnish regulation. The rights attached to the Shares include a pre-emptive right to subscribe for new shares in the Company, right to attend and vote at the General Meetings of the Company, right to dividend and other distributions of equity, and other rights under the Companies Act.

According to the dividend policy as at the date of these Listing Particulars, as confirmed by the Board of Directors of the Company, the Company's goal is to pay a growing dividend. The Company pays dividend quarterly.

Where Will the Securities Be Traded?

As from 4 April 2014, the Company's Shares have been listed on the First North Growth Market Finland marketplace operated by Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**"). The Company has submitted an application to list the Shares on the official list of Nasdaq Helsinki (the "**Official List**") (the "**Listing**"). Trading in the Shares is expected to commence on the Official List on or about 5 June 2020. In connection with the Listing, the trading and ISIN codes of the Shares will remain unchanged, namely "VERK" and "FI4000049812".

What Are the Key Risks that Are Specific to the Securities?

- Possible fluctuation of the share price or low liquidity of the Shares may have an adverse effect on the financial position of the shareholders;
- share ownership is concentrated, the largest shareholder has significant decision-making power, and the interests of the major shareholders do not necessarily correspond to those of the other shareholders, and
- the Company's ability to pay dividends or other distributions of unrestricted equity in accordance with its dividend policy or otherwise is dependent on the availability of distributable funds, and the Company may be unable to, or it may decide not to, pay any dividends or other distributions of unrestricted equity in the future.

Key Information on the Admission to Trading on a Regulated Market

Under which Conditions and Timetable can I Invest in this Security?

The Company has submitted a listing application to Nasdaq Helsinki to list the Shares on the Official List. Trading in the Shares is expected to commence on the Official List on or about 5 June 2020.

The Company estimates that the amount of payments, fees, and costs payable by the Company in connection with the Listing will be approximately EUR 0.75 million. The Company will not charge any of the expenses related to the Listing from the shareholders or possible investors.

Why Are These Listing Particulars Being Produced?

These Listing Particulars have been produced for the listing of Verkkokauppa.com's Shares on the Official List of Nasdaq Helsinki.

The goal of the contemplated Listing is to increase Verkkokauppa.com's brand awareness, to improve the liquidity of the Shares, and to reach a more extensive owner base. The increased liquidity of the Shares would also enable Verkkokauppa.com to use the Shares more effectively as a means of consideration in potential acquisitions and remuneration of personnel. No Shares are given or sold in connection with the Listing, and thus the Company will not accrue any income from the Listing.

RISK FACTORS

Shareholders should carefully review the information contained in these Listing Particulars and in particular the risk factors described below. The following description of risk factors is based on the information known and assessed on the date of these Listing Particulars and, therefore, is not necessarily exhaustive. Some of these factors are potential events that may or may not materialize. Should one or more of the risk factors described in these Listing Particulars materialize, this could have a material adverse effect on the Company's business, financial position, and results of operations. The Company also faces such other risks that are currently not known or deemed material, but which could also have a material adverse effect on the Company's business, financial position, and results of operations. The market price of the shares in the Company could decline due to the realization of these risks, and investors could lose their investment in part or in full.

The risk factors presented herein have been divided into six categories based on their nature. These categories are:

- *Risks associated with the industry and the operating environment of Verkkokauppa.com;*
- *Risks associated with the business of Verkkokauppa.com;*
- *Legal, regulatory, and compliance risks;*
- *Risks associated with financial position and financing;*
- *Risks associated with the Listing of Verkkokauppa.com; and*
- *Risks associated with the Shares and the trading on Nasdaq Helsinki.*

Within each category, the risk factor estimated to be the most material on the basis of an overall assessment of the criteria set out in the Prospectus Regulation is presented first. However, the order in which the risk factors are presented after the first risk factor in each category is not intended to reflect either the relative probability or the potential impact of their materialization. The order of the categories does not represent any evaluation of the materiality of the risk factors within that category when compared to risk factors in another category.

Risks Associated with the Industry and Operating Environment of Verkkokauppa.com

The uncertainty in Verkkokauppa.com's key markets, the prevailing demand in the consumer electronics market in Finland, or the disruptions in the global economy and international financial markets may have an adverse effect on Verkkokauppa.com's business and results of operations.

The economic development and uncertainties related to the financial markets behavior in Finland, the European Union (the "**EU**"), and elsewhere in the world could have an adverse effect on Verkkokauppa.com's business and growth potential. Both the European and the global economies and the financial markets are threatened, for instance, by debt crises and political conflicts, such as Great Britain's departure from the EU, the deteriorated trade relations between the United States and China, and the globally spreading coronavirus (COVID-19) pandemic ("**Coronavirus pandemic**"). If the economic problems in Europe and globally continue or worsen, this may lead to some European countries leaving the eurozone or to the break-up of the entire eurozone, resulting in further adversity in the economic conditions of Europe.

The Coronavirus pandemic has substantially affected and continues to affect people's lives and companies' operations globally. Though the Coronavirus pandemic continues to spread and the final effects are difficult to predict, the pandemic has during the spring of 2020 led to, among other things, states of emergencies being declared in several countries, travel restrictions, regional restrictions of people's movement, and the closing of stores and production facilities worldwide. The Coronavirus pandemic and other possible infectious diseases spreading in the future may have an adverse effect on the Company's operations. Any restrictions set by authorities on the free movement of people, orders to close down stores and factories, and the closing of country borders may present difficulties and delays to the manufacturing and supply chains of products sold by the Company. Additionally, restrictions or guidelines on the operations of the retail industry or the movement of people in Finland may lead to a decrease in customer numbers of the Company's retail stores or the closing of the Company's retail stores, and closures of borders between countries may have an adverse effect on the Company's sales abroad, which in turn may have an adverse effect on the Company's revenue and results of operations. If the Company's personnel fall ill or if the imposed movement restrictions affect their actions, this could have an adverse effect on the Company's personnel's ability to perform their duties and therefore also on the Company's business. Though the Coronavirus pandemic is still spreading, and the final effects are not known as at the date of these Listing Particulars, it is already clear at this point that the pandemic will have a material adverse financial effect also on the Company's main operating market in Finland. The customers of Verkkokauppa.com are mainly Finnish consumers. In addition, the Company also has a growing number of corporate customers. As the Company's revenue and operating profit are generated in Finland, the Company is exposed to the risk of possible negative development of the economy in its key market, such as a recession or depression. The Company's business is also affected by the trends in global investment activities and cyclical fluctuations in its corporate customers' industries. The recession of the economy or uncertainty in the financial markets may diminish the customers' ability or willingness to make investments, as a result of which order decisions may be postponed or cancelled. Demand in the market for products aimed at consumers, such as consumer electronics, is, above all, affected by the general economic situation, consumer confidence in their own finances, and various consumption trends in the Company's operating markets. Slowing economic growth and uncertainty in the markets in which Verkkokauppa.com operates may have an effect on the customer demand. Demand is also affected by consumers' purchasing power, development of purchasing power, employment rates, taxation, degree of consumer indebtedness, availability of consumer loans, exchange rate fluctuations, and interest and inflation rates and any changes therein. Upon consumers' disposable income decreasing, or lay-off or unemployment rates increasing, the amount of money spent on the Verkkokauppa.com's products and services may decrease and customers may cut back on purchases of products and services other than necessities. Verkkokauppa.com has no or only limited impact on such factors and conditions. A material decrease in customers' consumption or other detrimental changes in the economy may decrease the Company's revenue and diminish its profitability, and if the Company fails to adapt to a long-term economic recession or stagnation, this may have a material adverse effect on the Company's business, results of operations, financial position, and future prospects.

Verkkokauppa.com may not necessarily be able to utilize the possibilities arising from the economic fluctuations or to adapt to a long-term recession of the economy or zero growth. The above-described factors may, either alone or together, have a material adverse effect on Verkkokauppa.com's business, results of operations, and financial position, as well as on Verkkokauppa.com's customers, business partners, and suppliers.

Changes in customers' consumption behavior and alternative sales channels becoming more common may reduce Verkkokauppa.com's sales and profitability.

The Company continuously monitors the prevailing consumer trends and their development, and its product range is subject to constant change as old products get replaced with new ones. If the Company's competitors manage to recognise new market trends before the Company or to develop significant new innovations or product or service categories, which the Company's customers would have a great interest in or which would be subject to great demand, the competitors could gain a significant advantage over the Company. In the future, some of the products could also turn out to be unnecessary, if the products in the market or new products coming to the market replace their functionalities and features. Furthermore, changes in consumption behavior, such as a possible trend towards not owning items, could lead to products no longer being bought, but instead being leased for a fee. If the Company is not able to respond fast enough to the changed demand situation or to a change in the consumption behavior, the Company's competitors may be able to gain a significant competitive advantage and market share in the new product or service category or this could lead to an increase in their market share in the current product categories at the expense of the Company.

Furthermore, for instance growing environmental awareness and circular economy consideration may have an effect on the purchase of products sold by the Company and increase the significance and the market share of alternative sales channels, such as platform services and stores for the sale of second-hand products. Any sudden and surprising changes to these sales channels may lead to a situation where the Company, due to its organization and business model, may end up being more poorly positioned to respond to the new customer demand trend when compared to other market operators.

A failure to recognize customers' changing preferences and consumption behavior or other trends or to respond to them may lead to a loss of significant business possibilities and thereby to a decrease in the Company's market share. The Company may not necessarily be able to achieve the anticipated level of revenue and sales, and its revenue and sales margins may even decrease if the consumer demand trend is replaced by a new one. If a significant amount of the earlier trending products is left unsold, the Company may have to reduce the prices of the old trending products in order to accelerate the sales, which would have a negative effect on the Company's sales margins. Any of the above-mentioned events or occurrences could have a material adverse effect on the Company's business, results of operations, and financial position.

Competition in the industry is fierce, which may cause pricing pressure for the Company, which in turn may have an effect on the Company's business, result, and financial position. Furthermore, competition may lead to a decrease in the sales of products and cause Verkkokauppa.com to lose its market share.

The competition in the Finnish retail market is fierce, and the Finnish consumer electronics market is consolidated between three key players, two of whom also operate in the other Nordic countries. Success in a highly competitive market is based on a number of factors, such as prices, product range, quality of products, customer service, functioning of the webstore, payment methods, delivery times and methods, store locations, reputation of the Company, convenience of shopping, and advertising. Competition results, among other things, in challenges to the ability of Verkkokauppa.com to maintain the growth of its webstore and retail stores and to offer its customers attractive products at competitive prices without decreasing the Company's gross margin. The growth of the Company's revenue and market share are dependent on the Company's ability to effectively anticipate and identify changing trends in the market and customer behavior for the purpose of finding new product categories and possibilities to expand the product range in order to ensure growth. The Company also aims to strengthen its competitive advantages and to improve the customer experience. If the Company is unable to successfully follow the changing trends in the market or to develop and grow its product range, it could have a material adverse effect on the Company's business, result, and financial position.

Moreover, the competition has tightened as a result of shopping shifting online and to mobile. With regard to online sales, the competition may be tightened by the increase of the deliveries to the Finnish market by large international online stores, such as Amazon.com, Inc, and Alibaba Group Holding Limited. The increased online sales of the Company's competitors may also pose a risk for the Company's retail store business, if customers prefer to use the competitors' webstores instead of the Company's stores. Additionally, the manufacturers of products may seek to sell their products through their own webstores directly to end-users without intermediaries in the sales chain, which may have an adverse effect on the sales of retail stores and therefore the Company's business.

There can be no certainty that Verkkokauppa.com can successfully compete with its current or new competitors in the future. Competitors' actions, such as the launch of new brands, unexpected development of different sales channels, renewals of the pricing or payment or delivery methods, increase in the number of stores or changes in the their character, the development of the sales and marketing operations, entry of new operators into the market, and changes in the business models of the industry may reduce Verkkokauppa.com's competitiveness and market share or increase costs. If the reputation of Verkkokauppa.com or its own brands weakens, regaining the lost goodwill may turn out to be impossible or result in considerable costs. The aforementioned factors may have a material adverse effect on the Company's business, result, and financial position.

Rapid product and service development prevailing in the market for consumer electronics and other consumer products and the high turnover of the most sought-after products pose challenges to predictability.

In the retail field of consumer electronics and other consumer products, it is typical that new products are continuously launched into the market, products are updated and, correspondingly, products and their previous models quickly become obsolete. Moreover, rapid changes in consumption trends and consumption demand are typical to the industry, and Verkkokauppa.com may not necessarily be able to foresee changes in the consumer preferences or future consumption trends. The services and concepts offered in the industry also develop rapidly, and failures or delays in their development and implementation may have a negative effect on the appeal of the online sales or customer experience, which may have a material adverse effect on the Company's business and reputation. Rapid product and service development and high turnover of the most sought-after products pose challenges to the predictability of sales, deliveries, and inventory management, as well as the planning of Verkkokauppa.com's services and concepts. Even though Verkkokauppa.com has partially succeeded in controlling risks associated with product and service development and turnover through flexible supplier agreement terms and the development of the operations, a failure in the estimation of the product demand and turnover and in the service development may have a material adverse effect on the Company's business, result, and financial position.

Risks Associated with Verkkokauppa.com's Business

Verkkokauppa.com may not necessarily be able to successfully manage its business or efficiently implement its business strategy, which may lead to the Company not being able to achieve its financial targets.

Verkkokauppa.com aims to be a Nordic leader in retail through cost-efficiency, brand image, and an omnichannel business model. The Company focuses on the customer experience, a seamless omnichannel business model, and improved brand marketing. The Company's revenue is expected to continue to grow in the medium term, driven by the ongoing transformation of the retail business and the Company's growth strategy. There can be no certainty that the business strategy chosen by Verkkokauppa.com is competitive or that the Company is able to implement the chosen business strategy successfully. The Company's industry develops rapidly, and it is possible that the Company is unable to adapt its strategy rapidly enough to the changing operating conditions. Even if the Company succeeds in implementing its strategy, there can be no certainty that the chosen strategy is or will be a correct one in changing market conditions or if economic growth is diminishing. For example, changes in consumers' consumption patterns and demand may result in the failure of the implemented strategy.

Many factors, such as employee turnover, competition, delays in the execution of development proposals, and general economic or industry-related negative conditions may have an adverse effect on the Company's ability to implement its strategy. This may reduce the Company's opportunities to grow or cut costs and increase efficiency, which in turn may have an adverse effect on the Company's business, result, and financial position.

The achievement of the Company's financial targets is dependent upon the successful implementation of the Company's strategy, and a failure to implement the strategy may lead to the Company not being able to achieve its financial targets. If Verkkokauppa.com's business strategy is not competitive, if the Company is unable to implement the chosen strategy successfully, or if the implemented strategy proves to be unsuccessful, this may have a material adverse effect on the Company's business, result, and financial position.

Company's growth strategy and expansion plans include investments and costs, which may have an effect on the Company's profitability and financial position.

The Company's strategy includes an effort to increase its business, for instance, by improving the product range and availability of products. At the core of the Company's growth strategy is improving both the online and retail store customer experience, and to invest not only in the omnichannel customer experience but also in the marketing and use of data. The growth strategy may require investments and other non-recurring costs, for instance, for the purpose of improving the in-store customer experience, for example in relation to making the use of pick-up services easier, improving the speed and reliability of the webstore, and cost-saving technologies. However, it is possible that the advantage gained from the investments is smaller than anticipated, accrual of profits takes longer than anticipated, investment costs are higher than anticipated, or the investments fail entirely. If the Company is not, in practice, able to implement its strategic projects, the resulting costs may become higher than anticipated and the gained advantages may be smaller than what the Company had anticipated. Furthermore, it may be possible that the actual sales in the new product categories may fall short of the anticipated sales, as a result of which the Company may incur excess inventory, wherefore the Company will not necessarily achieve its business targets. Changes in the operating environment, economic development different from the expectations such as the weakened economic situation due to the Coronavirus pandemic, or other unforeseen events may have an impact, for instance, on when the Company's investments become profitable or when it succeeds to cover the costs resulting from the investments, if at all. The aforementioned factors may have a material adverse effect on the Company's business, result, and financial position.

Verkkokauppa.com's business is partly seasonal, and the Company's revenue and operating profit depend largely on the sales in the last quarter, which hinders planning and forecasting and which subjects the business, for example, to risks associated with seasonality.

Verkkokauppa.com's business is partly subject to seasonality, with most of the demand for the Company's product offering occurring during the latter part of the year. Consumers purchase many products offered by Verkkokauppa.com as gifts or for other reasons during the last quarter of the year, therefore the Company's business is partly dependent on the success of seasonal sales and efficient campaigning. Verkkokauppa.com's most important selling periods include the Singles' Day, Black Friday, and Christmas sales, all of which take place during the last quarter of the year. As a result, the turnover and result of the final quarter of the year account for a significant part of Verkkokauppa.com's full-year turnover and result.

If the Company is not able to purchase the right volume of products before the start of the busiest sales seasons, the Company will not necessarily have enough products to meet the customer demand, which may lead to the loss of sales and have a negative effect, for instance, on its brand and customer loyalty. The Company may also purchase products for which the demand is not sufficient, in addition to which, if the total sales in the last quarter of the financial year are weaker than anticipated, it could leave the Company with a substantial amount of unsold products, which could cause excess inventory thereby increasing the costs of storage. In such an event, the Company may be forced to rely, for instance, on price reductions, which could decrease the Company's gross margin, which for its part could have a material adverse effect on Verkkokauppa.com's business, result, and financial position. Furthermore, if problems occur in the Company's inventory management or in the availability of its products, or if the Company faces other operational disturbances that have an effect on the Company's operating conditions during the final quarter of the year, this may have a material adverse effect on the Company's business, result, and financial position.

Disruptions, errors, and defects in the running, maintenance, and updating of the Company's website may prevent customers from purchasing the Company's products and services, which may have an adverse effect on the Company's business and result.

The Company's online sales are dependent on the uninterrupted functioning of its website as part of the efficient management and running of the business and its operations. The Company's website may be exposed to operational interruptions or disturbances, functionalities and information saved on the website may be lost, or the information generated by the website or the information contained on the website regarding pricing or product features may prove inaccurate or incomplete as a result of, for example, system updates, power cuts, information security breaches, external disturbances, denial-of-service attacks, cybercrimes, human errors, or accidents. Difficulties in the functioning, maintenance, or updating of the website, and any problems in the quality of the services or information security may have an adverse effect on the Company's business.

Verkkokauppa.com is the most visited Finnish webstore[5], and in 2019, more than 72 million visits were made to Verkkokauppa.com's website and its subsites[6]. Moreover, in September 2019, Verkkokauppa.com was elected as the best Finnish webstore in Posti's consumer survey.[7] Interruptions, disruptions, and defects in the running of the Company's website may prevent customers from purchasing the Company's products and services, which may have a material adverse effect on the Company's business and results of operations. Furthermore, the interruptions, disruptions, and defects may prevent the customers from exploring the Company's products and services, as a result of which the customers may choose the products and services of a competitor or not to make the purchase at all. The Company's website is very frequently visited and burdened during the important sales seasons, such as Black Friday, and disruptions and defects during these important sales seasons may lead to a material loss of sales. The interruptions, disruptions, and defects may also cause damage to the Company's brand and reputation, which may have a material adverse effect on the Company's business, results of operations, and financial position.

Difficulties in maintaining and updating IT systems, defects, interruptions, or disruptions in IT systems, and possible information security breaches could have an adverse effect on the Company's business and could result in surprising costs.

Computer hardware, network connections, websites, and other IT systems are of critical importance to Verkkokauppa.com's business. Verkkokauppa.com's sales, finance, HR, distribution, and logistics operations largely rely on the systems developed by the Company itself as well as those delivered by third parties or provided as online or cloud services, and on the Company's ability to efficiently use and maintain them and to adopt new technologies and IT systems in a timely manner. Verkkokauppa.com has internally developed a significant part of the IT systems crucial to the operations of the Company. These systems are partly based on open source code and on software and services purchased from or provided by IT suppliers. Transitional risks may relate to possible new IT systems or IT system reforms, or they may increase the possibility of being subjected to the below-described risks. The Company is not able to fully control or affect any interruptions, disruptions, defects, and changes taking place in the systems and services delivered or provided by third parties or the decisions of the contractual partners to amend the cooperation or to terminate the cooperation with the Company, which may have a material adverse effect on the Company's business. In such situations of change, the Company may experience difficulties in finding substituting contractual partners, which may have a material adverse effect on the Company's business. Moreover, any problems faced by the Company's contractual partners and any defects relating to the rights of the Company or its contractual partners may have a material adverse effect on the Company's business. The operations of Verkkokauppa.com are strongly linked to the integrity, security, and stable operations of its IT systems. The Company has invested in new IT systems and the development of new ERP features, and it has capitalized the resulting expenses in the Company's balance sheet.

IT systems may experience interruptions, disruptions, or defects, which could not be foreseen by the Company and which the Company did not have time to react to or to repair. Interruptions, disruptions, or defects may hamper the Company's business operations, including the functionality of its webstore, internal and external reporting, and logistics. In addition, the Company does not fully know whether the software and services purchased from or provided by IT suppliers will also be available in the future on reasonable contractual terms or at all, or that the software or services used by the Company do not breach the rights of third parties. The Company may also fail to control the rights related to the IT systems if, for instance, the key person responsible for the IT system leaves the Company without having the rights related to the data systems rearranged in a timely manner.

The operation of the Company's IT systems may be interrupted, for example, due to power failures, network attacks and other information security breaches, malfunctions of hardware, software applications, or data communications, computer viruses, neglect or other actions by the IT suppliers, major disasters such as fires and natural catastrophes, and user or human errors made by persons acting on behalf of the Company. In addition, a failure particularly in protecting payment transactions and personal data may result in interruptions in the operation of the IT systems and cause financial losses, claims for damages, or endanger the Company's reputation. Third parties who supply or provide systems, services, or products to the Company may also be faced with any of the above-mentioned risks, which may have an effect on the functioning of the IT systems and services used by the Company.

Any material interruptions to or severe disruptions or defects in the operation of the IT systems may disturb and significantly undermine Verkkokauppa.com's business, result, and financial position. Any of the aforementioned factors relating to the IT systems may, if realized, have a material adverse effect on the Company's business, future prospects, result, and financial position.

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[5] Source: SimilarWeb, Top Websites Ranking Finland (1 April 2020). Access method: https://www.similarweb.com/top-websites/finland. Accessed 19 May 2020.

[6] According to the tool used by the Company to monitor website traffic, the Company's website had more than 72 million single visits between 1 January 2019 and 31 December 2019. A single visit refers to each visit made to the site from a browser, regardless of the number of single visits made from said browser.

[7] Source: Posti's Suuri verkkokauppa 2019 online store survey.

The Company's brand and reputation are key competitive factors, and any reputational damage or negative market perceptions of the Company may undermine the Company's ability to attract customers and maintain customer loyalty, and to recruit and retain employees, which could have an adverse effect on the Company.

The Company's management believes that the high brand awareness, customer satisfaction, and reputation as a trusted organization among its customers in the Company's operational markets are key competitive advantages of the Company's business. The Company's ability to attract and retain customers is partially dependent upon the perceptions of the quality of the products and services offered by the Company and the Company's reliability as a product and service provider, implementation of corporate responsibility, and the Company's business practices, including the actions of its employees and third-party suppliers and service providers. Negative perceptions or publicity regarding these matters or any breaches or non-compliance for any reason could damage the Company's brand and reputation in the eyes of its customers and the public and hamper its ability to attract and retain customers and recruit and retain key employees. Adverse developments with respect to the Company's industry may also be reflected in the Company and have a negative effect on its reputation or result in higher regulatory or legislative scrutiny. Any developments leading to negative perceptions or publicity could have a material adverse effect on the Company's business, financial position, results of operations, reputation, and future prospects.

There is no assurance that the Company is able to comply with the contractual terms or to maintain or develop its relationships with the Company's suppliers, lessors, or other contractual partners, or that no negative changes in the Company's purchase or delivery terms would take place or that the Company would be successfully able to monitor and utilize any discounts or subsidies given by the suppliers.

Verkkokauppa.com's business may be materially affected by the Company's relationships with suppliers, lessors, the Company's other contractual partners, and the purchase and delivery terms of the products and agreements. Verkkokauppa.com continuously aims to negotiate advantageous purchase and delivery terms and lease agreements, and as a main rule, the Company is not dependent upon any individual suppliers or other contractual partners. However, the Company has certain significant suppliers, as the share of the three largest brands sold by the Company corresponded to approximately 26 percent of the Company's revenue in 2019. There is a risk that as a result of the competition prevailing in the Company's industry or the choices made by individual suppliers or contractual partners, the Company's purchase and delivery terms or the terms of the lease agreements change in the future in a manner disadvantageous to the Company, the Company is unable to maintain or develop its business relations with key suppliers or other contractual partners, or that other disadvantageous changes to the Company take place with regard to the delivered goods or suppliers. The Company also purchases from external service providers services that are vital to its business, and there can be no certainty that the Company is able to fully control the functionalities related to these services, which may have a material adverse effect on the Company's business. The Company has also integrated different service providers into its operations, and it is thereby dependent on its contractual partners in order to be able to sell and deliver its products and services to its customers. The problems or obstacles encountered by the Company's contractual partners in the provision of the products or services to the Company so that it can sell or offer them to its customers may have a material adverse effect on the Company's business. The Company also has only a limited capacity to monitor the ethicalness and safety of the production and practices of its independent manufacturers and suppliers. There can be no certainty that no defects or negative publicity relates to the suppliers' practices or products delivered by them. Negative publicity could also be reflected in the Company's reputation negatively, and it could have a material effect on Verkkokauppa.com's business, result, and financial position.

The Company's retail premises are leased from different lessors mainly under long-term lease agreements. The lease agreement of the Company's main store in Jätkäsaari, Helsinki, has been entered into for a fixed term ending on 31 December 2027, after which the lease will continue until further notice, and the lease agreements of the other stores have been entered into for fixed terms until 2021–2022, after which the Company has the right to renew the leases for certain periods. Should the Company seek to terminate the lease agreements prematurely or should the Company not be able to renew the lease agreements after their expiry, the Company may incur additional costs in relation to the rental liabilities under the lease agreements or in the acquisition of new premises or the restoration of current premises. Furthermore, certain service and maintenance obligations relate to the Company's main store in Helsinki, such as the maintenance of escalators and other technical building systems, which obligations are broader than customary and which may cause additional costs for the Company. The Company may not necessarily be able to negotiate favourable lease terms, which may increase the Company's rental cost in the upcoming years or force the Company to close down its stores.

In addition, several of the Company's suppliers are considerably larger market operators than the Company and their negotiation position enables them to set relatively strict delivery and other contractual terms, the compliance of which is a precondition for the deliveries under the threat of contractual sanctions. The Company also seeks to conclude selective distribution agreements with selected suppliers, which may require that the Company agrees to the restrictive contractual terms applied by these selected suppliers. Many of the Company's delivery agreements and agreements regarding IT systems are governed by other than Finnish law. A failure to comply with the contractual terms may lead to breaches of contract, liabilities towards contractual partners, or deterioration or termination of cooperation, which could have an adverse effect on the Company's business. The result of Verkkokauppa.com is also affected by bonuses or other arrangements provided by suppliers in the form of volume discounts, marketing subsidies, reporting bonuses, or other subsidies. It is possible that the Company is unable to systematically monitor or utilize these or other agreed contractual terms in relation to the suppliers. As a result, it is possible that the Company does not receive or apply for all subsidies to which it would be entitled under the agreements. The Company also makes some of its purchases from suppliers using order confirmations, which, according to the Company's management, is a standard practice in the industry. Order confirmations do not necessarily specify all the terms of delivery, which may lead to uncertainties and disputes about the content of the agreement. The aforementioned factors relating to the suppliers or other contractual partners may have a material adverse effect on the Company's business, result, and financial position.

Increased customer returns may cause the Company additional costs.

Verkkokauppa.com typically offers a 32-day right of return for its products, and it accepts responsibility for the return costs of the items returned in accordance with its instructions. Additionally, the Company is typically not able to sell returned products as new ones, but rather for a lower price as returned products, which may have an adverse effect on the Company's gross margin. Consumer demand for retail sales and, in particular, consumer electronics has shifted and continues to shift towards online channels, and the Coronavirus pandemic may for its part accelerate the shift of demand towards online channels. Increased online shopping may in turn increase the number of returns by customers, as customers have not been able to acquaint themselves with a product at a retail store prior to making a purchase decision. Therefore, there is a risk that the Company's customer returns increase significantly without the Company being able to charge the increased costs from the customers, which could have an adverse effect on the Company's business, result, and financial position.

The Company may fail in the cost-effective inventory management, and any damage to the stores or warehouses, or difficulties in their operations could limit the Company's ability to store, process and distribute its products and cause significant additional costs.

Inventories consisting of products intended for sale form a large part of the Company's balance sheet. In order to operate efficiently and to ensure sufficiently fast deliveries, Verkkokauppa.com must be able to maintain sufficient inventory levels taking into consideration, among other things, product demand and seasonal changes in the demand. On the other hand, depending on the product category, the Company must also avoid accruing excess inventory. Excessive inventory levels may lead to additional costs of storage and, therefore, holding excess products in the inventory may have an adverse effect on the Company's financial position and results of operations. Particularly with respect to products that are sourced from outside Finland, the lead times between ordering and delivery make it more important to accurately predict, and more difficult to fulfil, the demand for items. The Company's orders may not necessarily match actual customer demand, or customer preferences may change before Verkkokauppa.com is able to place the products up for sale, as a result of which the products may be left unsold or they need to be sold at a lower price. Although the Company has not recognized significant write-downs relating to its inventory, there is still a risk of write-downs in relation to the inventory, and a write-down is recognized if the net realizable value of an item at the time of reporting is lower than its purchase cost in the balance sheet. In addition, the Company recognizes write-downs separately for aged products based on inventory days.

The efficient inventory management of the Company's inventory is dependent on the functioning of the related systems. Any disruptions or defects in the systems related to the inventory management may have the effect that the inventory levels can no longer be monitored closely and reliably, wherefore the Company may incur extra costs, for instance from additional product purchases. Regardless of inventory level monitoring and management and the existing processes, it is not certain that the Company is able to, at all times, maintain a sufficient inventory level or to avoid excess inventory. In addition, the valuation principles of the inventory used by the Company may be changed. In addition, if the Company's stores or warehouses were to be damaged, destroyed, or closed for any reason, including fire, water damage, accident, or natural disaster, or if the warehouse equipment were to be significantly damaged, for instance, due to an accident, this could significantly hinder the Company's ability to store, process, and distribute its products in a timely and cost-efficient manner or at all, and cause significant additional costs. Any failures in monitoring or controlling the products' inventory levels, changes in the valuation principles, or damage to the stores or warehouses could have a material adverse effect on the Company's business, result, and financial position.

Delays in the deliveries by the suppliers, suppliers' and transportation services' delivery difficulties, and the Company's failure to control and scale its supply chain may have the result that the products cannot be put up for sale to customers quickly enough.

Verkkokauppa.com must manage the delivery of products from suppliers to the Company's warehouses and further to the stores and customers. The proper operation of the Company's supply chain may be affected by product faults, high employee turnover, logistical problems faced by transportation companies, system malfunctions in the IT infrastructure, or inaccurate and unpredictable delivery times of the manufacturers and wholesalers. Product deliveries may also be delayed, for example, due to production problems or high demand. Restrictions set by authorities on the free movement of people, orders to close down stores and factories, and the closing of the country borders due to the Coronavirus pandemic and other possible viruses spreading may result in difficulties and suspensions of the Company's supplier's deliveries and increase difficulties related to delivery services. The Company must also adapt its supply chain to the requirements set by the supply chains of the manufacturers and wholesalers. In addition, factors beyond the Company's control, such as trade union operations and work stoppages, may affect the Company's ability to receive products from suppliers and to sell and deliver products to customers. The Company uses external service providers in its product deliveries, and there can be no certainty that no strikes or work stoppages would take place among these service providers which could result in disruptions or delays in the deliveries of the products sold by the Company. For example, in November 2019, there was a large postal strike in Finland, which caused disruptions in the distribution chains. There can also be no certainty that the Company could in such a situation find alternative service providers on commercially viable terms or at all. The problems relating to supply chains and the availability of Verkkokauppa.com's products, decrease of the service level, longer delivery times, and possible scaling challenges may have a material adverse effect on the Company's business, result, and financial position, and on the Company's future prospects.

The operations of Verkkokauppa.com in the retail industry involve operational risks, and failures or deficiencies in the management of operational risks and internal control practices may have an adverse effect on the Company's business.

Due to Verkkokauppa.com operating in the retail industry the Company has, in a manner typical to its industry, a significant number of customers and other cooperation partners. The monetary transactions between the Company and its customers relating to the purchase and return of products is significant, and customers also use cash to pay their purchases. The Company also has in its product offering expensive and appealing electronic products, which can have a significant resale value. Verkkokauppa.com's business therefore involves operational risks due to human errors, miscalculations, fraud, incomplete instructions or documentation, or other detrimental actions especially by its employees, partners, customers or other interest groups. The Company has internal guidelines related especially to risk management and internal control, and the Company monitors the fulfilment of its internal guidelines within the limits of its resources. However, the Company cannot be certain that individual employees, partners, customers, or other representatives of its interest groups will observe the internal guidelines issued by the Company or applicable authority regulation or that operational risks will not be realized regardless of the observance of internal guidelines. The Company monitors the development of the legislation related to its business, but there can be no certainty that the Company's internal guidelines or the Company's interpretations would at all times be compliant with the regulation in force from time to time. Moreover, the Company cannot be certain that the systems and hardware it uses operate faultlessly. The realization of possible operational risks may have a material adverse effect on the Company's reputation, business, result, and financial position, and the Company's future prospects.

The Company may fail to recruit and maintain key employees.

Verkkokauppa.com and its business success is dependent on the competence and professional skills of its management, and the Company's ability to hire, develop, train, motivate, and retain skilled and professional personnel. The Company is dependent on certain key persons, such as its management team members and persons responsible for the development and purchase of the data systems. The ability of Verkkokauppa.com to recruit and to retain persons who have the appropriate competence, experience, and aptitude are crucial for the Company's future development, the implementation of its strategic goals, and the efficient operation, management, and supervision of the Company's business in a competitive market. If Verkkokauppa.com fails to recruit and maintain its key employees, this could have a material adverse effect on the Company's business, result, and financial position.

Risks associated with corporate transactions may reduce or delay the anticipated advantages of the transactions or prevent them entirely.

The Company aims to grow organically, in addition to which the Company may in accordance with its strategy seek to develop its business through acquisitions and other corporate transactions. Corporate transactions may involve obligations and risks relating to their nature or value, and the Company does not have prior experience of significant corporate transactions, which in turn may increase the uncertainty and risk of miscalculations relating to corporate transactions. Risks and other factors related to the business, financing, integration problems, markets, market perception of the financial markets, and macroeconomic environment may have a material adverse effect on the Company's business and financial position.

In a situation where the Company is pursuing acquisitions, there is a risk that the Company will not be able to find suitable acquisition targets or that the required approval of the relevant regulatory or competition authorities is not received on commercially feasible terms or at all. There can also be no certainty that the Company is able to complete the anticipated corporate acquisition in the required time, at the anticipated price, and on the anticipated commercial terms or at all.

Possible acquisitions are also subject to a number of risks relating to the assessment of the acquired business, including its value, strengths, weaknesses, potential profitability, assets, and liabilities. It is not necessarily possible to specify or identify in the assessment of an acquired business the possible liabilities or deficiencies, including legal claims, claims for breaches of contract, claims related to employees, and tax liabilities and other liabilities, which could cause significant unanticipated additional costs and liabilities in the future. There can also be no certainty that the Company is able to successfully integrate the acquired business into its own operations and organization. Furthermore, when the Company is also dependent on its contractual partners, there can be no certainty that a corporate transaction would not have an adverse effect on the Company's contractual relationships with its different partners.

If corporate transactions are not realized as planned or within the anticipated timeframe or at all, or if some of the other above-presented risks associated with corporate transactions are realized, it could reduce or delay the anticipated advantages of the transaction or prevent them entirely. This could have a material adverse effect on the Company's business, financial position, results of operations, and future prospects.

Legal, Regulatory and Compliance Risks

Verkkokauppa.com operates in the retail industry and must comply with mandatory laws and regulations relating to its industry and business, and changes in these laws and regulations or failure to comply with them may have an adverse effect on the Company and undermine its business opportunities.

Verkkokauppa.com must comply with the laws and regulations affecting its operations, such as regulations concerning the sale of goods, consumer protection, competition, data protection, anti-money laundering, and labour issues, along with corporate and tax laws. Changes in the regulatory or tax environment or in the application or interpretation of the regulations may result in Verkkokauppa.com having to adapt its business, business models, or strategy, as a result of which the Company may incur additional costs or the Company's business opportunities and profitability may weaken. As a part of the mitigation efforts for limiting the negative economic effects caused by the Coronavirus pandemic, the Finnish Government is preparing new legislative initiatives, which may cause adverse effects on the Company's business. For example, a pending temporary amendment of the consumer protection legislation concerning the marketing methods of consumer credits may have an effect on the terms on which the Company's Apuraha financing service is offered. It is also possible that the offering and marketing of consumer credits and different payment methods will be further restricted in the future, for instance by setting new limits on the maximum amount of interest or fees, which could decrease the Company's profits from customer financing or decrease the availability of consumer credits which could, in turn, have a negative effect on the Company's sales.

In addition, the law reforms relating to consumer protection due to enter into force in 2020 give the consumer ombudsman the authority to request that the Market Court impose a penalty payment on a business for a breach of certain provisions of consumer protection legislation. It is proposed that the maximum amount of the penalty payment imposed on a business would be 4 percent of the total revenue of the business in the financial year prior to the breach. Furthermore, the consumer protection authorities would be given the power, in exceptional circumstances, to order that the content for instance on a website be removed and, as a last resort, to have the entire website removed, or to order that the domain name be removed from the domain name register. Generally, a business which is dissatisfied with the prohibition imposed by the consumer ombudsman must bring the case before the Market Court and objecting to the prohibition alone does not repeal the prohibition.

It cannot be ruled out that the Company has, in the course of its business, interpreted some laws, regulations, or other provisions or agreements incorrectly or failed to comply with them. Also, there can be no certainty that the Company manages to comply, at all times, with its internal risk management policy and instructions and procedures related to compliance, and that these instructions and procedures are deemed to be sufficient in view of the regulatory requirements. If the Company is unable to comply with the applicable laws, regulations, and its internal risk management policy and instructions and procedures related to compliance, this may cause financial damage to the Company, cause administrative or other sanctions, significantly undermine the Company's business opportunities, and damage the Company's reputation.

In the future, Verkkokauppa.com may, as part of its ordinary business, be a party to legal or administrative proceedings, proceedings relating to package labelling and marketing or claims made against it on the basis of product liability. For example, the Company has corresponded with the Finnish Competition and Consumer Authority regarding, among other things, the presentation of information relating to consumer credit in marketing and on its website in accordance with the Finnish Consumer Protection Act (38/1978, as amended, the "**Consumer Protection Act**"), and the Finnish Competition and Consumer Authority has issued a request for commitment to the Company to amend the manner of presenting information and informed the Company of its intention to submit the matter for consideration to the Finnish Market Court. The Company may also end up in disputes or litigation with its customers, suppliers, and current or former employees or other contractual parties due to alleged breaches of contract. If such legal or administrative proceedings result in a loss of customers, fines, penalty payments, damages, other sanctions, or reputational damage to the Company or its brand, or if the Company is required to modify its labels or packaging or withdraw products from the market, the Company's business could be adversely affected. Claims may result in significant expenses and the Company's management's resources could end up being tied up, which could disturb the Company's operations, which could have a material adverse effect on Verkkokauppa.com's business, financial position, and results of operations.

The products offered by the Company are associated with product safety requirements, intellectual property rights and warranties, in addition to which the Company's insurance coverage may be insufficient, which may cause significant additional costs to the Company.

The products sold by Verkkokauppa.com are governed by statutory product liability and special provisions relating to the sale of consumer goods or the provision of consumer services. In some cases, the seller of the product must withdraw a faulty and possibly dangerous product from the market. Furthermore, it is possible that the products sold by Verkkokauppa.com turn out to be less safe than could have been expected or that the products do not meet consumers' quality expectations. By virtue of the Product Liability Act (694/1990), the Company may be held liable without fault for any injury or damage sustained or incurred because of the product, which it had sold, imported, manufactured, or had manufactured, having been defective. Although Verkkokauppa.com focuses especially on product safety and product quality monitoring, it is possible that risks associated with product safety and quality will be realized in the future.

Verkkokauppa.com grants a free additional three-year warranty for certain of its products sold to customers. Although the Company has limited the additional warranty and prepared for extra costs resulting therefrom, it is possible that warranty expenses significantly exceed the estimated expenses. In addition, a manufacturer or importer of any product sold by Verkkokauppa.com may, for reasons independent of the Company, go bankrupt or otherwise discontinue its operations, in which case the Company may in certain circumstances be responsible for the warranty expenses related to the products.

The Company's Verkkokauppa.com trademark and domain name and certain other trademarks are central to the Company's business. Except for the Verkkokauppa.com trademark and domain name, the Company's business is not, however, dependent on individual intellectual property rights. The products sold by Verkkokauppa.com under its own trademarks involve an accentuated risk that, for instance, the Company is not able to successfully protect its intellectual property rights or to prevent infringements thereof, or that the products are in breach of the intellectual property rights of a third party or are not otherwise in compliance with laws or other regulations. If Verkkokauppa.com allegedly infringes the intellectual property rights of any third party, these third parties may bring legal action by reason of the alleged infringements of the intellectual property rights, including filing for an injunction to stop the infringing conduct, which may lead to, for example, the withdrawal of products from the market, legal proceedings, or liability for damages. Even though Verkkokauppa.com seeks to avoid any infringements of intellectual property rights in its operations, there can be no certainty that no such infringements could still take place or legal action be taken in the future. Third parties may also infringe the Company's intellectual property rights or deny the possession and/or validity thereof, and the Company itself may be forced to take action in order to protect its intellectual property rights or in order to prevent an infringement thereof, in which case third parties may also take action to invalidate or revoke the Company's intellectual property rights. Any legal proceedings related to intellectual property rights can be time-consuming, and, for instance, incur significant costs and divert the Company's resources. It is possible that the Company's insurance does not fully cover all risks and eventualities, and that not all of the claimed insurance compensations are paid. All of the above-mentioned risks could have a material adverse effect on Verkkokauppa.com's business, future prospects, financial position, and results of operations.

Verkkokauppa.com processes personal data in the ordinary course of its business, and if the Company was deemed not to comply with the EU General Data Protection Regulation ((EU) 2016/679) (the "GDPR") and applicable local data protection laws and regulations in countries where the Company operates, this could result in legal liability for the Company and have an adverse effect on its reputation.

Verkkokauppa.com processes customer and personnel data, and the processing of the Company's customer data plays a significant role in the Company's business and strategy. Provisions regarding data protection and privacy, such as the EU General Data Protection Regulation (EU 2016/679, the "**GDPR**") and other national data protection laws, are applied to the Company's operations. Requirements based on these laws affect the Company's ability to collect and process personal data in a manner that is commercially viable for the Company. Moreover, in case of infringements or breaches, the GDPR also provides for the imposition of significant sanctions, such as administrative fines of up to EUR 20 million or 4 percent of the Company's total worldwide annual turnover, whichever is the highest. Any data protection infringements or breaches by the Company may also result in significant liability for damages towards the Company's contractual partners. Even if possible failures or breaches did not directly result in significant financial consequences, the negative publicity related to them could have a material adverse effect on the Company's business, in particular in the form of lack of trust or diminished trust in the Company. Consequently, the customers may choose not to share the data concerning their consumption behavior or their other personal data, or they may choose to make their purchases from the Company's competitors.

Even though the Company seeks to comply with all laws and other regulations related to privacy and data protection, including the GDPR, it is possible that the Company is found not to be compliant with the set requirements. The requirements based on privacy and data protection laws and other provisions can also be interpreted and applied in the case of the Company in a different or unanticipated manner from the prevailing interpretations and practices of the EU, Finnish, and other authorities. A breach of the provisions or information security breaches resulting from cyberattacks or other reasons could result in the imposition of fines, in damage, or in an order to cease processing personal data altogether, and they can also damage the Company's reputation or otherwise have a negative effect on the Company's business. Thus, a failure to comply with the regulation may, as a result of the sanctions imposed by the authorities or lost customer trust, have a material adverse effect on the Company's business, results of operations, financial position, and future prospects.

Risks Associated with Financial Position and Financing

Verkkokauppa.com may not be able to obtain additional financing or follow the financial covenants of its credit arrangements and other loans.

The ability of Verkkokauppa.com to finance its operations depends on a number of factors, such as cash flow from business operations and the availability of debt and equity. Given the uncertain conditions prevailing in the financial markets and the macroeconomic environment, there is no certainty that the Company will be able to secure additional funding at a financially competitive price or at all. Negative financial effects due to the Coronavirus pandemic and uncertainties in the financial sector related thereto may also have an impact on the possibilities of banks and other external financiers to offer financing, reduce banks' possibilities to grant loans, tighten loan terms, and increase the price of debt financing. Furthermore, on the date of these Listing Particulars the Company's largest shareholder holds approximately 49 percent of the Company's Shares, and there can be no certainty that the Company is able to get equity financing in proportion to the pre-emptive subscription rights based on Shares.

Some financing arrangements of Verkkokauppa.com include customary covenants. If Verkkokauppa.com is unable to meet these covenants in the future, it may have to renegotiate its credit facilities and loans, request a waiver therefrom, or replace such credit facilities and loans with new facilities. There can be no certainty that the Company is able to implement such measures with commercially viable terms or at all. The above-mentioned factors may have a material adverse effect on Verkkokauppa.com's business, financial position, and results of operations.

Failure in the management of credit and counterparty risks may lead to increased credit losses and have a material adverse effect on the Company's financial position and results of operations.

The Company's counterparty and credit risks mainly relate to suppliers and customers, and changes in the terms and conditions of the payment intermediaries, or problems in the provision of financing. Certain suppliers of the Company form a significant part of the total supply of goods to the Company. As a part of its regular business operations, the Company sells advertising and marketing services to its suppliers from which the Company receives proceeds. The Company's counterparty risk is realized if the suppliers fail to pay advertising and marketing service fees. Changes in the terms and conditions by payment intermediaries or problems with money transfers may also realize counterparty risks, for example, in the form of interruptions or delays of money transfers.

The Company mainly sells its products to retail customers and offers its customers, as part of its sales, Apuraha financing. The Company's principal credit risk consists of the receivables from the company-financed Apuraha consumer financing service, the proceeds of which totaled EUR 3.3 million in 2019, including interest income and fee income. The open position is larger and longer in the trade receivable of the company-financed Apuraha than in conventional corporate trade receivables. The risk of consumer-financing receivables is not concentrated, but instead they consist of a large number of receivables, the capital of which are up to EUR 3,000. The Company also sells its products to corporate customers, wherefore the credit risks arising from conventional trade receivables are often higher. The Company makes its credit granting decisions based on its own credit granting criteria, wherefore the Company may be exposed to a risk that the credit granting criteria applied by it and the scorecards used in the credit risk assessment lead to wrong or risky credit granting decisions. The subsiding of the Finnish economy to a recession or other adverse effect on the Finnish economy, due to for example the Coronavirus pandemic, may lead to increases in lay-offs and unemployment along with a decrease of the solvency of consumers and businesses, which in turn may cause increased credit losses to the Company due to customers' payment difficulties. Thus, the Company may fail to recognise credit risks and to comply with its credit policy, which may have a material adverse effect on the Company's financial position and results of operations. The Company's net amount of credit losses recognized in the financial year 2019 were EUR 843 thousand.

In order to decrease its account receivable risk, Verkkokauppa.com has, as of April 2019, been selling all its past due consumer receivables in a so-called continuous debt sales model, where receivables that are overdue by more than 60 days will be sold to third parties. Should the Company be unable to sell its undue receivables to third parties in the future or should it sell them on worse terms, this could have a material adverse effect on the Company's result and financial position.

Even though the Company manages its counterparty risks, among other things, through active monitoring of risks, the counterparty risks may still have a material adverse effect on Verkkokauppa.com's business, financial position, and results of operations.

The Company may not be able to maintain sufficient liquidity.

Verkkokauppa.com needs a sufficient amount of liquid assets to finance its day-to-day operations, working capital, and business growth, as well as to repay lease liabilities and possible loans. At the year-end 2019, the Company's cash and cash equivalents totalled EUR 42.5 million. The Company seeks to constantly evaluate and monitor the amount of financing required by the business, so that the Company has sufficient liquid assets to finance its activities and settle due trade payables. The Company's trade payables are always due in less than a year. The Company's activities are seasonal in nature, and therefore the Company's liquidity needs vary considerably depending on the season. In accordance with the Company's industry's normal seasonal fluctuation, the Company's cash in hand, cash flow, and trade payables peak at the turn of the year and have a low point at the end of the second quarter. The Company's liquidity risk relates, for instance, to the Company not being able to manage the level of its liquid assets or that the amount of the due trade payables becomes too large in proportion to its assets. The above-mentioned factors may have a material adverse effect on the Company's business, financial position, and results of operations.

The Company's financing costs may be affected by interest rate fluctuations.

The Company's financing liabilities consist of trade payables and lease liabilities. The Company does not currently have external interest-bearing liabilities. However, Verkkokauppa.com has signed revolving credit facilities (RCF) totalling EUR 20 million, in relation to which the Company may incur interest rate risks caused by the changes in the market interest rates. In addition, a rise in the interest rate levels may have an effect on the costs of financing available to the Company. Although interest rate fluctuations do not have a material effect on the Company due to the current debt amounts of the Company, it is possible that a significant increase in interest rates may have a material effect on the financing costs of the Company, particularly if the rate increase is long-lasting or the debt drawn down by the Company increases. The realization of risks associated with the interest rate fluctuations may therefore have a material adverse effect on the Company's financial position and results of operations.

The Company is exposed to foreign exchange risk relating to fluctuations in exchange rates.

The foreign exchange risk for the Company relate to the fact that some of the Company's business transactions are made in currencies other than the euro. The Company's foreign currency risk arises primarily from the purchase of goods, as the Company purchases its products from several different countries. The Company's sales are denominated in euro and likewise, a majority of the purchases made by the Company are made in euro, and therefore no foreign exchange risk will emerge from such purchases. However, the Company purchases some of the products it sells from Asia, where the US dollar is mainly used. For purchases made in currencies other than euro, the Company's trade payables are exposed to foreign exchange risk. In addition, the Company has advance payments in foreign currencies with short open positions. Therefore, the Company is exposed to foreign exchange risk when part of the Company's costs incur in other currencies than the euro. The appreciation in the currency in which the costs incur against the euro may have an adverse effect on the Company's results of operations. At the moment, the Company does not have significant business activities, receivables, or debts in other currencies. The foreign currency risk is sought to be managed through rapid inventory turnover and by aiming to transfer possible exchange rate changes into sales prices or by changing the supplier. In 2019, the share of purchases denominated in foreign currencies was 3 percent, of which a majority was in the US dollar. Even though the Company's management deems that the risk associated with currency rate fluctuations is fairly low taking into consideration the size of the Company's business, the currency rate fluctuations and especially the currency rate fluctuation between the euro and the US dollar may have a material adverse effect on Verkkokauppa.com's financial position and results of operations.

Risks Associated with Verkkokauppa.com's Listing

Verkkokauppa.com may fail in the execution of the actions required from companies listed on a regulated market.

Verkkokauppa.com's shares have been traded on the First North marketplace maintained by Nasdaq Helsinki, in relation to which it has created necessary measures and processes, which have made it possible to carry out the administrative and financial duties, reporting, risk management, and internal control. As a consequence of the listing of Verkkokauppa.com on the official list, the Company will be subject to new and more extensive obligations, such as corporate governance requirements applicable to companies listed on a regulated market. It is possible that the execution of said functions and processes and the adaptation of the employees will use more resources than have been planned and that these tasks cannot be executed in accordance with the same quality standards as before or that these functions are suspended. It is also possible that Verkkokauppa.com may fail to execute, arrange, and maintain the functions required from companies listed on a regulated market, or that the Company incurs additional costs as a result of the execution or arrangement of these functions, which costs cannot be anticipated in advance.

It is the aim of Verkkokauppa.com to produce and publish reliable information to the market in a timely manner. The required disclosure timetables and dependency on the data systems and the key employees may pose challenges regarding the accuracy and the timely publication of the financial and other information. If the information published by Verkkokauppa.com turns out to be inaccurate, misleading, or otherwise contrary to the applicable laws, regulations, and provisions, Verkkokauppa.com may lose its investors' and other interest groups' trust, and Verkkokauppa.com could face consequences for said actions. In this regard, specific challenges result from the seasonality of the business and the periodization of the inventory-related rebates granted by the suppliers. The realization of the risks associated with reporting may have a material adverse effect on the Company's financial position, reliability of the Company's future outlook, and the value of the Shares.

The realization of any of the above-mentioned risks may have a material adverse effect on Verkkokauppa.com's business, results of operations, and/or financial position, and the Share price.

There is no certainty that the Listing of Verkkokauppa.com on the stock exchange is successful.

Even though Verkkokauppa.com assesses that it meets all the preconditions for its listing on the Nasdaq Helsinki stock exchange, there is no certainty that the listing would not be delayed or not completed, for instance, as a result of requirements imposed by the authorities or Nasdaq Helsinki. The listing may also be delayed, or it may not be completed for reasons beyond Verkkokauppa.com's control.

Risks Associated with the Shares and Trading on Nasdaq Helsinki

Possible fluctuation of the share price or low liquidity of the Shares may have an adverse effect on the financial position of the shareholders.

The Shares have been, prior to the Listing, subject to multilateral trading on the First North marketplace. However, there is no certainty that, after the Listing, the Shares will be actively traded or that active trading on Nasdaq Helsinki can be maintained. Thus, the liquidity of the Shares is uncertain.

The market price of Verkkokauppa.com's Shares, after the Listing, may fluctuate significantly due to a number of factors, such as realized or anticipated changes in Verkkokauppa.com's results of operations, Verkkokauppa.com's ability to reach its business targets, developments in the markets in which Verkkokauppa.com is active, the introduction of new products in the market, or announcements concerning new innovations introduced by competitors, changes in the regulatory environment, general market conditions, and other factors. Also, the weakening of the general market situation or the financial markets may have a material adverse effect on the value and liquidity of the Shares. Even though the final economic effects of the Coronavirus pandemic cannot be estimated, the economic uncertainty caused by the pandemic may lead to long-lasting high volatility of stock exchanges globally and share prices may materially fluctuate. There can be no certainty that the Company's Shares' price does not follow the fluctuations of the market regardless of the Company's results of operations. Furthermore, for instance certain exceptional events such as the Coronavirus pandemic and general financial conditions in Europe may have an overall effect on the financial markets. The Company cannot predict or estimate said price volatility, and such factors are mainly beyond the control of Verkkokauppa.com.

Share ownership is concentrated, the largest shareholder has significant decision-making power, and the interests of the largest shareholders do not necessarily correspond to those of the other shareholders.

As at the date of these Listing Particulars, the Company's largest shareholder holds approximately 49 percent of the Shares and votes of the Company, and therefore it may, in practice, be in a position to exercise control in Verkkokauppa.com's general meeting of shareholders, for instance, in respect of the composition of the Board of Directors, adoption of the financial statements, and distribution of dividends. Furthermore, the Company's largest shareholders may also have the ability to block decisions requiring a qualified majority at the Company's general meeting of shareholders, including decisions regarding amendments to the articles of association and certain corporate transactions, such as mergers or demergers. There can be no assurance that the actions, objectives, and interests of the large shareholders will correspond with those of the other shareholders, which may have an adverse effect on the value and liquidity of the Shares.

The Company's ability to pay dividends or other distributions of unrestricted equity in accordance with its dividend policy or otherwise is dependent on the availability of distributable funds, and the Company may be unable to, or it may decide not to, pay any dividends or other distributions of unrestricted equity in the future.

Pursuant to the Finnish Companies Act (624/2006, as amended, the "**Companies Act**"), the amount distributed by the Company as dividends may not exceed the amount of distributable funds shown on the parent company's latest audited financial statements adopted by the general meeting of shareholders. The number of dividends over a financial period depends on the Company's result, financial position, cash flow, need for working capital, investments, future outlook, terms of the financing agreements, and other factors. Any payment of dividends or other distributions of unrestricted equity will always be at the discretion of the Board of Directors of the Company and, ultimately, be dependent on a resolution of a general meeting of shareholders. Moreover, under the Companies Act, the distribution of dividends is not permitted if it would put the Company's solvency at risk. In accordance with the Company's dividend policy, the Company's goal is to pay an increasing dividend. Dividends are paid quarterly. The Company annually evaluates the preconditions for the distribution of assets so that the possible distribution of assets does not risk the growth target set out in the Company's strategy or any other financial targets of the Company. However, there can be no certainty as to the number of dividends to be distributed in any financial period or that Verkkokauppa.com will distribute dividends at all. Furthermore, the payment of dividends or other distributions of unrestricted equity for a certain financial period are not an indication of the dividends to be paid for financial periods subsequent to said financial period.

Any future share offerings or the sale of a significant number of Shares could have an adverse effect on the market price of the Shares and any future share offerings may dilute the shareholdings of current shareholders.

The issuance or sale of a significant number of Shares or an understanding that such an issue or sale may take place in the future may have an adverse effect on the market price of the Shares and on Verkkokauppa.com's ability to raise funds in the future with equity financing. As the Company's largest shareholder holds a large percentage of the Shares, there can be no certainty that the largest shareholder would not have an effect on the volume of trading and transactions, which could have an adverse effect on the prevailing market price of the Shares. Furthermore, the perception that the largest shareholder may in the future sell a significant amount of its Shares may have an adverse effect on the price development of the Shares. In addition, any possible future directed share issues or subscription rights offerings in which shareholders choose not to exercise or sell their subscription rights could dilute the relative shareholdings of the shareholders as well as their proportion of the voting rights conferred by the shares.

Holders of nominee-registered shares may not necessarily be able to exercise their voting rights.

The beneficial owners of the nominee-registered shares may not necessarily be able to exercise their voting rights, unless their holding has been temporarily registered in Euroclear Finland before the Company's general meeting. There can be no certainty that the beneficial owners of the Company's Shares receive the notice to the general meeting of shareholders in time to be able to instruct their account managers either to temporarily register their shares or to otherwise exercise their voting right in the manner desired by such owners.

Certain foreign shareholders may not necessarily be able to exercise their subscription rights.

Under Finnish legislation, shareholders have pre-emptive subscription rights in proportion to their shareholdings when the Company issues shares, unless the issuance of shares is made as a directed issue of shares. Certain shareholders of the Company who reside or will reside, or whose registered address is located in, certain countries other than Finland, including shareholders in the United States, may not necessarily be able to exercise their pre-emptive subscription rights in possible future share issues, unless the shares have been registered according to the securities legislation of the country in question or in an otherwise similar manner, or unless an exemption from the registration or other equivalent regulations provided in the applicable legislation is available. This may lead to the dilution of such shareholders' ownership in the Company. Furthermore, if the number of shareholders who are not able to exercise their pre-emptive subscription rights is high and if the subscription rights of such shareholders are sold on the market, it could have an adverse effect on the price of the subscription rights. Moreover, foreign shareholders' right to receive documents or securities in connection with the issuance of shares or other transactions may need to be limited due to the legislation of said country.

Investors with a reference currency other than the euro will become subject to certain foreign exchange risks when investing in the Shares.

The Shares will be priced and traded in euro on Nasdaq Helsinki, and any future payments of dividends on the Shares will be denominated in euro. Exchange rate fluctuations of the euro will therefore affect the value of any dividends paid and other distributions of unrestricted equity for investors whose principal or reference currency is not the euro. Furthermore, the market price of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not the euro. Furthermore, such investors may incur additional transaction costs by reason of the euro being converted into another currency.

COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISERS

Company

Verkkokauppa.com Oyj
Tyynenmerenkatu 11
FI-00220 Helsinki, Finland

Board of Directors of the Company

Name	Position
Christoffer Häggblom	Chairman of the Board of Directors
Robert Burén	Member of the Board of Directors
Mikael Hagman	Member of the Board of Directors
Kai Seikku	Member of the Board of Directors
Samuli Seppälä	Member of the Board of Directors
Arja Talma	Member of the Board of Directors

The business address of all members of the Board of Directors is Tyynenmerenkatu 11, FI-00220 Helsinki

Auditor of the Company

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki, Finland
Auditor in charge: Ylva Eriksson, Authorized Public Accountant

Legal Adviser to the Company

Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
FI-00130 Helsinki, Finland

CERTAIN MATTERS

Statement Regarding Information in these Listing Particulars

The Company is responsible for the information included in these Listing Particulars. To the best knowledge of the Company, the information contained in these Listing Particulars is in accordance with the facts and contains no omission likely to affect its import.

29 May 2020

Verkkokauppa.com Oyj

Forward-Looking Statements

Some of the statements in these Listing Particulars, particularly all statements regarding the future or profit projections under sections "*Summary*", "*Risk Factors*", "*Business of the Company*", "*Operating and Financial Review*", and elsewhere in these Listing Particulars include forward-looking statements that reflect the management's current views and understanding with respect to the Company's financial position, business strategy, and the management's plans and objectives for the future (including development plans relating to the Company's products and services). These statements may include forward-looking statements both with respect to the Company and the sector and industry in which it operates. Statements that include words "aim", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "project", "target", "will", "would", and similar statements identify forward-looking statements.

All forward-looking statements address matters that involve risks, uncertainties, and assumptions relating to the Company's business, results of operations, growth strategy, and liquidity, and as a result of which the Company's actual result or results of operations may differ materially from those indicated in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in section "*Risk Factors*" in these Listing Particulars, which should be read together with the other cautionary statements included in these Listing Particulars. Any forward-looking statements in these Listing Particulars are unaudited and reflect the current views of the Company management with respect to future events. Accordingly, no assurance can be given that any particular expectation will be met and prospective investors are cautioned not to place undue reliance on any forward-looking statements.

These forward-looking statements reflect only the current views as at the date of these Listing Particulars. Subject to any obligations under the applicable laws and regulations (including the Securities Markets Act), the Company undertakes no obligation to update or review any forward-looking statements, whether as a result of new information, future developments, or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are qualified in their entirety by this section.

Availability of the Finnish Prospectus

The Finnish Prospectus will be available no later than 1 June 2020 on the Company's website at https://investors.verkkokauppa.com/fi/listing2020 and at the Company's registered office at Tyynenmerenkatu 11, 00220 Helsinki, Finland. Furthermore, the Finnish Prospectus will also be available at Nasdaq Helsinki at Fabianinkatu 14, 00100 Helsinki, Finland. These English-language Listing Particulars will be available on or about 1 June 2020 on the Company's website at https://investors.verkkokauppa.com/en/listing2020.

Presentation of Financial and Certain Other Information

Historical Financial Information

The historical financial information of Verkkokauppa.com Oyj presented in this Listing Particulars document has been derived from the Company's unaudited financial information for the three months ended 31 March 2020, including unaudited comparative information for the three months ended 31 March 2019, prepared in accordance with "IAS 34 – Interim Financial Reporting", and the Company's audited financial statements for the years ended 31 December 2019 and 31 December 2018 and the unaudited comparative information for the year ended 31 December 2017, which is included in the audited financial statements for the year ended 31 December 2018, all of which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") and all of which have been incorporated by reference into these Listing Particulars. The financial information included in the tables of this Listing Particulars document has been indicated to be audited when the information has been derived from the audited financial statements.

In addition, the Company's audited financial statements for the year ended 31 December 2017, prepared in accordance with the Finnish Accounting Standards (FAS), have been incorporated by reference into these Listing Particulars. The Company first transitioned to applying IFRS in its financial statements for the year ended 31 December 2018, and the

IFRS transition date was 1 January 2017. The most significant differences that the adoption of IFRS has had on the income statement prepared in accordance with FAS for the financial year ended 31 December 2017 and the balance sheet as at 1 January 2017 and 31 December 2017 have been described in Note 7.27 "*Transition to IFRS Reporting*" of the audited financial statements for the year ended 31 December 2018.

The Company's auditor PricewaterhouseCoopers Oy has audited the Company's financial statements for the years ended 31 December 2019 and 31 December 2018, prepared in accordance with IFRS, and the financial statements for the year ended 31 December 2017, prepared in accordance with FAS, all of which have been incorporated by reference into these Listing Particulars.

Alternative performance measures

These Listing Particulars include certain alternative performance measures of the Company's historical financial performance, financial position, and cash flows, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority ("**ESMA**"), are not accounting measures defined or specified in IFRS, and they must therefore be considered alternative performance measures. The Company presents the following alternative performance measures:

- Gross profit
- Gross margin, %
- EBITDA
- EBITDA, %
- Operating profit
- Operating profit, %
- Items affecting comparability
- Comparable operating profit
- Comparable operating profit, %
- Equity ratio, %
- Interest-bearing net debt
- Gearing, %
- Investments

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Certain Financial and Other Information – The Definitions and Reasons for the Use of Key Figures*". The reconciliation of alternative performance measures is presented in section "*Certain Financial and Other Information – Reconciliation of Alternative Performance Measures*".

Verkkokauppa.com presents the alternative performance measures as additional information to the financial measures presented in the income statement, balance sheet, statement of cash flows, and the notes prepared in accordance with IFRS. In Verkkokauppa.com's view, alternative performance measures provide management, investors, securities market analysts, and other parties with relevant and useful additional information on Verkkokauppa.com's results of operations, financial position, and cash flows.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures and they are not accounting measures defined or specified in IFRS. All companies do not calculate alternative performance measures in a uniform way, and therefore, the alternative performance measures presented in these Listing Particulars may not be comparable with similarly named measures presented by other companies.

Unless otherwise stated, the alternative performance measures are unaudited.

Rounding Adjustments

The figures presented in these Listing Particulars, including the financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row in tables may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in these Listing Particulars reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Currencies

As used herein, references to (i) "**euro**", "**EUR**", or "**€**" are to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community and (ii) "**U.S. dollar**", "**USD**", or "**$**" are to the lawful currency of the United States of America. For more information regarding recent rates of exchange between the euro and the U.S. dollar, see "*Exchange Rates*".

Market, Economic, and Industry Data and Management Reports and Findings

The market, economic, and industry data used in these Listing Particulars is obtained from one or several designated sources or is based on various industry and other independent sources, including data from reports and surveys concerning the Company's customer satisfaction, awareness of the Company's brand, as well as the markets in which the Company operates. The market data contained in these Listing Particulars is based on statistics and information from different organisations and market data providers, internal financial and operational information supplied by, or on behalf of, the Company, and publicly available information from other sources, applying certain supplementary assumptions, where necessary. Certain estimates and forecasts contained in these Listing Particulars are based on the analysis by the Company based on its own information and information derived from third parties concerning the factors affecting the growth of the markets and their forecasted development.

The Company has ensured that the information has been reproduced appropriately in these Listing Particulars. As the Company does not have access to all of the facts, assumptions, and postulates underlying the market analyses or the statistical information and economic indicators contained in sources of third-party information, Verkkokauppa.com is unable to verify the accuracy of such information. As far as the Company is aware and has been able to ascertain from the information provided by third parties, no facts have been omitted from the third-party information that would render the reproduced information inaccurate or misleading.

The statements in these Listing Particulars on the product areas of the Company, its market position, and other companies operating in its market area are based solely on the perceptions, internal investigations, and assessments of the Company, as well as other sources which the Company deems reliable. The Company cannot, however, guarantee that any of these statements are accurate or give an accurate description of the Company's position in the market, and none of the Company's internal investigations or information has been verified using external sources independent of those used by the Company.

Website Information

The Company will publish the Finnish Prospectus and any supplements thereto on its website. Other information on the Company's website or any other website, excluding the information incorporated by reference into these Listing Particulars as set forth in "*Documents Incorporated by Reference*," do not form a part of these Listing Particulars.

EXCHANGE RATES

The following table sets forth the average, highest, lowest, and period-end quotation as published by the European Central Bank for the U.S. dollar (”**USD**”) per EUR for the dates and periods indicated:

	Reference rates of USD per EUR			
	Average	**High**	**Low**	**Period-End**
Annually				
2017	1.1297	1.2060	1.0385	1.1993
2018	1.1810	1.2493	1.1261	1.1450
2019	1.1195	1.1535	1.0889	1.1234
2020 (through 25 May 2020)	1.0969	1.1456	1.0707	1.0910

The aforementioned exchange rates are provided solely for illustrative purposes and may not correspond with the exchange rates used in the preparation of the financial statements and financial statement information of the Company. No representation is made that euros could have been converted into U.S. dollars at the rates presented above or at any other rates at such dates or during such periods.

DIVIDENDS AND DIVIDEND POLICY

The Board of Directors of the Company sets the financial targets of the Company, including the dividend policy. According to the dividend policy as at the date of these Listing Particulars, as confirmed by the Board of Directors of the Company, the Company's goal is to pay a growing dividend. The Company pays dividend quarterly.

The Board of Directors always considers the Company's financial position and future outlook when deciding on the amounts and payment dates of possible future dividends or equity returns. If dividend is distributed, all of the Shares of the Company entitle to the same dividend. There is no assurance regarding any financial period as to the amount of dividends to be paid or as to whether the Company will pay dividends at all. The dividends paid by Verkkokauppa.com for any financial period will not be indicative of the dividends to be paid after such financial period.

The Annual General Meeting of 31 March 2020 resolved to distribute a dividend of EUR 0.214 per share in such manner that, based on the resolution of the General Meeting, a dividend of EUR 0.052 per share was distributed and the Board of Directors was authorized to distribute in its discretion a dividend not exceeding EUR 0.162 per share. On the basis of the authorization granted by the General Meeting, the Board of Directors resolved on 24 April 2020 to pay a dividend of EUR 0.053 per share.

The below table sets forth the amount of dividend distributed by the Company as at the date of these Listing Particulars for the financial periods ended 31 December 2019, 31 December 2018, and 31 December 2017.

Payment Date	Record Date	Basis for Distribution	Tranche	Financial Period	Dividend / Share
3 April 2018	23 March 2018	AGM resolution	1.	2017	0.044
16 May 2018	8 May 2018	Authorization	2.	2017	0.045
21 August 2018	14 August 2018	Authorization	3.	2017	0.046
6 November 2018	30 October 2018	Authorization	4.	2017	0.047
8 April 2019	1 April 2019	AGM resolution	1.	2018	0.048
21 May 2019	14 May 2019	Authorization	2.	2018	0.049
20 August 2019	13 August 2019	Authorization	3.	2018	0.050
5 November 2019	19 October 2019	Authorization	4.	2018	0.051
9 April 2020	2 April 2020	AGM resolution	1.	2019	0.052
6 May 2020	28 April 2020	Authorization	2.	2019	0.053

Under the Companies Act, the General Meeting decides on the distribution of dividends based on a proposal by the Company's Board of Directors. Dividends are generally declared once every financial period and may be paid only after the General Meeting has approved the Company's financial statements. By a decision determining the maximum amount of assets to be distributed, the General Meeting may also authorize the Board of Directors to decide on the distribution of dividend or of assets from reserves of unrestricted equity. For a description of the restrictions applicable to dividend distributions, see "*Shares and Share Capital – Shareholders' Rights – Dividends and Other Distribution of Funds*".

BACKGROUND AND REASONS FOR THE CONTEMPLATED LISTING

Reasons for the Listing

The goal of the contemplated Listing is to increase Verkkokauppa.com's brand awareness, to improve the liquidity of the Shares, and to reach a more extensive owner base. The increased liquidity of the Shares would also enable Verkkokauppa.com to use the Shares more effectively as a means of consideration in potential acquisitions and remuneration of personnel. No Shares are issued or sold in connection with the Listing, and thus the Company will not accrue any income from the Listing.

In accordance with the above, the Board of Directors of the Company resolved on 28 May 2020 to apply for the listing of the Shares on the official list of Nasdaq Helsinki. The Company has on 28 May 2020 submitted an application to admit all Shares to trading on the official list of Nasdaq Helsinki.

Costs Related to the Listing

The Company estimates that the amount of payments, fees, and costs payable by the Company in connection with the Listing will be approximately EUR 0.75 million.

CAPITALIZATION AND INDEBTEDNESS

The following table presents the realized capitalization and indebtedness of Verkkokauppa.com as at 31 March 2020 as derived from the Company's unaudited interim report for the three months ended 31 March 2020, prepared in accordance with "IAS 34 – Interim Financial Reporting".

The following table should be read together with section "*Certain Financial and Other Information*" and the audited financial statements and the unaudited interim report for the three months ended 31 March 2020 incorporated by reference into these Listing Particulars.

Capitalization	**As at 31 March 2020**
In EUR thousand	**(unaudited)**
Current interest-bearing liabilities	
Guaranteed / Secured[1]	3,763
Total	**3,763**
Non-current interest-bearing liabilities	
Guaranteed / Secured[1]	18,874
Total	**18,874**
Interest-bearing liabilities, total	**22,637**
Equity	
Share capital	100
Treasury shares	-701
Invested non-restricted equity fund	25,738
Retained earnings	9,190
Profit for the financial year	2,444
Total equity	**36,771**
Equity and interest-bearing liabilities, total	**59,409**

Net indebtedness	
In EUR thousand	
Liquidity (A)	
Cash and cash equivalents	44,976
Total	**44,976**
Current interest-bearing liabilities (B)	
Lease liabilities	3,763
Total	**3,763**
Current net indebtedness (C = B − A)	**-41,213**
Non-current interest-bearing liabilities (D)	
Lease liabilities	18,874
Total	**18,874**
Net indebtedness (C + D)	**-22,339**

1) Includes lease liabilities as at 31 March 2020.

For further information on the Company's contractual obligations, see "*Operating and Financial Review – Contractual Obligations and Off-Balance Sheet Arrangements*".

There has not been any material changes in the Company's capitalization and indebtedness between 31 March 2020 and the date of these Listing Particulars.

Working Capital Statement

The Company believes that the working capital available to the Company is sufficient to cover its needs for at least 12 months following the date of these Listing Particulars.

BUSINESS OF THE COMPANY

General Description

Verkkokauppa.com Oyj is an online and retail sales company that operates mainly in Finland and offers products and services to both consumers and businesses. Depending on the season, the Company markets, sells, and distributes some 60,000–70,000 products in 26 different main product categories through its webstore, retail stores, and network of pick-up points. The Company operates mainly in the field of consumer electronics and offers services related to the products it sells. Verkkokauppa.com is Finland's most popular[8] and most visited[9] Finnish online retailer, and it is Finland's largest webstore measured by net sales[10]. In 2019, the Company's website had approximately 200,000 daily single visits on average[11].

As indicated by its name, Verkkokauppa.com has operated on the terms of e-commerce from the beginning, and it aims to stay at the forefront of the transformation of the retail industry as retail shifts further towards online and mobile channels. Verkkokauppa.com delivers products to more than 3,000 pick-up points and also offers home deliveries and installations through cooperation partners. In addition to the webstore, the Company has four megastores: in Oulu, Pirkkala, Raisio, and Helsinki. The Company believes that the combination of a webstore and retail stores enables it to serve its customers as effectively as possible. The Company's customer promise is to sell products to its customers at probably always cheaper prices, making use of a low cost structure.

The Company's revenue was EUR 125.3 million and operating profit EUR 3.4 million for the three months ended 31 March 2020 (EUR 115.8 million and EUR 2.3 million for the three months ended 31 March 2019). In 2019, the Company's revenue was EUR 504.1 million (EUR 477.8 million in 2018) and its operating profit was EUR 11.3 million (EUR 13.3 million in 2018). The Company's revenue is accumulated geographically mainly from Finland, in addition to which a part of the revenue is generated from outside of Finland. The Company's accumulated revenue from other countries was EUR 20.2 million for the three months ended 31 March 2020 (EUR 11.9 million for the three months ended 31 March 2019). In 2019, the Company's revenue from other countries was EUR 61.6 million (EUR 54.6 million in 2018).

In 2019, the Company employed 699 people on average (667 people in 2018).

Business Model

The Company operates based on an omnichannel business model combining online and brick-and-mortar store sales, in which the Company's online operations are supplemented by four megastores that attract customers from a wide area of Finland geographically. The Company's customers can acquaint themselves with a product and buy a product within the Company's store or inventory range from the Company's webstore or retail store at the same price. Depending on customer preference, products are delivered through pick-up points of cooperation partners, as home delivery, or through pick-up points in the retail stores. Historically, the Company has focused on and invested in an integrated business model and in the development of integrated IT systems, and it continues to invest in improving both the retail store and the webstore customer experience. Examples of the operational advantages of the integrated model include the possibility for a customer to buy a product from the Company's retail stores or through the webstore from the warehouses located in Helsinki and Vantaa, the warehouse operating in conjunction with the Helsinki store, and up-to-date system interfaces with suppliers.

The Company's management sees the business model of the Company as a competitive advantage in relation to both customers and suppliers. According to the Company's management, the integrated business model is consistent with customers' current purchase behavior and enables omnichannel customer service both in retail stores as well as online. The Company's management estimates that the value of the orders placed in the Company's webstore is more than half of the total value of the Company's placed orders. The Company's management estimates that a significant share of orders placed in brick-and-mortar stores is from customers who a) make their actual purchase decision online but buy and pay for the product upon pick-up at the Company's physical store or b) search for product information online or familiarise themselves with a product online but come to the physical store to make the actual purchase. Therefore, the Company's management estimates that the significance of the Company's online business is greater than the above-mentioned share

[8] Source: Posti's Suuri verkkokauppa 2019 online store survey.

[9] Source: SimilarWeb, Top Websites Ranking Finland (1 April 2020). Access method: https://www.similarweb.com/top-websites/finland. Visited 19 May 2020.

[10] Source: Statista 2020, ecommerceDB.com Country Report. Access method: https://www.statista.com/study/70352/ecommerce-in-finland/. Visited 19 May 2020.

[11] According to the tool used by the Company to monitor website traffic, the Company's website had more than 72 million single visits between 1 January 2019 and 31 December 2019. A single visit refers to each visit made to the site from a browser, regardless of the number of single visits made from such browser.

of the webstore, wherefore the assessment of order percentages alone is, according to the Company's management, misleading.

The integrated business model also enables closer cooperation with suppliers than online retail would in terms of product visibility, store display, product range, and purchase terms, and it enables the cost-efficient expansion of the product range. The Company receives marketing income from its suppliers for the marketing of the suppliers' products, shop-in-shop operations within the retail stores of the Company, and salespeople dedicated to certain suppliers. In addition to consumers, the Company sells its products to corporate customers. As at the date of these Listing Particulars, the Company has a total of approximately 55,000 corporate customers.

The Company wants to offer its customers Finland's best customer experience combining online and brick-and-mortar store sales, which consists of (i) competitive pricing, (ii) fast and seamless omnichannel transactions, (iii) a broad product range and good availability, and (iv) operational transparency and customer focus. The Company aims to develop its customer experience further, which, according to the Company's management, is expected to lead to increased visits in both channels of the Company and increased trust felt towards the Company. Simultaneously, the Company aims for an even stronger position as a reference service within Finnish online retail that is widely used as a source of price and product information and product evaluations in online shopping, where a consumer can find a product they need and that ranks high on a consumer's list in terms of potential online stores.

The elements of the Company's customer promise are described below:

- *Competitive pricing*: The Company aims to offer its products to its customers at an affordable price in accordance with its slogan "Probably always cheaper." The Company aims to include products in its product range for which it can fulfil its customer promise. The Company sells its products to customers at the same price regardless of the sales channel or distribution method used (excluding costs for the delivery method chosen by the customer). In its pricing, the Company takes into consideration the sales margins of the products and seasonality in demand. Additionally, the Company aims to optimize inventory turnover.

- *Fast and seamless omnichannel transactions*: Customers visiting the webstore value the functionality and speed of the site, and the functionality of the website is equally crucial to the brick-and-mortar store customers, as many customers begin the purchase process online and seek additional information on the Company's website when and prior to visiting the store. The Company has invested in improving the customer experience in the webstore and making the retail stores more appealing by, among other things, personalizing the content on its website, further improving the operational reliability of the website, and streamlining the retail store pick-up process.

- *Broad product range and good availability*: As at the date of these Listing Particulars, the Company offers a product range of some 60,000–70,000 items depending on the season and aims to offer a broader product range than its competitors in its main product categories. The Company's product range is largely focused on consumer electronics, but in recent years, the Company has included products in its product range from new product categories, such as home and lighting, sports, and pets. The Company aims to offer the most appealing products and brands in the market. In addition to the webstore, customers can acquaint themselves with products and buy them at the Company's retail stores and at the 24/7 sales and pick-up kiosk operating in conjunction with the Helsinki store. Customers can order their products to be delivered to the Company's retail stores, to one of more than 3,000 pick-up points in Finland, or directly to their homes. The integrated warehouse in connection with the Helsinki store improves product availability in the capital area.

- *Operational transparency and customer focus*: The Company's aim is to offer its customers competent service both online and in the retail stores, with a particular focus on strong expertise in its main product categories, and to operate transparently towards customers. The Company provides its customers with product availability information and delivery times, and typically offers a 32-day right of return for its products, and it accepts responsibility for the return costs of the items returned in accordance with its guidance. The Company publishes product return percentages, communicates any product errors and products that have needed repairs to its customers, and publishes customer reviews of products. More than 386,000 customer reviews of the Company's products have been published on the Company's website[12].

[12] Starting 22 December 2012, more than 386,000 product reviews for 58,194 different products have been published cumulatively on the Company's website.

Key Strengths

The global megatrend of retail shifting towards online and mobile supports the Company's growth.

Consumer demand for retail sales and, in particular, consumer electronics has shifted and continues to shift towards online channels. According to the survey carried out by Posti in 2019, 49 percent of the Finnish population had purchased products online within the past month[13]. In 2019, the share of e-commerce of total global retail sales was 14.1 percent according to an estimate by Statista, and the share is estimated to increase to approximately 22 percent in 2023[14]. In the Nordic countries, the estimated online retail consumption in 2018 was EUR 22.4 billion, and Finnish consumers spent approximately EUR 2.8 billion in online stores in 2018[15]. The total online sales of online retailers in Finland are expected to increase from 2020 to 2024 at a compound annual growth rate (CAGR) of approximately 4.6 percent[16]. Furthermore, the Company's management estimates that the possible increase of deliveries in Finland by international online stores, such as Amazon, would further speed up the shift to online channels, which in turn could support the Company's growth as retail increasingly moves online. Although the shift towards online is already under way, the Company's management believes that e-commerce still has growth potential in Finland.

As retail moves online, purchases and information searches heavily move to mobile devices, such as mobile phones and tablets, which challenges webstores to develop customer-friendly mobile sites and applications. According to a survey conducted by Statistics Finland, making purchases on a mobile phone has become increasingly popular in all age categories, and, for instance, nearly half of the people under 45 years of age had made purchases online on their mobile phone within the past year[17]. According to the Finnish Commerce Federation, 39 percent of purchases in 2018 were made on a mobile device, either a phone or a tablet, while in 2016, the share was only 27 percent[18]. It is estimated that in 2021, 73 percent of the global e-commerce revenue comes from purchases made on mobile devices.[19]

The Company's strong brand and position as a strong online retailer enable market share gains as consumers focus their purchases to the strongest online retailers.

Verkkokauppa.com is the most popular[20] and the most visited[21] Finnish webstore. In 2019, the address www.verkkokauppa.com and its subpages had more than 72 million visits in total. Verkkokauppa.com is also Finland's largest webstore measured by net sales[22], and Verkkokauppa.com was elected as the best Finnish webstore in Posti's consumer survey in September 2019[23]. Furthermore, the Company was the most recommended brand of 2019 in research firm YouGov's Brandindex ranking and was one of the top 10 most talked about Finnish brands[24]. The Company's management believes that the listing on the official list of Nasdaq Helsinki will further increase public awareness of the Company and strengthen its position as a strong and reliable online retailer.

In the view of the Company's management, it is important for companies combining a webstore and retail stores to be one of the first brands that come to consumers' minds when it comes to e-commerce. The large number of visits in the Company's webstore, recognized functionality of the webstore, and well-known online brand create a good basis for increasing the Company's share of e-commerce. According to the Company's management, the fact that the Company has Finland's most popular domestic webstore is a significant competitive factor as retail shifts towards online and mobile.

The Company's management estimates that the omnichannel business model benefits customers and forms a more attractive platform for suppliers to market products compared to business models based purely on online or physical stores.

The Company operates based on an integrated business model combining a webstore and retail stores, which the Company's management considers a competitive advantage in relation to both customers and suppliers and which increases the size of the Company's attainable market. According to the Company, the business model integrating a webstore and retail stores is consistent with the purchase behaviour of consumers. A significant part of consumers shopping in brick-and-mortar stores uses online channels, for instance, to research products before making a purchase

[13] Source: Posti's Suuri verkkokauppa 2019 online store survey.
[14] Source: Statista 2019. Access method: https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/. Visited 19 May 2020.
[15] Source: Postnord: E-commerce in the Nordics 2019.
[16] Source: Statista 2020. Access method: https://www.statista.com/outlook/243/135/ecommerce/finland. Visited 19 May 2020.
[17] Source: Official Statistics of Finland: Use of information and communications technology by individuals. ISSN=2341-8699. 2018. Helsinki: Statistics Finland. Reference: 19 May 2020. Access method: http://www.stat.fi/til/sutivi/2018/sutivi_2018_2018-12-04_tie_001_fi.html
[18] Source: Finnish Commerce Federation: Digitaalinen ostaminen kasvaa meillä ja muualla. 2019.
[19] Source: Statista 2018. Access method: https://www.statista.com/chart/13139/estimated-worldwide-mobile-e-commerce-sales/. Visited 19 May 2020.
[20] Source: Posti's Suuri verkkokauppa 2019 online store survey.
[21] Source: SimilarWeb, Top Websites Ranking Finland (1 April 2020). Access method: https://www.similarweb.com/top-websites/finland. Visited 19 May 2020.
[22] Source: Statista 2020, ecommerceDB.com Country Report. Access method: https://www.statista.com/study/70352/ecommerce-in-finland/. Visited 19 May 2020.
[23] Source: Posti's Suuri verkkokauppa 2019 online store survey.
[24] Source: YouGov BrandIndex 2019.

decision. In Finland, approximately 43 percent of consumers have sought and familiarized themselves in advance with products online and then purchased them in a brick-and-mortar store. Correspondingly, approximately 19 percent have sought and familiarized themselves with products in a brick-and-mortar store and then purchased them online[25]. In addition to the Company's webstore, the carefully planned store network and extensive pick-up point network meet the consumer demand in both channels. The Company's integrated business model forms a multichannel platform for suppliers to market their products in Finland. In addition to webstore visibility, a supplier cooperating with the Company gets a physical display and sales channel for its products against a financial consideration. According to the Company's management, the integrated business model enables a more extensive product range and more affordable purchase terms as compared to pure online stores, as suppliers in certain product categories require physical product display in exchange for sales rights. The Company's management expects this trend to continue and physical stores to turn into product showrooms and product testing facilities even further.

The Company's business model and sustainable cost structure enable staying competitive in a competitive and concentrated market and achieving economies of scale as the business grows.

The consumer electronics market in Finland is highly competitive. As a result of the competition, several operators in the field (e.g. Veikon Kone, Anttila, OnOff, Hirvox, Tekniset, and Musta Pörssi) have in the 2010s announced the discontinuation of operations, significant scale-downs of operations, or changes in business model. In Finland, the consumer electronics market is consolidated between three key players, Verkkokauppa.com, Gigantti, and Power, the latter two of which are competitors of the Company in particular in its main product categories. The Company also has other individual competitors in other product categories. According to the Company's management, price competition will remain tight as consumers' price awareness increases, for example, with the increasing popularity of price comparison services and online purchasing. As a result, retailers with a lower cost structure are expected to increase their market shares and retailers with higher cost structures are expected to scale down their operations even further. According to the Company's management, the moderate size of the Company's store network means that Verkkokauppa.com's cost structure is lighter than that of its main competitors or traditional retailers, which allows the Company to price its products competitively.

The Company has in the recent years made investments in improving and personalizing the customer experience in the webstore, store network, warehouse and logistics chain, and IT systems. In the estimate of the Company's management, the Company may in the future increase, for instance, its product range and purchase operation volumes without material additional investments and utilize economies of scale in the administrative functions of the Company. The Company also has a strong balance sheet position, and the appropriate cash reserves enable the determined pursuit of growth. In the view of the Company's management, the Company's low cost structure and business model thus enable profitable growth. The Company's management is of the view that due to low fixed costs, Verkkokauppa.com is able to grow and turn a profit even in a market where price competition tightens and households' purchasing power has declined, while also keeping the sales prices low.

The barriers to entry have grown in the Company's industry due to tightened price competition, established supplier relationships, and significant ramp-up costs of operations.

According to the Company's management, barriers to entry have grown significantly in the Company's industry in recent years. According to the Company's management, these barriers to entry include especially (i) tightened price competition, (ii) established supplier relationships, and (iii) significant costs relating to the ramp-up of operations. Competition is tight in e-commerce and in consumer electronics in particular, as evidenced by the announcements of discontinued operations, scale-downs, or changes in business model of companies with relatively higher cost structures. In the estimate of the Company's management, competition will remain tight as consumers' price awareness increases, for instance, with price comparison sites becoming more common and the increasing popularity of online purchasing. Secondly, supplier relationships have been established especially in consumer electronics, as several suppliers offer products only to a limited number of operators in the Finnish market. Thirdly, ramping up operations in Finland requires significant up-front investments in the logistics chain, increasing consumer awareness of the trademark, and the development of an online store. In the estimate of the Company's management, ramp-up costs are particularly high for players that have not previously operated in the Finnish retail industry. In addition, foreign operators face several challenges related to the local markets and operating environment.

The Company's management estimates that the customer experience offered by the Company to its clients in both channels is a factor that sets the Company apart and helps the Company create customer loyalty and strengthen its position as the most popular Finnish webstore.

The Company focuses on the customer experience in both channels and has, in recent years, invested in improving the customer experience in the webstore and making its retail stores more appealing. Some examples of the improvements to the customer experience is moving the maintenance of the website to a cloud environment, a new user-specific

[25] Source: Posti's Suuri verkkokauppa 2019 online store survey.

personalized search engine, and other website development projects that have improved the speed and reliability of the webstore. To improve the customer experience, the Company has also carried out some changes in its retail stores, such as streamlining the pick-up services. In addition to this, the Company constantly aims to broaden its product range and to offer a broader range than its competitors in its main product categories.

With competition getting tighter, the importance of the ability to understand consumer trends and consumers' changing needs and purchase behavior is emphasized. It is vital for webstores to be able to offer products to customers in an even more personalized and targeted manner, and the Company has invested in developing the personalization of its website content. The improved personalization allows most of the content in the Company's webstore to be offered to customers in a personalized manner: where possible, the site aims to offer customers products that may interest them via the search function, category pages, product highlights, and campaign pages. Recommendations are based on customers' previous behavior data and purchase history. The personalized and tailored recommendations support a positive customer experience and thus increase customer satisfaction and loyalty. The personalized recommendations in the Company's webstore also help customers purchase products that meet their needs, which also supports customer satisfaction and reduces the return rate of the webstore. Technology also offers support in omnichannel customer service, and the Company utilizes continuously evolving technologies that make flexible customer service available for customers even 24/7.

The cornerstones of Verkkokauppa.com's customer experience are competitive pricing, fast and seamless omnichannel transactions, a broad product range in selected categories, and operational transparency and customer focus. The Company's management believes that by offering a good customer experience, the Company can strengthen its position as the most popular Finnish webstore and thus grow the Company's market shares in the competitive market.

Vision and Business Strategy

The Company's vision is to be a Nordic leader in retail through cost-efficiency, brand image, and an omnichannel and scalable business model.

The Company's key focus is on growth: the goal is to grow to a company with a billion-euro revenue and to increase the market share in selected product categories. The Company aims to grow organically and may also look into expanding its operations outside of Finland. In addition, the Company may in the future consider seeking growth through corporate acquisitions or, for instance, partnership agreements, should an opportunity to do so arise. The Company focuses on the customer experience, seamless omnichannel business model, and improved brand marketing and invests in the retail store experience, website, and cost-saving technologies. Verkkokauppa.com's goal is to be customers' preferred channel-agnostic place for shopping and offer an always interesting and broad product range at competitive prices. The Company's development relies on a growth strategy and it is furthered by new product categories suited for online retail. Day-to-day operations rely on the Company's values defined in 2018, which are courage, agility, transparency, and community. The Company constantly investigates opportunities to include new products and product categories in its range and aims to strengthen its position as the most popular Finnish webstore.

At the moment, the Company's target in the medium term is an annual revenue growth of 10–20 percent, a growing operating profit, and an operating margin of 2.5–4.5 percent. The Company's dividend policy is to pay an increasing dividend. Dividend is paid quarterly.

The Company annually evaluates its strategy and may thus in the future possibly further specify its financial targets and strategic measures.

For information regarding the Company's financial performance in 2017–2020, see "*Certain Financial and Other Information*" and "*Operating and Financial Review*".

History of the Company

The former long-term CEO of the Company, Mr. Samuli Seppälä, founded the business name Arctecho in 1992, which operated as a mail order company during the first years of operation. In April 1998, Arctecho Oy was founded to continue the operations of the business name founded in 1992. The Company's physical store relocated to Olari, Espoo in 2002, wherefrom it relocated further to Ruoholahti, Helsinki in 2004. The Company opened its second physical store in the municipality of Pirkkala in 2006, and, further, in November 2008, its third physical store in Kaakkuri, Oulu. In December 2008, the Company changed its official name to Verkkokauppa.com Oy. In May 2011, Verkkokauppa.com opened its revamped webstore and in November of the same year, the Company's head office, central warehouse, and the Helsinki retail store moved to the current premises in Jätkäsaari in Helsinki. In December 2012, the Company changed its company form to a public limited liability company and the Company's official name was changed to Verkkokauppa.com Oyj.

Rite Internet Ventures Holding AB and Ville Skogberg became shareholders of the Company in the fall of 2009 by purchasing shares from Samuli Seppälä. Thereafter, the Company has made certain arrangements related to the ownership of the Company, such as an employee share offering in January 2013. In spring 2014, Verkkokauppa.com Oyj was listed on the Nasdaq First North Growth Market Finland marketplace. Trading in the Company's Shares began on 4 April 2014.

In 2017, the Company's Pirkkala and Oulu stores were expanded and renewals were made in the Jätkäsaari flagship store in Helsinki. In March 2018, the Company opened its fourth store in Raisio. In 2018, the Company's founder and long-term CEO Samuli Seppälä opted out of the Company's everyday operations but continued in his role as a board member, being also the largest shareholder of the Company.

In 2020, Verkkokauppa.com began preparations for transferring to the official list of Nasdaq Helsinki. On 28 May 2020, the Company decided to apply for the listing of its Shares on the official list of Nasdaq Helsinki and on the same day submitted an application to admit all Shares to trading on the official list of Nasdaq Helsinki.

Products and Services

As at the date of these Listing Particulars, the Company has a product range of some 60,000-70,000 product titles[26]. In addition to consumer electronics, the product range covers products in areas such as toys and sports. In addition to product sales, the Company provides its customers with services related thereto, such as installation and maintenance services. In several product categories, Verkkokauppa.com has products sold under its own brands, which it manufactures mainly in China. The Company's product range includes more than 2,000 product and service titles sold under its own brands. The Company aims to increase the number of products sold under its own brands and the share of own brand sales of the Company's total sales. The Company's business includes customary activities that relate to developing and acquiring of its own brands, such as the choice of suppliers and products, product research and testing, design of the trademark appearance and the planning of shipping and logistics.

The Company has divided the products it sells into 26 main product categories. As at the date of these Listing Particulars, the main product categories of the Company are audio and hi-fi, barbeque and kitchen, cables, cameras, watches, domestic appliances, components, home and lighting, child care supplies, luggage and traveling, toys, pets, music, other products, peripherals, software, games and entertainment, small domestic appliances, telephones, food and drink, supplies and office, computers, TV and video, sports, and network.

Measured by revenue, the largest main product categories of the Company in 2019 were computers, TVs, and telephones. In recent years, the rapidly growing product categories have for example included small domestic appliances, domestic appliances, barbeque and kitchen, and audio and hi-fi.

In 2015, the Company launched its own customer financing service called Apuraha. Customers can apply for Apuraha at the Verkkokauppa.com retail stores or in the mobile and webstore, and they get a credit decision right away at any time of day, which supports the 24/7 philosophy of the webstore. When making purchases with Apuraha, customers have a choice of hire purchase or invoice. For customers, a flexible payment method means that an even larger part of the broad product range is more easily accessible to them. A few years ago, the Apuraha service was further extended and made available to businesses as well. The invoice and financing options for businesses make it possible to pay purchases later or in periodical instalments. Apuraha's customer service and ledger are outsourced to an external service provider. The proceeds of Apuraha, including both interest income and fee income, totaled EUR 3.3 million in 2019 (EUR 3.1 million in 2018).

In addition to its consumer business, Verkkokauppa.com invests strongly in its corporate customers and offers them, among other things, a corporate customer relationship model based on purchase volumes and different services that facilitate purchases. Corporate customers have access to an offer tool integrated directly into the purchase process, with which customers can easily request an offer for a larger batch by adding the products into the shopping cart. The service uses a fully automated pricing engine developed by Verkkokauppa.com to automate the traditional request for quotation process. Customers can also get a report on all their purchases in a specified format from their customer account.

Intellectual Property

Verkkokauppa.com is one of the best-known online services and online retail brands in Finland[27]. The Company is the registered proprietor of over 100 domains and close to 200 trademarks. The Verkkokauppa.com trademark and domain, for which the Company is the registered proprietor, are the key intellectual property rights of the Company. The Company does not own patents, utility models or registered design rights. Verkkokauppa.com has internally developed a significant part of the IT systems crucial to the Company's operations. These systems are partly based on open source code and partly on software acquired from IT suppliers. External consultants have also participated in the development work. The results of the development work may be subject to copyright or database protection.

[26] The number of product titles refers to different titles customers can order in the Company's webstore.
[27] Source: YouGov BrandIndex 2019. In the Brandindex ranking, the Company was the most recommended brand of 2019 in its comparison group and one of the top 10 most talked about Finnish brands.

The Company's product range mainly contains products sold under external manufacturers' trademarks. The Company also sells more and more products and services under its own brands. The Company has more than 2,000 product and service titles sold under its own brands. The Company aims to increase the share of own products and services sold under its own brands of the total sales, and the Company constantly develops new brands. The Company has registered trademarks for its own products and services.

Except for the Company's Verkkokauppa.com trademark and domain, the Company's business is not depended on individual intellectual property rights. However, the Company actively protects its key intellectual property rights by, for instance, registering trademarks. In addition, the Company aims to protect confidential business information, technical information and competence with non-disclosure agreements and commitments and other arrangements.

The Company's Organization and Personnel

As at the date of these Listing Particulars, the Company has no subsidiaries.

As at 31 March 2020, the Company employed 693 people, including both full- and part-time employees. There have not been any significant changes in the number of employees of the Company between 31 March 2020 and the date of these Listing Particulars. In the year ended on 31 December 2019, the Company had 699 employees on average, which is 32 people or approximately 5 percent more than in the year ended on 31 December 2018 on average. At the end of 2019, approximately 77 percent of the Company's employees worked in the Company's retail stores in positions related to customer service or logistics. The Company's best sales period is focused on the fourth quarter, especially November and December, and personnel needs are supplemented with temporary and part-time employees during seasonal peaks. In 2019, the Company had approximately 45 temporary employees on average. The Company does not have employees outside Finland.

The table below presents the average number of the Company's employees in 2017–2019.

Average number of employees	**2019**	**2018**	**2017**
Number of employees...	699	667	588

Purchasing

The Company purchases the products it sells from either wholesalers or product manufacturers. The Company's supply chain includes both domestic and international suppliers, more than 700 active suppliers in total. The Company aims to improve the purchasing cooperation with suppliers even further and optimize the supply chains of products. In addition, the Company investigates the possibility of delivering products to customers directly from suppliers or wholesalers. According to the Company's management, the Company's business operations are not dependent on individual suppliers, and in most cases several potential suppliers exist for the products. The share of the three largest brands sold by the Company corresponded to approximately 26 percent and the share of the 20 largest brands to approximately 58 percent of the Company's revenue in 2019. The Company has conducted written agreements with most of the suppliers[28]. The Company has up-to-date system interfaces with more than 100 European suppliers[29]. The purchasing department, consisting of approximately 60 employees and managed by six purchase managers, a development manager, a product range manager, and a commercial director, is responsible for the purchases of the Company. The purchase managers, product range managers, and product managers are responsible, in addition to the purchases in their product area, for product area sales, profitability, and inventory turnover. The Company closely follows the market, trends, and market shares. The purchasing department aims to ensure that the product range is up to date and to take the necessary measures to grow and defend market shares in the dynamic market.

In several product categories, the Company has products sold under its own brands, which it purchases mainly from China. The Company continues to develop the importing purchase processes of its own brands, and the goal is to increase the share of its own imported products of the total sales. The Company has confirmed an action plan, the purpose of which is to systematize the purchase process and further the Company's own import.

Logistics

The Company invests in flexible logistics solutions and has a service warehouse outsourced to Posti in Voutila, Vantaa in addition to the warehouses located in conjunction with its stores. The Company's incoming goods pass primarily through the warehouse operating in conjunction with the Jätkäsaari store in Helsinki or the service warehouse located in Voutila, although some products are delivered directly from the suppliers to the Company's Pirkkala, Oulu, and Raisio stores. In general, the suppliers are responsible for the transportation of goods to the Company's warehouses. However,

[28] If no written agreement exists with the supplier, the Company orders according to the supplier's price list or asks for bids (including relevant terms) from suppliers.
[29] The level of integration between the Company and the suppliers varies depending on the supplier.

the Company is mainly responsible for the transportation of products sold under its own brands to its warehouses. From the warehouses, products are delivered to the Jätkäsaari store or its pick-up point, forwarded to the Company's other retail stores, sent to pick-up points selected by customers, or delivered home to the customer. In certain exceptional cases, the retail stores deliver products to customers as well. With regard to pick-up points and home deliveries to customers, the Company has cooperation agreements in place with the main logistics operators in the industry in Finland.

In addition to wide product ranges, product availability, low prices, and easy shopping experiences, webstores compete with delivery times. Consumers expect that products purchased online are readily and easily available. Thus, developing delivery logistics by decreasing delivery times and providing more delivery methods is one of the key focus areas in the retail industry. The Company aims to further improve and optimize the efficiency and quality of its logistics solutions, increase the number of deliveries directly from the Pirkkala, Oulu, and Raisio stores, enable product deliveries directly from the suppliers or wholesalers in certain product categories, and enable improved delivery times to customers in certain geographical areas. In addition, the Company offers expedited delivery in the capital area and Tampere metropolitan area. According to the Company's management, the Company can increase the handling volumes in its warehouses without material investments.

Retail Store and Pick-Up Point Network

The Company sells its products in Finland via its webstore and retail store network. The Company distributes products purchased online through its retail stores located in Helsinki, Pirkkala, Oulu, and Raisio and through its cooperation network. More than 3,000 pick-up points of Posti and Matkahuolto[30] to which customers may order the purchased products to be delivered serve as the distribution points in the cooperation network. In addition, customers can also order a home delivery for a product.

In addition to the webstore, the Company has retail megastores in Jätkäsaari in Helsinki, in Pirkkala in the Tampere economic region, in Kaakkuri in Oulu, and in Raisio in the Turku economic region. The 24/7 sales and pick-up kiosk, the Company's head office, and a warehouse operate in conjunction with the Helsinki store. The Company also has access to office premises in the vicinity of its head office. In addition, the Company has a service warehouse outsourced to Posti in Vantaa, which also serves as a pick-up warehouse for customers. The Company operates entirely in leased premises and it does not own the real property used in its business operations. The Company controls the above-mentioned premises primarily based on long-term lease agreements. In 2019, the Company's retail stores had approximately four million visitors in total.

Sales and Marketing

Verkkokauppa.com invests in marketing, with a goal to improve the Company brand awareness and the impression of the product range and prices. The Company carries out marketing communications in a diverse manner in several channels, including TV advertisements, direct marketing, and online advertisements in different channels, such as search engines and social media platforms. The Company also carries out event marketing in its own stores and by attending fairs, for instance. With an effective mix of different types of marketing, the Company aims to increase its customer volume in both the retail stores and the webstore by attracting new customers and improving the frequency of purchases by existing customers. In 2019, the Company's webstore had more than 72 million visitors, meaning that there was an increase of approximately 28 percent from the previous year. Furthermore, the Company has improved the customer experience in its webstore by making the mobile-friendly site faster and tailoring a large part of the content of the site based on the previous behavior of the customer. Thanks to the high number of visitors in the webstore, the Company has a great amount of data of its own, the utilization of which it constantly aims to develop by using the most recent tools in the industry to achieve even more targeted and relevant marketing in different online channels. When it comes to improving the customer experience, the key focus areas are developing the omnichannel service and the seamlessness of shopping regardless of the channel.

In addition to consumer customers, another important target group for Verkkokauppa.com is corporate customers. In business-to-business ("**B2B**") sales, online purchases are increasing and the consumerization of purchasing is becoming a trend. According to the Company's management, persons responsible for companies' purchasing expect the same features from B2B online purchasing as they do from consumer buying. A personalized customer experience, transparency, smooth purchases, fast deliveries, and delivery reliability are drivers for online purchasing in B2B commerce as well. Over the years, Verkkokauppa.com's corporate customer business has grown alongside the consumer business and has become a significant part of the Company's operations. In late 2019, the Company launched a new service aimed at corporate customers, which contains several improvements. The service is tailored according to the corporate customer's needs, starting from the front page, and it contains a corporate customer relationship model based on purchase volumes and offers the possibility to create customer-specific categories, among other things. The new service also has an offer tool integrated directly into the purchase process, with which customers can easily request an

[30] Matkahuolto pick-up points include Matkahuolto terminals, K-Market and R-kioski pick-up points, parcel lockers, and other Matkahuolto parcel pick-up points.

offer for a larger batch by adding the products into the shopping cart. The service utilizes a fully automated pricing engine developed by Verkkokauppa.com to automate the traditional request for quotation process. In connection with the service renewal, a so-called punchout order integration was announced for, among others, the Handi and Opus Capita procurement systems to support purchasing by large companies and the public sector.

IT Systems

The Company aims to support its business and differentiate itself from its competitors with IT solutions. The Company's system architecture is based on an integrated multipurpose platform that the Company has developed internally and tailored to its needs and the key functionalities of which include the ERP system, the in-store point-of-sales system (POS), the webstore platform (eCommerce), and the inventory system. In addition, third-party systems and services have been integrated to the IT systems of the Company. The Company has two mirrored server rooms and also one server room outside the Company's facilities. The Company also uses cloud capacity in high-scaling systems (webstore platform) and in certain third-party systems.

The Company has invested in a high availability rate and information security, and the Company continuously develops its IT systems and internal IT function as part of its ordinary business operations and thus aims to proactively prepare for the changing needs of its business operations. Lately, the Company has invested significantly in the development work of the technology of the webstore to improve the speed and reliability of the webstore, among other things. One example of a significant development project was moving the Company's website to a cloud environment in 2019, the purpose of which was to improve the scalability of the webstore to manage even larger peaks in visitor numbers, as the load of the webstore can at best increase to over 30 times its normal load in connection with Black Friday, for instance. Thanks to the shift to a cloud environment, even significant momentary capacity increases can be carried out in a cost-efficient way. See section *"Risk Factors – Difficulties in maintaining and updating IT systems, defects, interruptions, or disruptions in IT systems, and possible information security breaches could have an adverse effect on the Company's business and could result in surprising costs."*

Corporate Responsibility

The key themes of Verkkokauppa.com's corporate responsibility are customer service, well-being at work and leadership, supply chain management, and energy and material efficiency. Operating in an ethically sustainable way is an important part of the Company's values, business, and success. Responsibility and confidentiality also play a key role in the relationships between Verkkokauppa.com and its stakeholders. The Company's operations are based on ethical guidelines, good governance, as well as timely and diligent adherence to applicable regulations and requirements.

The Company has zero tolerance for human rights violations, corruption, and bribery. Respect for human rights emphasizes sustainable procurement and equal treatment of employees, a safe work environment, and the diversity of the management. Awareness and capabilities of employees are developed through guidelines and training, and possible observations of unethical conduct are brought up for discussion or reported in a specific notification channel ("whistle-blowing"). The notification channel is also available for Verkkokauppa.com's other stakeholders. The Company conducts regular audits at the factories of the contract manufacturers of its own brands to ensure that their operations are conducted in a responsible manner. In the audits, special attention is paid to the well-being, health, safety, salaries, and work hours of the employees. Verkkokauppa.com aims to increase the number of audits in 2020.

Environmental matters are important to Verkkokauppa.com and its stakeholders, and the Company aims to operate in an environment-conserving way, to take environmental matters into consideration in its decision-making, and to comply with the environmental regulations concerning its business operations. Key issues related to the environmental impact of the Company's operations are energy consumption at its stores, the handling of packaging materials, and the Outlet sale of returned products. The Company has, for instance, joined the WEEE recycling community, as part of which Verkkokauppa.com participates extensively in the recycling of electronic waste. In 2019, Verkkokauppa.com recycled more than 251 tons of WEEE waste and 1.4 tons of batteries. Verkkokauppa.com's headquarters, warehouse, and store facility in Jätkäsaari, Helsinki has been granted a LEED (Leadership in Energy and Environmental Design) environmental certification[31]. In the Company's view, it is of paramount importance for the environmental impacts and the overall efficiency of operations that customers always receive long-lasting products that best serve their needs. Verkkokauppa.com wants to provide its customers with as much information as openly as possible to support their purchasing decisions. Product information almost always provide up-to-date information regarding, for example, products' repair and return rates, alongside customer product reviews. The Company also offers a broad right to return and exchange products. Verkkokauppa.com sells returned and functional products through the Outlet instead of destroying them, for instance.

[31] LEED is a green building certification program developed and maintained by the U.S. Green Building Council (USGBC), which attempts to decrease the environmental load of the construction and use of buildings.

In the strategy of Verkkokauppa.com, employees play a key part in the realization of the Company's business objectives. Instead of a personnel policy, the Company has a personnel training and equality plan that addresses issues such as training, principles related to working hours and working time, and accommodating to employees' life situations. The personnel and equality plan will be specified further in 2020 with regard to, for instance, remote working principles. Furthermore, the occupational safety and well-being at Verkkokauppa.com are monitored and developed in cooperation with human resources, an occupational health and safety committee, and occupational health services. The occupational health and safety committee defines an occupational health and safety action program to be adopted by the management of Verkkokauppa.com. Ensuring a safe work environment means, for example, preventing accidents and recognizing and avoiding safety hazards and near-miss incidents. To prevent hazards, employees are trained on occupational safety matters and safety risks are evaluated regularly, for example, by organizing safety walks.

Research and Development

The Company continuously develops its IT infrastructure and performs support and maintenance tasks related thereto. For example, in 2019, the Company moved its website to a cloud environment to improve the scalability of its website to endure even larger peaks in visitor numbers. In addition to the above, the Company's business operations do not involve significant research and development activities.

Legislation and Compliance with Regulations

Verkkokauppa.com is subject to different EU and national laws and regulations, such as consumer, marketing, product safety, labeling, and city planning regulations and laws on e-commerce and data protection. The Company is also subject to regulation on work force, occupational health and safety, environmental issues, competition, anti-money laundering, business activity, customs and taxation. One of the key laws affecting the Company's operations is the Finnish Consumer Protection Act (38/1978, as amended), which regulates consumer sales, marketing, and distance sales, among other things. Compliance with consumer legislation is monitored by the Finnish Competition and Consumer Authority and the Consumer Ombudsman, the latter of which also has the authority to request that the Market Court impose a penalty payment on a business for breaches of certain provisions of the consumer protection legislation. In addition, as a retailer, the Company is subject to the supervision of the Southern Finland Regional State Administrative Agency in relation to compliance with the Act on Preventing Money Laundering and Terrorist Financing (444/2017) and regulations adopted pursuant to it.

Material Agreements

The Company has not entered into (i) material agreements outside the ordinary course of its business in the two financial periods immediately preceding the date of these Listing Particulars (ii) nor has it entered into other agreements outside the ordinary course of its business based on which the Company would, in its view, have material obligations or entitlements on the date of these Listing Particulars. Transactions carried out by the Company with its related parties are presented in section *"Major Shareholders and Related Party Transactions"*.

Insurance

The Company's management believes that the operations and assets of the Company have been insured in a sufficient manner that corresponds to market practice of the industry and in accordance with all statutory and contractual requirements concerning the Company. The Company's insurance coverage includes property insurances, interruption insurance, liability insurances, personal insurances, and cargo and marine insurances.

Legal and Arbitration Proceedings

As at the date of these Listing Particulars, the Company is not, and has not been within the past 12 months, party to any material administrative, legal, or arbitration proceeding that may have or have had a significant effect on the financial position or profitability of the Company, and the Company is not aware of any such proceedings pending or threatened.

However, from time to time, the Company becomes involved in various claims and legal proceedings arising in the ordinary course of business, such as potential employee claims, disputes with suppliers and customers, and proceedings initiated by public authorities. The Company has corresponded with the Finnish Competition and Consumer Authority regarding, among other things, the presentation of information relating to consumer credit in marketing and on its website in accordance with the Consumer Protection Act. The Company considers its current procedures to be appropriate and in compliance with this regulation. However, the Finnish Competition and Consumer Authority has issued a request for commitment to the Company to amend the manner of presenting information and informed the Company of its intention to submit the matter for consideration to the Finnish Market Court. The Company has assessed that possible future legal proceedings relating to the matter will not have a material effect on the Company's financial position or profitability. See section "*Risk Factors - Verkkokauppa.com operates in the retail industry and must comply with mandatory laws and* *regulations relating to its industry and business, and changes in these laws and regulations or failure to comply with them may have an adverse effect on the Company and undermine its business opportunities*."

CERTAIN FINANCIAL AND OTHER INFORMATION

The following tables present selected financial information of the Company for the three months ended 31 March 2020 and 31 March 2019 and for the financial years ended 31 December 2019, 31 December 2018, and 31 December 2017. The selected financial information presented below has been derived from the Company's unaudited financial information for the three months ended 31 March 2020 prepared in accordance with "IAS 34 – Interim Financial Reporting", including the unaudited comparative financial information for the three months ended 31 March 2019, and the Company's audited financial statements for the years ended 31 December 2019 and 31 December 2018 and the unaudited comparative information for the year ended 31 December 2017, which is included in the audited financial statements for the year ended 31 December 2018, all of which have been prepared in accordance with IFRS as adopted by the EU and all of which have been incorporated by reference into these Listing Particulars.

The selected financial information provided herein should be read together with "*Certain matters – Presentation of Financial and Certain Other Information*", "*Operating and Financial Review*", and the Company's audited financial statements incorporated by reference into these Listing Particulars.

Income Statement

	1 January to 31 March		1 January to 31 December		
In EUR thousand, unless otherwise indicated	**2020**	**2019**	**2019**	**2018**	**2017**
	IFRS (unaudited)		**IFRS (audited)**		**IFRS (unaudited)**
Revenue	**125,255**	**115,797**	**504,113**	**477,833**	**431,870**
Other operating income	127	164	555	389	81
Materials and services	-105,835	-98,398	-430,239	-405,813	-369,420
Employee benefit expenses	-8,619	-7,751	-32,595	-30,300	-26,084
Depreciations and amortizations	-1,230	-1,281	-5,040	-5,090	-4,584
Other operating expenses	-6,280	-6,231	-25,504	-23,696	-18,403
Operating profit	**3,418**	**2,301**	**11,290**	**13,324**	**13,460**
Finance income	2	3	64	9	123
Finance costs	-362	-397	-1,591	-1,670	-1,771
Profit before income taxes	3,057	1,906	**9,763**	**11,662**	**11,812**
Income taxes	-613	-381	-1,953	-2,328	-2,363
Profit for the financial year	**2,444**	**1,525**	**7,810**	**9,334**	**9,449**
Profit for the financial year attributable to:					
Equity holders of the Company	2,444	1,525	7,810	9,334	9,449
Earnings per share calculated from the profit for the financial year attributable to equity holders					
Earnings per share, basic and diluted (EUR)	0.05	0.03	0.17	0.21	0.21

Statement of Comprehensive Income

	1 January to 31 March		1 January to 31 December		
In EUR thousand	**2020**	**2019**	**2019**	**2018**	**2017**
	IFRS (unaudited)		**IFRS (audited)**		**IFRS (unaudited)**
Profit for the financial year	**2,444**	**1,525**	**7,810**	**9,334**	**9,449**
Items that will not be reclassified to profit or loss					
Realized changes in fair values of equity investments	-	-	-	-	308
Changes in fair values of equity investments	-	-	-	-15	-19
Other comprehensive income after taxes, total	**-**	**-**	**-**	**-15**	**289**
Comprehensive income for the financial year	**2,444**	**1,525**	**7,810**	**9,319**	**9,738**
Comprehensive income for the financial attributable to					
Equity holders of the Company	2,444	1,525	7,810	9,319	9,738

Statement of financial position

In EUR thousand	As at 31 March 2020	As at 31 December 2019	2018	2017
	IFRS (unaudited)	**IFRS (audited)**		**IFRS (unaudited)**
ASSETS				
Non-current assets				
Intangible assets	672	592	1,067	970
Property, plant, and equipment	2,265	2,381	1,970	1,976
Right-of-use assets	17,981	18,770	21,764	24,589
Equity investments	266	266	275	294
Deferred tax assets	1,191	1,195	1,112	1,182
Trade receivables	2,109	1,882	1,544	1,039
Other non-current receivables	425	435	438	437
Non-current assets, total	**24,909**	**25,521**	**28,171**	**30,487**
Current assets				
Inventories	61,810	66,702	65,784	47,012
Trade receivables	14,133	14,620	15,266	11,396
Other receivables	831	1,143	1,752	1,242
Income tax receivables	231	278	199	115
Accrued income	7,218	9,424	9,823	6,818
Cash and cash equivalents	44,976	42,495	46,746	51,878
Current assets, total	**129,199**	**134,662**	**139,570**	**118,461**
Total assets	**154,107**	**160,183**	**167,741**	**148,948**
EQUITY AND LIABILITIES				
Equity				
Share capital	100	100	100	100
Treasury shares	-701	-701	-502	-
Fair value reserve	-	0	-33	-18
Invested non-restricted equity fund	25,738	25,707	25,585	25,493
Retained earnings	9,190	3,647	3,082	1,773
Profit for the financial year	2,444	7,810	9,334	9,449
Total equity	**36,771**	**36,563**	**37,565**	**36,797**
Non-current liabilities				
Lease liabilities	18,874	19,676	22,753	25,507
Deferred tax liabilities	7	7	18	9
Provisions	716	660	560	637
Non-current liabilities, total	**19,597**	**20,343**	**23,331**	**26,154**
Current liabilities				
Lease liabilities	3,763	3,758	3,592	3,808
Advance payments received	4,029	3,819	4,301	2,558
Trade payables	66,593	73,068	80,695	63,149
Other current liabilities	5,241	7,892	4,077	5,225
Accrued liabilities	18,112	14,741	14,181	11,257
Current liabilities, total	**97,739**	**103,277**	**106,845**	**85,997**
Total liabilities	**117,336**	**123,620**	**130,176**	**112,151**
Total equity and liabilities	**154,107**	**160,183**	**167,741**	**148,948**

Statement of Cash Flows

In EUR thousand	1 January to 31 March 2020	1 January to 31 March 2019	1 January to 31 December 2019	1 January to 31 December 2018	1 January to 31 December 2017
	IFRS (unaudited)		IFRS (audited)		IFRS (unaudited)
Cash flow from operating activities					
Profit before income taxes	3,041	1,906	9,763	11,662	11,812
Adjustments:					
Depreciation and amortization	1,230	1,281	5,040	5,090	4,584
Gain on sales and losses on fixed assets and scrapping	-	-	-	-	57
Finance income and costs	360	387	1,527	1,630	1,648
Other adjustments	45	194	476	69	-173
Cash flow from operating activities before change in working capital	4,677	3,768	16,806	18,451	17,928
Change in working capital:					
Increase (-) / decrease (+) in non-current non-interest-bearing trade receivables	-217	73	-335	-506	-1,124
Increase (-) / decrease (+) in current trade and other receivables	3,117	5,831	1,653	-7,384	-6,559
Increase (-) / decrease (+) in inventories	4,892	6,623	-918	-18,772	-3,710
Increase (+) / decrease (-) in current liabilities	-7,864	-26,502	-3,650	21,276	21,866
Cash flow from operating activities before financial items and taxes	4,605	-10,207	13,557	13,065	28,402
Interest paid	-18	-13	-59	-38	-51
Interest received	2	3	7	9	123
Interest of lease liabilities	-344	-384	-1,483	-1,632	-1,720
Income tax paid	-562	-583	-2,333	-2,543	-3,521
Cash flow from operating activities	**3,683**	**-11,185**	**9,690**	**8,861**	**23,233**
Cash flow from investing activities					
Purchases of property, plant, and equipment	-72	-8	-1,016	-582	-1,360
Purchases of intangible assets	-194	-43	-186	-774	-376
Purchases of equity investments	-	-	-	-	-297
Proceeds from equity investments	-	-	57	-	543
Cash flow from investing activities	**-266**	**-51**	**-1,145**	**-1,356**	**-1490**
Cash flow from financing activities					
Decrease (-) in lease liabilities	-936	-935	-3,690	-3,939	-3,175
Dividends paid	-	-	-8,908	-8,195	-8,382
Acquisition of treasury shares	-	-	-198	-502	-
Cash flow from financing activities	**-936**	**-935**	**-12,796**	**-12,636**	**-11,557**
Increase (+) / decrease (-) in cash and cash equivalents	**2,481**	**-12,170**	**-4,251**	**-5,131**	**10,186**
Cash and cash equivalents at beginning of period	42,495	46,746	46,746	51,878	41,692
Cash and cash equivalents at end of period	44,976	34,576	42,495	46,746	51,878

Key Figures

In EUR thousand, unless otherwise indicated	1 January to 31 March 2020	1 January to 31 March 2019	1 January to 31 December 2019	1 January to 31 December 2018	1 January to 31 December 2017
	IFRS (unaudited)		IFRS (unaudited, unless otherwise indicated)		
Financial key figures					
Revenue	125,255	115,797	504,113[1]	477,833[1]	431,870
Gross profit	19,420	17,399	73,874	72,020	62,450
Gross margin-%	15.5	15.0	14.7	15.1	14.5
EBITDA	4,648	3,581	16,330	18,414	18,044
EBITDA-%	3.7	3.1	3.2	3.9	4.2
Operating profit	3,418	2,301	11,290[1]	13,324[1]	13,460
Operating profit-%	2.7	2.0	2.2	2.8	3.1
Comparable operating profit	3,754	2,301	11,290	13,324	13,460
Comparable operating profit, %	3.0	2.0	2.2	2.8	3.1
Profit for the financial year	2,444	1,525	7,810[1]	9,334[1]	9,449
Interest-bearing net debt	-22,339	-	-19,061	-20,402	-22,563
Investments	266	95	1,245	1,514	1,727
Equity ratio, %	24.5	-	23.4	23.0	25.1
Gearing, %	-60.8	-	-52.1	-54.3	-61.3
Personnel at the end of the period	693	657	758	683	633
Basic earnings per share, euros	0.05	0.03	0.17[1]	0.21[1]	0.21
Diluted earnings per share, euros	0.05	0.03	0.17[1]	0.21[1]	0.21
Number of issued shares	45,065,130	45,065,130	45,065,130	45,065,130	45,065,130
Number of treasury shares	72,573	57,164	81,296	64,633	0
Weighted average number of shares outstanding	44,987,083	45,003,686	44,944,424	45,042,616	45,065,130
Diluted weighted average number of shares outstanding	45,527,083	45,096,269	45,042,007	45,092,616	45,096,433

[1)] Audited.

The Definitions and Reasons for the Use of Key Figures

Key figure	Definition	Reason for the use
Gross profit	Revenue – materials and services	Gross profit shows the profitability of the sales of Verkkokauppa.com.
Gross margin-%	(Revenue – materials and services) / Revenue x 100	
EBITDA	Operating profit + depreciation + amortization	EBITDA shows the operational profitability of the Company.
EBITDA, %	(Operating profit + depreciation + amortization) / Revenue x 100	
Operating profit	Result for the period before income taxes and net finance income	Operating profit shows the result generated by operating activities and is a key measure in medium-term financial targets.
Operating profit, %	Operating profit / Revenue x 100	
Items affecting comparability	Material items which are not part of normal operating activities, such as expenses related to the planned transfer to the official list of Nasdaq Helsinki, restructuring costs, including workforce redundancy and other restructuring costs, impairment losses of fixed assets, gain or losses recognized from disposals of fixed assets/businesses, transaction costs related to business acquisitions, compensations for damages, and legal proceedings	Comparable operating profit enables the comparison of the operating profit realized in different financial years without the effect of items which are not a material part of normal business operations.
Comparable operating profit	Operating profit adjusted with items affecting comparability	
Comparable operating profit, %	Comparable operating profit / revenue x 100	
Equity ratio, %	Total equity / (Balance sheet total – advance payments received)	Equity ratio measures the Company's solvency, ability to bear losses, and ability to meet commitments in the long run.
Interest-bearing net debt	Lease liabilities – cash and cash equivalents	Interest-bearing net debt shows the indebtedness of the Company.
Gearing, %	(Lease liabilities – cash and cash equivalents) / Total equity x 100	Gearing measures the relation of equity and interest-bearing net debt of the Company and shows the indebtedness of the Company.
Investments	Increases in intangible assets, property, plant and equipment during the financial period	Investments provides additional information regarding operating cash flow demands
Earnings per share, basic	Profit for the financial year attributable to equity holders of the company / Weighted average number of shares outstanding	Earnings per share measures the profit for the period attributable to equity holders of the Company.
Earnings per share, diluted	Profit for the financial year attributable to equity holders of the company / Weighted average number of shares outstanding + dilutive potential shares	

Reconciliation of Alternative Performance Measures

In EUR thousand	1 January to 31 March		1 January to 31 December		
	2020	2019	2019	2018	2017
	(unaudited)		(unaudited, unless otherwise indicated)		
Gross profit					
Revenue	125,255	115,797	504,113[1]	477,833[1]	431,870
Materials and services	-105,835	-98,398	-430,239[1]	-405,813[1]	-369,420
Gross profit	**19,420**	**17,399**	**73,874**	**72,020**	**62,450**
Gross margin, %	15.5	15.0	14.7	15.1	14.5
EBITDA					
Operating profit	3,418	2,301	11,290[1]	13,324[1]	13,460
Depreciations and amortizations	1,230	1,281	5,040[1]	5,090[1]	4,584
EBITDA	**4,648**	**3,581**	**16,330**	**18,414**	**18,044**
EBITDA, %	3.7	3.1	3.2	3.9	4.2
Comparable operating profit					
Operating profit	3,418	2,301	11,290[1]	13,324[1]	13,460
Items affecting comparability:					
Costs related to the planned listing	337	-	-	-	-
Comparable operating profit	**3,754**	**2,301**	**11,290**	**13,324**	**13,460**

1) Audited.

OPERATING AND FINANCIAL REVIEW

The following review of the Company's results of operations and financial position should be read together with "Certain Matters — Presentation of Financial and Certain Other Information" and the Company's audited financial statements for the financial years ended 31 December 2019 and 31 December 2018 prepared in accordance with IFRS and with the Company's unaudited comparative financial information for the financial year ended 31 December 2017 prepared in accordance with IFRS and included in the audited financial statements for the financial year ended 31 December 2018 and with the Company's unaudited financial information for the three months ended 31 March 2020 prepared in accordance with the "IAS 34 – Interim Financial Reporting" standard, including the unaudited comparative financial information for the three months ended 31 March 2019, incorporated by reference to these Listing Particulars.

This review includes forward-looking statements which involve risks and uncertainty. The actual results of the Company may deviate considerably from those expressed in such forward-looking statements as a result of factors discussed below and elsewhere in these Listing Particulars, particularly in section "Risk Factors".

Overview

Verkkokauppa.com Oyj is an online and retail sales company that operates mainly in Finland and offers products and services to both consumers and businesses. Depending on the season, the Company markets, sells, and distributes some 60,000–70,000 products in 26 different main product categories through its webstore, retail stores, and network of pick-up points. The Company operates mainly in the consumer electronics industry and offers services related to the products it sells. Verkkokauppa.com is Finland's most popular[32] and most visited[33] Finnish online retailer, and it is Finland's largest webstore measured by net sales[34]. In 2019, the Company's website had approximately 200,000 daily single visits on average[35].

As indicated by its name, Verkkokauppa.com has operated on the terms of e-commerce from the beginning, and it aims to stay at the forefront of the transformation of the retail industry as retail shifts further towards online and mobile channels. Verkkokauppa.com delivers products to more than 3,000 pick-up points and also offers home deliveries and installations through its cooperation partners. In addition to the webstore, the Company has four megastores: in Oulu, Pirkkala, Raisio, and Helsinki. The Company believes that the combination of a webstore and retail stores enables it to serve its customers as effectively as possible. The Company's customer promise is to sell products to its customers at probably always cheaper prices, making use of a low-cost structure.

For the three months ended 31 March 2020, the Company's revenue was EUR 125.3 million (EUR 115.8 million for the three months ended 31 March 2019) and operating profit was EUR 3.4 million (EUR 2.3 million for the three months ended 31 March 2019). In 2019, the Company's revenue was EUR 504.1 million (EUR 477.8 million in 2018) and its operating profit was EUR 11.3 million (EUR 13.3 million in 2018). Revenue is accumulated geographically mainly from Finland, in addition to which a part of the revenue is generated from outside of Finland. The Company's accumulated revenue from other countries was EUR 20.2 million for the three months ended 31 March 2020 (EUR 11.9 million for the three months ended 31 March 2019). In 2019, the Company's revenue from other countries was EUR 61.6 million (EUR 54.6 million in 2018).

In 2019, the Company employed 699 people on average (667 people in 2018).

Operating Environment and Trends

The disposable income and purchasing power of wage earners are key drivers for consumer demand. In recent years, the purchasing power of households in Finland, the Company's main market area, has grown rapidly due to increased employment rate, among other factors. The purchasing power of wage earners grew by 2.4 percent in 2018 and by 2.3 percent in 2019.[36] According to the Bank of Finland, the growth of Finnish economy however decelerated in 2019 and even clearly contracted during the year's final quarter. Despite of decent growth in consumers' purchasing power and businesses' improved profitability, private consumption was left weak and private investments contracted. According to the Bank of Finland's estimates, the Finnish economy will fall into depression in 2020 due to the Coronavirus pandemic.[37] The Finnish Ministry of Finance estimates that the Finnish economy will contract by 5.5 percent in 2020 as the demand

[32] Posti's Suuri verkkokauppa 2019 online store survey.
[33] Source: SimilarWeb, Top Websites Ranking Finland (1 April 2020). Access method: https://www.similarweb.com/top-websites/finland. Visited 19 May 2020.
[34] Source: Statista 2020, ecommerceDB.com Country Report. Access method: https://www.statista.com/study/70352/ecommerce-in-finland/. Visited 19 May 2020.
[35] According to the tool used by the Company to monitor website traffic, the Company's website had more than 72 million single visits between 1 January 2019 and 31 December 2019. A single visit refers to each visit made to the site from a browser, regardless of the number of single visits made from said browser.
[36] Source: Publications of the Ministry of Finance– 2020:11: Talousnäkymät ja palkanmuodostus, Tulo-ja kustannuskehityksen selvitystoimikunnan raportti (30.1.2020).
[37] Source: The Bank of Finland: Interim forecast of the Finnish economy, March 2020.

in export markets collapses and the measures introduced to contain the coronavirus restrict mobility and business operations in Finland. However, the Ministry of Finance estimates that the Finnish GDP will grow by 1.3 percent in 2021 and 2022.[38]

On a global scale, commerce is becoming increasingly online-based. In 2019, the share of e-commerce of total global retail sales was 14.1 percent according to an estimate by Statista, and the share is estimated to increase to 22 percent in 2023.[39] In 2018, Finnish consumer spending in e-commerce was approximately EUR 2.8 billion[40], and e-commerce operators' total online sales in Finland are expected to increase from 2020 to 2024 at a compound annual growth rate (CAGR) of approximately 4.6 percent[41].

Many factors support the growth of online sales, and online shopping has become commonplace for many consumers. According to the Company's management, this growth is supported, inter alia, by online stores' expanding range of products, improved product availability, improved usability of online services for everyday errands, and the ease of online shopping. As global online retail grows, consumers will have access to a continuously expanding offering: shopping opportunities are practically global, and the products offered by foreign webstores are readily available alongside the offering of domestic retailers. The unprecedented number of choices and technological advances mean that domestic retailers will face an increasing number of foreign operators as competitors.

In 2019 the general economic situation and the increased purchasing power of consumers[42] improved the Company's operating conditions, even though the consumer electronics market remained competitive throughout 2019. The consumer electronics market continued to consolidate between three large players in 2019 and during the first quarter of 2020, which kept the market very competitive and price-driven. According to the market research institute GfK, the consumer electronics market grew by 2.9 percent in 2019 in Finland[43]. Verkkokauppa.com's revenue grew during the first quarter of 2020 by 8 percent, and totaled EUR 125.3 million. The Company's management is of the view that the Company has succeeded in increasing its number of visitors and sales by benefiting from its broad product range and competitive pricing. The Company anticipates the consumer electronics market to remain competitive and the decrease of specialty stores to continue. The retail industry is experiencing a new turning point due to the Coronavirus pandemic, which supports further development of digital sales channels according to the Company's estimates. The Company believes it is well positioned to face the coming changes. The Company's management is of the view that good availability of products, the Company's well-known brand, versatile delivery options, and broader product range in comparison to its main competitors are among the most important competitive advantages for the Company for managing future uncertainties.

Future Outlook

This section "– Future Outlook" contains forward-looking statements, which are no guarantees of Verkkokauppa.com's financial performance in the future. Verkkokauppa.com's actual results of operations and financial position may deviate materially from those presented in or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described in sections "Risk Factors" and "Certain Matters – Forward-Looking Statements." Undue reliance should not be placed on these forward-looking statements.

Market Outlook

The medium-term growth potential for the Company is considered positive. The Company's management believes that the Company can further increase its market share in its selected product segments. The Company's strong balance sheet allows for the expansion of operations in accordance with the Company's strategy. However, uncertainty concerning the future outlook has increased significantly especially with regard to macroeconomic factors. The effects of the Coronavirus pandemic on economic development and shopping behaviour of consumers is difficult to estimate for the time being.

Financial Guidance

In 2020, the Company's revenue is expected to be between EUR 510–530 million (EUR 504 million in 2019) and comparable operating profit to be between EUR 12–15 million (EUR 11.3 million in 2019)[44].

Basis of the Financial Guidance and Factors of Uncertainty Affecting It

Verkkokauppa.com's financial guidance is based on the estimates and assumptions made by the Company's management

[38] Publications of the Ministry of Finance – 2020:31: Taloudellinen katsaus, kevät 2020 (20.4.2020).
[39] Statista 2019. Access method: https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/. Visited 19 May 2020.
[40] Source: Postnord: E-commerce in the Nordics 2019.
[41] Source: Statista 2020. Access method: https://www.statista.com/outlook/243/135/ecommerce/finland. Visited 19 May 2020.
[42] Source: Publications by the Ministry of Finance – 2020:11: Talousnäkymät ja palkanmuodostus, Tulo-ja kustannuskehityksen selvitystoimikunnan raportti (30.1.2020).
[43] Source: GfK Finland Panelmarket. December 2019.
[44] Comparable operating profit is operating profit adjusted with items affecting comparability.

regarding the development of the Company's revenue, gross profit, and operating environment. The guidance is based on the management's best estimate of the development of the Company's consumer demand, competitive situation, supplier agreements, and the development of fixed costs.

Among the most significant factors affecting revenue and operating profit, which the Company can influence are the functionality of the supply chain of goods, pricing of products, the Company's ability to attract and retain customers, the operational reliability of the Company's website, and the functionality of the Company's other internal data systems, as well as the ability to foresee and respond to changing consumer buying preferences and demand.

Factors beyond Verkkokauppa.com's control are mainly related to the competitors' actions, general economic development, growth of the operating markets, and the purchasing power of consumers, which can have an effect on the demand for the Company's products. In addition, factors beyond the Company's control include fluctuations in the demand of consumer and corporate customers, employment rate, taxation, degree of consumer indebtedness, availability of consumer credit, exchange rate fluctuations, interest and inflation rates and changes therein, as well as societal developments, including increased environmental awareness and the circular economy way of thinking, which can all have an effect on the Company's expected results.

The Coronavirus pandemic causes significant uncertainty on the above-mentioned factors, and especially a decrease in consumers' purchasing power may affect the Company's profit expectations.

Verkkokauppa.com's financial guidance has been drafted and prepared on a basis which is comparable to Verkkokauppa.com's historical financial information and which is consistent with Verkkokauppa.com's accounting policies.

Key Factors Affecting the Results of the Company's Operations

Several factors have affected the results of operations, and are expected to continue to affect the Company's business, which are by their nature (i) either mainly beyond or outside the Company's control, or external, or (ii) within the Company's control, or internal.

The following describes the key factors affecting the results of the Company's operations.

External Factors

General economic development, demand for products and services, and growth of the Company's operating markets

The growth of the Company's operating markets and the market share of online sales have an impact on the sales volumes of the Company and thereby also on the results of the Company. The results of the Company's operations are especially impacted by the growth of the consumer electronics market and the share of online sales in said market. The Company anticipates the share of online sales to continue to grow in the future as well, which is supported by, inter alia, the continuously decreasing number of specialty stores. In fact, the total online sales of e-commerce operators in Finland are expected to increase from 2020 to 2024 at a compound annual growth rate (CAGR) of approximately 4.6 percent[45]. Said development is expected to increase the Company's opportunities for result improvements due to its strong established position in the online sales of consumer electronics in Finland.

The development of the Company's revenue is also affected by fluctuations in the demand of its consumer and corporate customers. As the Company's revenue and operating profit are generated in Finland, the Company is subject to the fluctuations in the economic development of its core market. General cyclical fluctuations in the global economy can also have an impact on domestic consumption if the cyclical fluctuations have an effect on the development of the Finnish economy. Although the Coronavirus pandemic is still spreading, and its ultimate effects are still unknown as of the date of these Listing Particulars, it is already clear that the pandemic will have a significantly adverse effect on the Finnish economy. Demand in the market for products aimed at consumers, such as consumer electronics, is, above all, affected by the general economic situation, consumer confidence in their own finances, and various consumption trends. Furthermore, corporate customers' investment decisions are typically in line with the general cyclical development of the economy. Demand is also affected by the development of consumers' purchasing power, employment rates, taxation, degree of consumer indebtedness, availability of consumer credit, exchange rate fluctuations, and interest and inflation rates and changes therein. Upon consumers' disposable income decreasing, or furlough or unemployment rates rising, the amount of money spent on the Company's products and services may decrease and customers may cut back on purchases of products and services that are not necessities. In contrast, upon disposable income increasing, consumers are typically interested in purchasing, among other things, more consumer electronics than before, which has a positive effect on the results of the Company's industry. Changes in legislation may influence consumer behaviour as well. For example, as a result of the Coronavirus pandemic, the proposed temporary amendments to consumer credit regulation in Finland may

[45] Source: Statista 2020. Access method: https://www.statista.com/outlook/243/135/ecommerce/finland. Visited 19 May 2020.

decrease the Company's customers' willingness to purchase its products, if the consumer credit service providers' ability to offer financing services for their customers weaken. In contrast, the possible decreased supply of other than goods-related consumer credit services may attract new customers for the Company's Apuraha consumer financing service. The Company has no or only limited impact on such factors and conditions. A material change in customers' consumption or other changes in the economic situation may have an effect on the Company's revenue and profitability, and if such changes persist, their impact on the Company's business, results of operations, financial position, and future outlook typically increases.

The cyclical aspects of the Company's business require the Company to have a business model that is adaptable to changes in the market conditions. The Company is prepared for the opportunities or threats brought on by economic development by ensuring the maintenance of the attractiveness and competitiveness of its product and service offering regardless of economic cycles. In the Company's strategy, key ways to differentiate in the competitive landscape of the industry include attractive price level, vast product range, and excellent and seamless customer experience. In the protection against changes in demand, the Company's continuously expanded range of products and number of product categories are of particular assistance, and they reduce the effect of fluctuations in the demand for individual product categories on the Company's result in both upward and downward cycles. The Company has also increased the share of corporate sales in its revenue and developed its omnichannel sales model. These actions promote the diversification of the Company's revenue streams into different customer segments.

Competition

Intense competition prevails in the retail industry, and the Finnish consumer electronics market is consolidated between three large operators, two of which also operate in the other Nordic countries. Key competitive factors in the industry include particularly the price level of products and a customer appealing product range. As commerce becomes increasingly online and mobile based, the competitive landscape expands to the benefit of consumers, and from the Company's viewpoint, the increasing deliveries to the Finnish market by large international online stores, such as Amazon.com Inc. and Alibaba Group Holding Limited pose a possible future challenge. The competition may present challenges, among other things, for the ability of the Company to maintain the growth development of its online and retail stores and to offer its customers attractive products at competitive prices without decreasing the Company's gross margin. In addition, the growing online sales make pricing more transparent, which tightens price competition even further. The easy comparability of prices is likely to unify the price level across competitors in the industry, which, on the one hand, will increase the importance of attractive pricing and, on the other hand, reduce market operators' ability to use pricing as a differentiation method.

The Company is of the view that its position in the competitive landscape of the industry is supported, inter alia, by the Company's low cost structure[46], extensive product range and product availability, well-known brand[47], low indebtedness measured by gearing, and strong balance sheet measured by gearing and equity ratio[48]. The Company has also invested in the utilization of the customer data it has collected in order to be able to offer its customers an even more personalized and targeted product range in a way that will set the Company apart from its competitors. In addition, the characteristic barriers to entering the Finnish market, such as the rather small language and market area, strong established operators, and the low margins of the industry, are likely to reduce new competitors' incentives for commencing operations in Finland.

The Company seeks to grow its market share in relation to its competitors with competitive pricing and marketing efforts. The Company seeks larger market shares especially in medium-sized product categories, such as large and small domestic appliances, sports, toys, barbeque and kitchen as well as audio and hi-fi. Competitive product pricing is supported by actions aiming at improving the cost-efficiency of the Company, including the management of operating costs and the continuous improvement of processes.

Changes in products, consumption behavior, and sales channels

The Company's main business is consumer electronics, where product life cycles of individual products are mainly short. The demand for entire product categories may experience significant and fast changes, for instance because of changes in technology, and entire product categories may disappear or be created. In addition, with intensifying competition, the importance of the ability to understand consumer trends and consumers' changing needs and purchase behavior is emphasized. The digitalization of sales in the retail industry continues and the popularity of mobile purchasing in particular continues to grow. The growth in mobile purchasing is increasing the importance of developing a mobile-friendly customer experience. In online sales, the ability to offer customers products in an increasingly personalized and targeted manner is vital. The personalized and tailored recommendations support a positive customer experience and thus increase customer satisfaction and loyalty. Consumers' standards for online customer experiences are increasing in this

[46] Mainly due to the moderate size of the store network.
[47] Source: YouGov BrandIndex 2019
[48] As at 31 March 2020, the Company's gearing was -60.8 percent and equity ratio was 24.5 percent.

respect as well, as generic or irrelevant product recommendations do not promote business. Customers' purchase behavior is also affected by general societal developments, of which the Company has no control. For instance, growing environmental awareness and circular economy way of thinking may have an effect on customers' purchase behavior regarding unused products sold by the Company and increase the significance and the market share of alternative sales channels, such as platform services and stores for the sale of second-hand products. Changes in demand for individual products and product categories, and the Company's ability to react to such changes, may significantly impact the results of the Company's operations.

The globally spreading Coronavirus pandemic has caused government officials to place restrictions on the movement of people also in Finland, and the public has been instructed to remain at their homes to contain the spread of the pandemic. As a result, the number of customers visiting brick-and-mortar stores has declined and many stores have been closed completely. If such restrictions or instructions due to the Coronavirus pandemic or other infectious diseases are prolonged, or if new restrictions are placed, the Company's retail stores would experience an adverse effect on their number of customers and sales as a result. In contrast, the restrictions regarding the movement of people may further increase the popularity of online shopping, and thus grow the sales of the Company's webstore, which could have a positive effect on the results of the Company's operations.

The Company actively follows the development of consumer trends and seeks to adapt its product range and business model accordingly. The Company is of the view that, inter alia, because of its concentrated target market, and by utilizing its strong consumer data expertise, the Company is able to react to changes in consumption behavior with sufficient speed. For instance, as a result of the Coronavirus pandemic, the Company has adjusted its operations, and has inter alia introduced measures to contain the spread of the virus in its retail stores and with its online sales deliveries in order to adapt to the prevailing market situation and consumer behaviour. Furthermore, the Company's goal of increasing the size of its service business in the future supports the foreseeable consumer trends that are challenging the traditional business model based on the sale of unused physical products.

The Company is focusing on an omnichannel business model where, alongside the online and mobile sales, the Company's strategically located retail stores with a wide variety of products serve as a physical point of purchase and display for the Company's products. The Company has also been able to expand the customer segments within its reach by providing more product segments outside the main product category of consumer electronics, which reduces the Company's dependence on the revenue generated by the old customer segments.

Internal Factors

Realization of the Company's Business Strategy

The Company's goal is to be a Nordic retail industry pioneer through cost-efficiency, brand image, and omnichannel business model. The Company focuses on the customer experience, seamless omnichannel business model, and improved brand marketing. The Company's revenue is expected to continue to grow in the medium term, driven by the ongoing transformation of the retail business, the growth of the Finnish GDP, and the Company's growth strategy. However, the Company's positive financial development is dependent on the competitiveness of the business strategy chosen by the Company and the successful implementation of the strategy. The Company's business environment is rapidly evolving, which poses challenges for the Company's strategy to adapt to the changing operating conditions. For example, changes in customers' consumption behavior and demand may result in the failure of the strategy. The realization of the strategy is also affected by the success of any possible supporting investments. The realization of the Company's financial goals is dependent on the selection of the right strategy and its successful implementation. If the Company's business strategy is not competitive, if the Company is unable to implement the chosen strategy successfully, or if the realized strategy proves to be unsuccessful, this may have a material adverse effect on the Company's business, result, and financial position.

Seasonality

The nature of the Company's business entails seasonal fluctuation. In the financial year 2019, EUR 159.9 million, or 31.7 percent, of the total revenue for the year consisted of the revenue for the final quarter of the year as compared to the average quarterly revenue for the first three quarters, which was EUR 114.7 million, or 22.8 percent, of the total revenue for the financial year 2019. The importance of seasonality in the industry has grown, and it is especially affected by Christmas sales as well as the Black Friday and Singles' Day campaigns taking place in the final quarter. As a result, November-December sales are significantly higher than average monthly sales. Similarly, a higher than average monthly share of the Company's results is typically generated during the end-of-the-year season. Successful sales in the final quarter of the financial year is essential for the result of the entire financial year. In order to be able to meet customer demand, the Company must be able to acquire an appropriate number of the right products before the beginning of the most important sales seasons, in addition to which the Company's marketing and the functionality of its webstore must succeed during seasonal peaks. As a result of the seasonality of its business, the amount of the Company's working capital also varies significantly during the year as the inventory of products for sale rises to its highest level during the final quarter of the financial year and decreases to its lowest level during the second quarter of the financial year. The fluctuation in the Company's cash position around the final quarter of the financial year is further emphasized by the fact that the trade payables related to Christmas sales are usually not paid until after the actual Christmas sales season has ended. Due to seasonal fluctuation, cash in hand, cash flow, and trade payables peak at the turn of the year and are at their lowest at the end of the second quarter. In addition, the seasonality of the business creates challenges in the Company's supply chain and inventory management.

The Company pays particular operative attention to the success of sales and marketing during the seasonal peaks at the end of the year because of the time period's pronouncedly high sales volume, which may at its best, enable considerable result improvement, and at its worst, cause considerable losses. In order to maintain the Company's sales levels in the first three quarters of the year as well, the Company seeks to offer interesting seasonal product categories, such as bicycle, barbeque, yard, and air conditioning products. In 2019, the Company was able to break its previous sales records in terms of both the volume and value of sales both online and in retail stores due to successful preparation and efficient campaigning. In addition, the Company's unutilized revolving credit facilities totaling EUR 20 million reduce the financial risk caused by seasonal fluctuation.

Functionality and Efficiency of the Supply Chain

The functionality and efficiency of the entire supply chain of the Company are essential for the results of operations. The Company must manage the delivery of products from suppliers to the warehouse and further to the retail stores and to customers. For instance, various errors, disruptions, or delays in products, logistics, inventories, IT infrastructure and systems, or suppliers may have an impact on the appropriate functioning of the Company's supply chain. The supply of goods may also be affected by, for instance, changes in the operation of production or significant changes in demand. In addition to the functionality of the supply chain, the cost-efficiency of the chain also has an effect on the Company's results of operations. Should the Company's growth strategy succeed, the volume of goods passing through the supply chain will likely increase, which will also increase the importance of the supply chain's cost management for the Company's result. In addition, the Company's business is also affected by the Company's relationships with its suppliers, other contractual partners of the Company, and the purchase and delivery terms of the agreements concerning products sold. The Company must also adapt its own supply chain to the requirements set by the supply chains of the manufacturers and wholesalers. Furthermore, factors beyond the Company's control, such as trade union actions and work stoppages, may affect the Company's ability to receive products from suppliers and to sell and deliver products to customers. The efficiency of the supply chain and the availability of the Company's products may have a material effect on the Company's business, result, financial position, and on the Company's future outlook.

In addition to the operative functioning of the supply chain, customers' grown demands regarding the speed of delivery of online orders and increasingly versatile delivery methods pose challenges for the Company with regard to the management of the logistics chain. Under circumstances where pricing and product ranges between competitors increasingly converge, the ease and speed of product availability may emerge as key competitive factors. Thus, developing customer-friendliness of online deliveries can have a significant effect on the Company's business, result, and financial position in relation to competitors operating with a larger store network.

The Company manages the operative efficiency of its supply chain by maintaining good relationships with its suppliers and sufficient product inventory levels in case of possible disruptions. The Company also has a vast supplier portfolio, with which it seeks to mitigate its dependence on individual suppliers. The efficiency and reliability of the Company's supply chain is supported by the diversification of its inventory between Jätkäsaari, Helsinki, and Posti's warehouse in Voutila, Vantaa. The diversification of inventory reduces the supply chain's dependence on the location of an individual warehouse, in addition to which the larger warehouse capacity provides the Company with flexibility for changing needs especially during seasonal peaks. Local warehouses also provide the Company with a competitive advantage by enabling good availability and fast deliveries of products. However, with regard to the service warehouse outsourced to Posti, the Company is partly dependent on the ability of its contractual partner Posti to manage the traffic of goods passing through the Voutila warehouse, and any disruptions in the warehouse outsourced to Posti may have an impact on the Company's results of operations.

Brand and Reputation

The Company's management believes that its high brand awareness, customer satisfaction, and a reputation as a trusted organization among its customers in the Company's operational markets are key competitive advantages for the Company's business[49]. The Company's ability to attract customers and maintain customer satisfaction, and to recruit and retain employees, is partially dependent upon the perceptions of the quality of the products and services offered by the Company. In addition, the Company's reliability as a product and service provider, the exercise of corporate responsibility, and the Company's business practices and, inter alia, the actions of its employees and third-party suppliers

[49] Source: YouGov BrandIndex 2019. The Company was the most recommended brand of 2019 in its comparison group in research firm YouGov's Brandindex ranking and was one of the top 10 most talked about Finnish brands.

and service providers, are important factors in the creation of the customer experience and positive employer brand. The Company has only a limited capacity to control the ethicality and safety of the production and practices of its independent manufacturers and suppliers. For instance, any practices of manufacturers or suppliers that are harmful to the environment or their poor working conditions may reflect harmfully on the reputation of the Company as well. In addition, courses of development related to the Company's industry may reflect on the Company and have either a positive or negative impact on its reputation and lead, for instance, to regulatory action or legislative changes. Changes in the Company's brand and reputation may have a significant effect on the Company's business, financial position, results of operations, and future outlook.

The Company's management believes that the Company's established and strong brand in Finland will support the Company in achieving future result improvement. In 2019, the Company was the most recommended brand among Finnish online webstores in the Brandindex survey by research firm YouGov and was among the top ten of most talked about brands in Finland.[50] The Company was able to improve its nationwide brand awareness and to reach new consumer groups with the help of an extensive marketing campaign around its brand initiated in spring 2019. In 2020, the Company aims to continue visible marketing in order to maintain its top-of-mind position among customers as well as to develop its marketing towards a more targeted and relevant direction by leveraging data even more efficiently than before. Furthermore, the Company continuously follows and, where necessary, changes its relative investments in different marketing channels so as to reach its customer groups as efficiently as possible.

Functionality of the Company's Website and Customer Experience

The Company's online sales are dependent on the functionality of its website as part of the efficient managing and execution of the business and its operations. The minimisation of any technical disruptions and non-functionalities in the Company's website enables the smooth operation of sales and offers the customers a shopping channel that is open 24 hours a day. Especially during the seasonal peaks occurring in the final quarter of the financial year, ensuring the technical functioning of the Company's webstore is important for the Company's financial result. In addition to the technical functioning of the website, their usability is also reflected on the pleasantness of the shopping experience and thereby on the financial result. A sufficiently easy to use and fast shopping process is an increasingly essential competitive factor in attracting customers as sales in the industry are moving to online and mobile sales channels in increasing amounts. Furthermore, efficiently targeted product recommendations may increase customers' purchase volumes and thereby have a positive effect on the Company's business. In the long term, the reliable functioning and usability of the website will also have an effect on the Company's brand and reputation. Despite the growth of online sales, nearly half of the Company's revenue consists of sales from brick-and-mortar stores, wherefore the customer experience in the Company's retail stores also has an effect on the Company's financial result.

The Company is of the view that the functionality of its webstore was at a very good level in 2019 despite the record-high customer volumes. The functional reliability of the webstore improved significantly in the fall of 2019 when the Company moved its webstore into a cloud environment, and the Company was able to serve, for instance, the record-high customer and purchase volumes online during the Black Friday campaign without issues. With its better scalability, the cloud environment also provides the Company with broader growth potential than before with regard to the website's customer traffic. In addition, the Company placed particular focus on the improvement of the customer experience of its customers in its 2019 development projects. The Company made several improvements in the usability and speed of its website, in addition to which nearly all content on the website is personalized as well as optimized by means of artificial intelligence. Going forward, the Company also intends to put effort into targeting the product range by utilizing customer data as part of improving the customer experience. According to the Company's assessment, the 2019 retail store renovations have also improved customer experience.

Factors Affecting Comparability of Financial Information

The financial information for all periods presented in this Operating and Financial Review has been prepared in accordance with IFRS. The Company has applied all significant IFRS standards as of the IFRS transition date 1 January 2017 for all financial years presented, including IFRS 16, which the Company adopted early, and has recorded all leases fully retrospectively in the IFRS transition. In this respect, the information presented in accordance with IFRS for the financial years ended 31 December 2019, 31 December 2018, and 31 December 2017 and for the three months ended 31 March 2020 and 31 March 2019 are comparable to one another.

Recent Events

Other than as described below, there has been no significant change in the Company's financial result or position between 31 March 2020 and the date of these Listing Particulars.

[50] Source: YouGov BrandIndex 2019.

On 9 April 2020, Verkkokauppa.com paid a dividend of EUR 0.052 per share based on the resolution made by the Annual General Meeting on 31 March 2020. The dividend was paid to a shareholder, who on the record date of the dividend payment, 2 April 2020, was registered in the Company's shareholders' register maintained by Euroclear Finland Ltd.

Based on the authorization granted by the 2020 Annual General Meeting, the Board of Directors of Verkkokauppa.com decided on 23 April 2020 to commence acquiring the Company's own shares. The maximum number of Shares to be acquired is 300,000, which represents approximately 0.67 percent of all Shares in Verkkokauppa.com. The acquisition of own shares commenced on 14 May 2020 and will end at the latest on 31 August 2020. For further information on the acquisition of own shares, see "*Shares and Share Capital – Acquisition of Own Shares*" below.

Based on the authorization granted by the 2020 Annual General Meeting, the Board of Directors of Verkkokauppa.com decided on 24 April 2020 to distribute a dividend of EUR 0.053 per share from the Company's retained earnings. The dividend was paid for those shareholders who were registered in the Company's shareholder register kept by Euroclear Finland Ltd. on the dividend record date. The dividend was paid on 6 May 2020.

Results of Operations

General

The following review describes the Company's results of operations for the three months ended 31 March 2020 and 31 March 2019 and the financial years ended 31 December 2019, 31 December 2018, and 31 December 2017. The review of the results of operations focuses on the following income statement items: revenue, other operating income, materials and services costs, employee benefit expenses, depreciations and amortizations, other operating expenses, operating profit, finance income and costs, income taxes, and profit for the financial year. The financial information concerning the Company has been presented as one reporting segment.

	1 January to 31 March		**1 January to 31 December**		
In EUR thousand, unless otherwise indicated	**2020**	**2019**	**2019**	**2018**	**2017**
	IFRS (unaudited)		**IFRS (audited)**		**IFRS (unaudited)**
Revenue	**125,255**	**115,797**	**504,113**	**477,833**	**431,870**
Other operating income	127	164	555	389	81
Materials and services	-105,835	-98,398	-430,239	-405,813	-369,420
Employee benefit expenses	-8,619	-7,751	-32,595	-30,300	-26,084
Depreciations and amortizations	-1,230	-1,281	-5,040	-5,090	-4,584
Other operating expenses	-6,280	-6,231	-25,504	-23,696	-18,403
Operating profit	**3,418**	**2,301**	**11,290**	**13,324**	**13,460**
Finance income	2	3	64	9	123
Finance costs	-362	-397	-1,591	-1,670	-1,771
Profit before income taxes	**3,057**	**1,906**	**9,763**	**11,662**	**11,812**
Income taxes	-613	-381	-1,953	-2,328	-2,363
Profit for the financial year	**2,444**	**1,525**	**7,810**	**9,334**	**9,449**
Profit for the financial year attributable to:					
Equity holders of the Company	2,444	1,525	7,810	9,334	9,449
Earnings per share calculated from the profit for the financial year attributable to equity holders					
Earnings per share, basic and diluted (EUR)	0.05	0.03	0.17	0.21	0.21

The three months ended 31 March 2020 compared to the three months ended 31 March 2019

Revenue

The Company's revenue was EUR 125,255 thousand for the three months ended 31 March 2020, an increase of EUR 9,458 thousand, or 8.2 percent, as compared to the Company's revenue of EUR 115,797 thousand for the three months ended 31 March 2019. The increase was mainly due to increased sales in sports equipment, audio and hi-fi, TV and video, watches, and major domestic appliances (MDA).

Other operating income

In other operating income, the Company presents rental income, gain on sale of property, plant, and equipment, and other income that is not directly related to the Company's ordinary business operations. The Company's other operating income was EUR 127 thousand for the three months ended 31 March 2020, a decrease of EUR 37 thousand, or 22.7 percent, as compared to the Company's other operating income of EUR 164 thousand for the three months ended 31 March 2019. The decrease was mainly due to a decrease in other operating income for the three months ended 31 March 2020.

Materials and services

The Company's materials and services costs were EUR 105,835 thousand for the three months ended 31 March 2020, an increase of EUR 7,437 thousand, or 7.6 percent, as compared to the Company's materials and services costs of EUR 98,398 thousand for the three months ended 31 March 2019. The increase in the three months ended 31 March 2020 was mainly due to larger purchases and lower change in inventory as compared to the three months ended 31 March 2019. The increase in materials and services costs was also affected, for its part, by the increase in the Company's revenue.

Employee benefit expenses

The Company's employee benefit expenses were EUR 8,619 thousand for the three months ended 31 March 2020, an increase of EUR 868 thousand, or 11.2 percent, as compared to the Company's employee benefit expenses of EUR 7,751 thousand for the three months ended 31 March 2019. The increase was mainly due to grown personnel costs in IT, retail stores, and purchasing.

Depreciations and amortizations

The Company's depreciations and amortizations were EUR 1,230 thousand for the three months ended 31 March 2020, a decrease of EUR 50 thousand, or 3.9 percent, as compared to the Company's depreciations and amortizations of EUR 1,281 thousand for the three months ended 31 March 2019. The majority of these consisted of depreciations on rights-of-use assets.

Other operating expenses

In other operating expenses, the Company presents, inter alia, premises maintenance and operation expenses, financial transactions expenses, marketing expenses, and administrative services expenses. The Company's other operating expenses were EUR 6,280 thousand for the three months ended 31 March 2020, an increase of EUR 49 thousand, or 0.8 percent, as compared to the Company's other operating expenses of EUR 6,231 thousand for the three months ended 31 March 2019. Other operating expenses included EUR 337 thousand of non-recurring advisory fees for the three months ended 31 March 2020, relating to the Company's planned transfer to the official list of Nasdaq Helsinki.

Operating profit

The Company's operating profit was EUR 3,418 thousand for the three months ended 31 March 2020, an increase of EUR 1,117 thousand, or 48.5 percent, as compared to the Company's operating profit of EUR 2,301 thousand for the three months ended 31 March 2019. The increase was mainly due to an increase in revenue and a relative decrease in operating expenses in relation to revenue.

Finance income

The Company's finance income was EUR 2 thousand for the three months ended 31 March 2020, a decrease of EUR 1 thousand, or 43.5 percent, as compared to the Company's finance income of EUR 3 thousand for the three months ended 31 March 2019. Finance income consisted of collected interest income.

Finance costs

The Company's finance costs were EUR 362 thousand for the three months ended 31 March 2020, a decrease of EUR 35 thousand, or 8.9 percent, as compared to the Company's finance costs of EUR 397 thousand for the three months ended 31 March 2019. The Company's finance costs consisted mainly of lease liability interest costs.

Income taxes

The Company's income taxes were EUR 613 thousand for the three months ended 31 March 2020. The Company's income taxes were EUR 381 thousand for the three months ended 31 March 2019.

Profit for the financial year

The Company's profit for the financial year was EUR 2,444 thousand for the three months ended 31 March 2020, an increase of EUR 919 thousand, or 60.2 percent, as compared to the Company's profit for the financial year of EUR 1,525 thousand for the three months ended 31 March 2019.

The year ended 31 December 2019 compared to the year ended 31 December 2018

Revenue

The Company's revenue was EUR 504,113 thousand for the year ended 31 December 2019, an increase of EUR 26,280 thousand, or 5.5 percent, as compared to the Company's revenue of EUR 477,833 thousand for the year ended 31 December 2018. The increase was mainly due to increased sales in small domestic appliances (SDA), Audio & Hi-Fi, peripherals, major domestic appliances (MDA), watches, and sports equipment.

Other operating income

In other operating income, the Company presents rental income, gain on sale of property, plant, and equipment, and other income that is not directly related to the Company's ordinary business operations. The Company's other operating income was EUR 555 thousand for the year ended 31 December 2019, an increase of EUR 166 thousand, or 42.6 percent, as compared to the Company's other operating income of EUR 389 thousand for the year ended 31 December 2018. The increase was mainly due to an increase of lease income from subleasing rights-of-use asset items.

Materials and services

The Company's materials and services costs were EUR 430,239 thousand for the year ended 31 December 2019, an increase of EUR 24,427 thousand, or 6.0 percent, as compared to the Company's materials and services costs of EUR 405,813 thousand for the year ended 31 December 2018. The increase in the financial year 2019 was mainly due to larger purchases and lower change in inventories as compared to the financial year 2018. For its part, the increase in the Company's revenue also had an effect on the increase in materials and services costs.

Employee benefit expenses

The Company's employee benefit expenses were EUR 32,595 thousand for the year ended 31 December 2019, an increase of EUR 2,295 thousand, or 7.6 percent, as compared to the Company's employee benefit expenses of EUR 30,300 thousand for the year ended 31 December 2018. The increase was mainly due to grown personnel costs in retail stores, purchasing, and IT.

Depreciations and amortizations

The Company's depreciations and amortizations were EUR 5,040 thousand for the year ended 31 December 2019, a decrease of EUR 50 thousand, or 1.0 percent, as compared to the Company's depreciations and amortizations of EUR 5,090 thousand for the year ended 31 December 2018. The majority of these consisted of depreciations on rights-of-use assets.

Other operating expenses

In other operating expenses, the Company presents, inter alia, premises maintenance and operation expenses, financial transactions expenses, marketing expenses, and administrative services expenses. The Company's other operating expenses were EUR 25,504 thousand for the year ended 31 December 2019, an increase of EUR 1,807 thousand, or 7.6 percent, as compared to the Company's other operating expenses of EUR 23,696 thousand for the year ended 31 December 2018. The increase was mainly due to an increase and renewal of marketing efforts compared to financial year 2018.

Operating profit

The Company's operating profit was EUR 11,290 thousand for the year ended 31 December 2019, a decrease of EUR 2,034 thousand, or 15.3 percent, as compared to the Company's operating profit of EUR 13,324 thousand for the year ended 31 December 2018. The decrease was mainly due to an increase of materials and services costs, employee benefit expenses, and other operating expenses.

Finance income

The Company's finance income was EUR 64 thousand for the year ended 31 December 2019, an increase of EUR 56 thousand, or 636.0 percent, as compared to the Company's finance income of EUR 9 thousand for the year ended 31 December 2018. Finance income for the financial year ended 31 December 2019 consisted mainly of capital gains from other financial investments, in addition to which the Company accrued interest income. Finance income for the financial year ended 31 December 2018 consisted solely of interest income.

Finance costs

The Company’s finance costs were EUR 1,591 thousand for the year ended 31 December 2019, a decrease of EUR 79 thousand, or 4.7 percent, as compared to the Company’s finance costs of EUR 1,670 thousand for the year ended 31 December 2018. The Company’s finance costs consisted mainly of lease liability interest costs.

Income taxes

The Company’s income taxes were EUR 1,953 thousand for the financial year ended 31 December 2019. The Company’s income taxes were EUR 2,328 thousand for the financial year ended 31 December 2018. Effective tax rate was 20 percent for the financial years ended 31 December 2019 and 31 December 2018.

Profit for the financial year

The Company’s profit for the financial year was EUR 7,810 thousand for the year ended 31 December 2019, a decrease of EUR 1,524 thousand, or 16.3 percent, as compared to the Company’s profit for the financial year of EUR 9,334 thousand for the year ended 31 December 2018.

The year ended 31 December 2018 compared to the year ended 31 December 2017

Revenue

The Company's revenue was EUR 477,833 thousand for the year ended 31 December 2018, an increase of EUR 45,962 thousand, or 10.6 percent, as compared to the Company’s revenue of EUR 431,870 thousand for the year ended 31 December 2017. The increase was mainly due to increased sales in televisions, small domestic appliances (SDA), Audio & Hi-Fi, major domestic appliances (MDA), and computers.

Other operating income

In other operating income, the Company presents rental income, gain on sale of property, plant, and equipment, and other income that is not directly related to the Company’s ordinary business operations. The Company’s other operating income was EUR 389 thousand for the year ended 31 December 2018, an increase of EUR 308 thousand, or 382.1 percent, as compared to the Company’s other operating income of EUR 81 thousand for the year ended 31 December 2017. The increase was mainly due to an increase of lease income from subleasing rights-of-use asset items.

Materials and services

The Company’s materials and services costs were EUR 405,813 thousand for the year ended 31 December 2018, an increase of EUR 36,392 thousand, or 9.9 percent, as compared to the Company’s materials and services costs of EUR 369,420 thousand for the year ended 31 December 2017. The increase in costs was due to increased purchases during the financial year in order to respond to a decrease in inventory and increased sales volumes.

Employee benefit expenses

The Company’s employee benefit expenses were EUR 30,300 thousand for the year ended 31 December 2018, an increase of EUR 4,215 thousand, or 16.2 percent, as compared to the Company’s employee benefit expenses of EUR 26,084 thousand for the year ended 31 December 2017. The increase was mainly due to the opening of a new retail store in Raisio in March 2018 and the increased personnel number in customer services and administration.

Depreciations and amortizations

The Company’s depreciations and amortizations were EUR 5,090 thousand for the year ended 31 December 2018, an increase of EUR 506 thousand, or 11.0 percent, as compared to the Company’s depreciations and amortizations of EUR 4,584 thousand for the year ended 31 December 2017. The majority of these consisted of depreciations on rights-of-use assets.

Other operating expenses

In other operating expenses, the Company presents, inter alia, premises maintenance and operation expenses, financial transactions expenses, marketing expenses, and administrative services expenses. The Company’s other operating expenses were EUR 23,696 thousand for the year ended 31 December 2018, an increase of EUR 5,293 thousand, or 28.8 percent, as compared to the Company’s other operating expenses of EUR 18,403 thousand for the year ended 31 December 2017. The increase was due to the new retail store in Raisio and increased marketing efforts.

Operating profit

The Company's operating profit was EUR 13,324 thousand for the year ended 31 December 2018, a decrease of EUR 137 thousand, or 1.0 percent, as compared to the Company's operating profit of EUR 13,460 thousand for the year ended 31 December 2017. The Company's relative profitability decreased as the Company invested in growth in a slow-growing market.

Finance income

The Company's finance income was EUR 9 thousand for the year ended 31 December 2018, a decrease of EUR 114 thousand, or 92.9 percent, as compared to the Company's finance income of EUR 123 thousand for the year ended 31 December 2017. The Company's finance income consisted solely of interest income.

Finance costs

The Company's finance costs were EUR 1,670 thousand for the year ended 31 December 2018, a decrease of EUR 101 thousand, or 5.7 percent, as compared to the Company's finance costs of EUR 1,771 thousand for the year ended 31 December 2017. The Company's finance costs consisted mainly of lease liability interest costs.

Income taxes

The Company's income taxes were EUR 2,328 thousand for the financial year ended 31 December 2018. The Company's income taxes were EUR 2,363 thousand for the financial year ended 31 December 2017. Effective tax rate was 20 percent for the financial years ended 31 December 2018 and 31 December 2017.

Profit for the financial year

The Company's profit for the financial year was EUR 9,334 thousand for the year ended 31 December 2018, a decrease of EUR 115 thousand, or 1.2 percent, as compared to the Company's profit for the financial year of EUR 9,449 thousand for the year ended 31 December 2017.

Liquidity and Capital Resources

General

Liquidity describes the ability of a company to generate sufficient cash flows to meet the requirements of its business operations, including working capital needs, debt service obligations, capital expenditures, contractual obligations, and other commitments.

The Company's financial position and liquidity are and will continue to be influenced by a variety of factors, including:

- The Company's ability to generate cash flows from its operations;
- The Company's level of indebtedness and the interest payable for its debts, which affects the Company's net financial expenses;
- The Company's ability to raise debt financing from financial institutions; and
- The Company's growth funding requirements.

The Company's primary funding requirements consist of its working capital needs, capital expenditure, operating activities, and taxes.

Liquidity

The Company's cash and cash equivalents as at 31 March 2020 were EUR 44,976 thousand and cash and cash equivalents as at 31 December 2019 were EUR 42,495 thousand. Cash and cash equivalents consist of cash in hand and at banks.

On the date of these Listing Particulars, the Company had unused revolving credit facilities totaling EUR 20 million. Of the revolving credit facilities, EUR 5 million is valid until 30 January 2024, EUR 7.5 million until 7 June 2022, and EUR 7.5 million until 27 June 2022. The conditions of the binding revolving credit facilities include customary covenants, including an equity ratio of more than 25% and interest-bearing net liabilities in relation to the EBITDA not exceeding 3.3. According to the agreement, financial covenants are calculated in accordance with the accounting policies applied by the Company in preparing its financial statements for 2017 (Finnish Accounting Standards, FAS). Additionally, the revolving credit facilities include other customary conditions, such as restrictions on pledging collateral and change of control clauses. The fulfilment of the covenants is evaluated biannually. The Company has been able to fulfill the covenant conditions.

Cash flows

The following table presents a summary of the Company’s statement of cash flow information for the three months ended 31 March 2020 and 31 March 2019 and the financial years ended 31 December 2019, 31 December 2018, and 31 December 2017:

In EUR thousand	1 January to 31 March		1 January to 31 December		
	2020	**2019**	**2019**	**2018**	**2017**
	IFRS (unaudited)		**IFRS (audited)**		**IFRS (unaudited)**
Net cash flow from operating activities	**3,683**	**-11,185**	**9,690**	**8,861**	**23,233**
Net cash flow from investing activities	-266	-51	-1,145	-1,356	-1,490
Net cash flow from financing activities	-936	-935	-12,796	-12,636	-11,557
Net change in cash and cash equivalents	**2,481**	**-12,170**	**-4,251**	**-5,131**	**10,186**
Cash and cash equivalents at the beginning of the period	**42,495**	**46,746**	**46,746**	**51,878**	**41,692**
Cash and cash equivalents at the end of the period	**44,976**	**34,576**	**42,495**	**46,746**	**51,878**

Net cash flow from operating activities

The Company's net cash flow from operating activities was EUR 3,683 thousand for the three months ended 31 March 2020 as compared to EUR -11,185 thousand for the three months ended 31 March 2019. The relative improvement of net cash flow from operating activities for the three months ended 31 March 2020 as compared to the three months ended 31 March 2019 was mainly affected by a change in working capital. The change in working capital affecting net cash flow from operating activities was EUR -72 thousand for the three months ended 31 March 2020 and EUR -13,974 thousand for the three months ended 31 March 2019. The change in working capital for the three months ended 31 March 2020 was affected by a decrease in current trade payables and other liabilities (negative effect of EUR 7,864 thousand) and decreases in current trade and other receivables and inventories (total positive effect of EUR 8,009 thousand). For the three months ended in 31 March 2019 the negative change in working capital was mainly affected by a greater decrease in current trade payables and other liabilities (negative effect of EUR 26,502 thousand) mainly due to the timing of the payments of trade payables.

The Company's net cash flow from operating activities was EUR 9,690 thousand for the year ended 31 December 2019 as compared to EUR 8,861 thousand for the year ended 31 December 2018. The relative improvement of net cash flow from operating activities for the year ended 31 December 2019 as compared to the year ended 31 December 2018 was mainly affected by a decrease in cash flow tied up in working capital. The change in working capital affecting net cash flow from operating activities was EUR -3,249 thousand for the year ended 31 December 2019 and EUR -5,386 thousand for the year ended 31 December 2018. The change in working capital for the year ended 31 December 2019 was mainly affected by a decrease in current trade and other receivables (positive effect of EUR 1,653 thousand), an increase in inventories (negative effect of EUR 918 thousand), and an increase in current liabilities (negative effect of EUR 3,650 thousand). The change in working capital for the year ended 31 December 2018 was mainly affected by an increase in current trade and other receivables (negative effect of EUR 7,384 thousand), an increase in inventories (negative effect of EUR 18,772 thousand), and an increase in current liabilities (positive effect of EUR 21,276 thousand).

Net cash flow from operating activities was EUR 8,861 thousand for the year ended 31 December 2018 as compared to EUR 23,233 thousand for the year ended 31 December 2017. The decrease in net cash flow from operating activities for the year ended 31 December 2018 as compared to the year ended 31 December 2017 was mainly affected by a significant increase in inventories. The change in working capital affecting net cash flow from operating activities was EUR -5,386 thousand for the year ended 31 December 2018 and EUR 10,473 thousand for the year ended 31 December 2017. The increase in inventories having a negative effect on the change in working capital was EUR 18,772 thousand for the year ended 31 December 2018 and EUR 3,710 thousand for the year ended 31 December 2017.

Net cash flow from investing activities

The net cash flow used in the Company’s investments for the three months ended 31 March 2020 was EUR 266 thousand consisting of EUR 72 thousand in purchases of property, plant, and equipment, mainly including equipment purchases for retail stores and EUR 194 thousand in purchases of intangible assets, including costs related to new information systems and the development of new features of the Company’s enterprise resource planning system. The net cash flow used in the Company’s investments for the three months ended 31 March 2019 was EUR 51 thousand consisting mainly of purchases of intangible assets.

The net cash flow used in the Company’s investments for the year ended 31 December 2019 was EUR 1,145 thousand consisting of EUR 1,016 thousand in purchases of property, plant, and equipment, mainly including equipment purchases for retail stores, EUR 186 thousand in purchases of intangible assets, including costs related to new information systems and the development of new features of the Company's enterprise resource planning system, and EUR 57 thousand in proceeds from equity investments.

The net cash flow used in the Company's investments for the year ended 31 December 2018 was EUR 1,356 thousand consisting of EUR 582 thousand in purchases of property, plant, and equipment, mainly including equipment purchases for retail stores, and EUR 774 thousand in purchases of intangible assets, including costs related to the development of new features of the Company's enterprise resource planning system.

The net cash flow used in the Company's investments for the year ended 31 December 2017 was EUR 1,490 thousand consisting of EUR 1,360 thousand in purchases of property, plant, and equipment, mainly including equipment purchases for retail stores, and EUR 376 thousand in purchases of intangible assets, including costs related to the development of new features of the Company's enterprise resource planning system. In addition, in the year ended 31 December 2017, purchases of equity investments were EUR 297 thousand and proceeds from equity investments were EUR 543 thousand.

Net cash flow from financing activities

The net cash flow used in the Company's financing activities was EUR 936 thousand for the three months ended 31 March 2020 and EUR 935 thousand for the three months ended 31 March 2019. Net cash flow from financing activities consisted entirely of the payment of lease liabilities.

The net cash flow used in the Company's financing activities was EUR 12,796 thousand for the year ended 31 December 2019, EUR 12,636 thousand for the year ended 31 December 2018, and EUR 11,557 thousand for the year ended 31 December 2017. Payments of lease liabilities, which are included in cash flow from financing activities, were EUR 3,690 thousand for the year ended 31 December 2019, EUR 3,939 thousand for the year ended 31 December 2018, and EUR 3,175 thousand for the year ended 31 December 2017. The Company paid EUR 8,908 thousand in dividends for the year ended 31 December 2019, EUR 8,195 thousand for the year ended 31 December 2018, and EUR 8,382 thousand for the year ended 31 December 2017. EUR 198 thousand was used in the acquisition of the Company's own shares for the year ended 31 December 2019 and EUR 502 thousand for the year ended 31 December 2018.

Investments

The Company's investments were EUR 266 thousand for the three months ended 31 March 2020 and EUR 95 thousand for the three months ended 31 March 2019. The Company's investments for the three months ended 31 March 2020 and 31 March 2019 consisted mainly of costs related to new information systems and the development of new features of the Company's enterprise resource planning system and the capitalization of external technology consulting fees. The Company also invested in equipment purchases for retail stores.

The Company's investments were EUR 1,245 thousand for the year ended 31 December 2019. The Company's investments for the year ended 31 December 2019 consisted mainly of equipment purchases for retail stores, in addition to which the Company capitalized system development's employee benefit expenses and external technology consulting fees from the development of new features of the Company's enterprise resource planning system.

The Company's investments were EUR 1,514 thousand for the year ended 31 December 2018. The Company's investments for the year ended 31 December 2018 mainly related to the new retail store in Raisio and equipment purchases for retail stores. In addition, the Company capitalized employee benefit expenses and external technology consulting fees from the development of new features of the Company's enterprise resource planning system.

The Company's investments were EUR 1,727 thousand for the year ended 31 December 2017. The Company's investments for the year ended 31 December 2017 mainly related to equipment purchases for retail stores. In addition, the Company capitalized employee benefit expenses and external technology consulting fees from the development of new features of the Company's enterprise resource planning system.

The Company currently has no significant ongoing investment projects. Furthermore, the Company has not made any final decisions on any significant investment projects that have not started as at the date of these Listing Particulars.

Interest-bearing liabilities and net debt

The following table provides information on the Company's interest-bearing net debt on the dates indicated:

In EUR thousand	As at 31 March 2020	As at 31 December 2019	2018	2017
	IFRS (unaudited)	**IFRS (audited, unless otherwise indicated)**		**IFRS (unaudited)**
Interest-bearing liabilities				
Non-current lease liabilities	18,874	19,676	22,753	25,507
Current lease liabilities	3,763	3,758	3,592	3,808
Interest-bearing liabilities, total	22,637	23,434	26,344	29,315
Less cash and cash equivalents	44,976	42,495	46,746	51,878
Interest-bearing net debt	-22,339	-19,061[1]	-20,402[1]	-22,563

[1)] Unaudited.

The Company's lease liabilities are related to the Company's leases of real estate and premises as well as leasing cars and machinery and equipment recorded in accordance with IFRS 16. A similar fixed asset item related to leases in accordance with IFRS 16 is presented in the balance sheet in non-current assets under right-of-use assets.

Balance Sheet Data

The following table presents the Company's balance sheet data as at 31 March 2020, 31 December 2019, 31 December 2018, and 31 December 2017.

In EUR thousand	As at 31 March 2020	As at 31 December 2019	2018	2017
	IFRS (unaudited)	**IFRS (audited)**		**IFRS (unaudited)**
ASSETS				
Non-current assets				
Intangible assets	672	592	1,067	970
Property, plant, and equipment	2,265	2,381	1,970	1,976
Right-of-use assets	17,981	18,770	21,764	24,589
Equity investments	266	266	275	294
Deferred tax assets	1,191	1,195	1,112	1,182
Trade receivables	2,109	1,882	1,544	1,039
Other non-current receivables	425	435	438	437
Non-current assets, total	**24,909**	**25,521**	**28,171**	**30,487**
Current assets				
Inventories	61,810	66,702	65,784	47,012
Trade receivables	14,133	14,620	15,266	11,396
Other receivables	831	1,143	1,752	1,242
Income tax receivables	231	278	199	115
Accrued income	7,218	9,424	9,823	6,818
Cash and cash equivalents	44,976	42,495	46,746	51,878
Current assets, total	**129,199**	**134,662**	**139,570**	**118,461**
Total assets	**154,107**	**160,183**	**167,741**	**148,948**
EQUITY AND LIABILITIES				
Equity				
Share capital	100	100	100	100
Treasury shares	-701	-701	-502	-
Fair value reserve	-	0	-33	-18
Invested non-restricted equity fund	25,738	25,707	25,585	25,493
Retained earnings	9,190	3,647	3,082	1,773
Profit for the financial year	2,444	7,810	9,334	9,449
Total equity	**36,771**	**36,563**	**37,565**	**36,797**
Non-current liabilities				
Lease liabilities	18,874	19,676	22,753	25,507
Deferred tax liabilities	7	7	18	9
Provisions	716	660	560	637
Non-current liabilities, total	**19,597**	**20,343**	**23,331**	**26,154**

Current liabilities				
Lease liabilities	3,763	3,758	3,592	3,808
Advance payments received	4,029	3,819	4,301	2,558
Trade payables	66,593	73,068	80,695	63,149
Other current liabilities	5,241	7,892	4,077	5,225
Accrued liabilities	18,112	14,741	14,181	11,257
Current liabilities, total	**97,739**	**103,277**	**106,845**	**85,997**
Total liabilities	**117,336**	**123,620**	**130,176**	**112,151**
Total equity and liabilities	**154,107**	**160,183**	**167,741**	**148,948**

Assets

Non-current assets

The total of non-current assets in the balance sheet as at 31 March 2020 was EUR 24,909 thousand, a decrease of EUR 612 thousand, or 2.4 percent, as compared to EUR 25,521 thousand in the balance sheet as at 31 December 2019. The decrease was mainly due to a decrease in right-of-use assets.

The total of non-current assets in the balance sheet as at 31 December 2019 was EUR 25,521 thousand, a decrease of EUR 2,650 thousand, or 9.4 percent, as compared to EUR 28,171 thousand in the balance sheet as at 31 December 2018. The decrease was mainly due to a decrease in right-of-use assets and intangible assets.

The total of non-current assets in the balance sheet as at 31 December 2018 was EUR 28,171 thousand, a decrease of EUR 2,316 thousand, or 7.6 percent, as compared to EUR 30,487 thousand in the balance sheet as at 31 December 2017. The decrease was mainly due to a decrease in right-of-use assets.

Current assets

The total current assets in the balance sheet as at 31 March 2020 was EUR 129,199 thousand, a decrease of EUR 5,463 thousand, or 4.1 percent, as compared to EUR 134,662 thousand in the balance sheet as at 31 December 2019. The decrease was mainly due to a decrease in inventories and accrued income.

The total of current assets in the balance sheet as at 31 December 2019 was EUR 134,662 thousand, a decrease of EUR 4,908 thousand, or 3.5 percent, as compared to EUR 139,570 thousand in the balance sheet as at 31 December 2018. The decrease was mainly due to a decrease in cash and cash equivalents.

The total of current assets in the balance sheet as at 31 December 2018 was EUR 139,570 thousand, an increase of EUR 21,110 thousand, or 17.8 percent, as compared to EUR 118,461 thousand in the balance sheet as at 31 December 2017. The increase was mainly due to an increase in inventories.

Equity and liabilities

Equity

Total equity in the balance sheet as at 31 March 2020 was EUR 36,771 thousand, an increase of EUR 208 thousand, or 0.6 percent, as compared to EUR 36,563 thousand in the balance sheet as at 31 December 2019.

Total equity in the balance sheet as at 31 December 2019 was EUR 36,563 thousand, a decrease of EUR 1,002 thousand, or 2.7 percent, as compared to EUR 37,565 thousand in the balance sheet as at 31 December 2018. The decrease in financial year 2019 was mainly due to the amount of paid-out dividends exceeding the profit for the financial year. For financial year 2019, comprehensive income was EUR 7,810 thousand in total and the Company paid EUR 8,908 thousand in dividends.

Total equity in the balance sheet as at 31 December 2018 was EUR 37,565 thousand, an increase of EUR 768 thousand, or 2.1 percent, as compared to EUR 36,797 thousand in the balance sheet as at 31 December 2017. The increase was mainly due to the profit for the financial year exceeding the amount of paid-out dividends. For financial year 2018, comprehensive income was EUR 9,319 thousand in total and the Company paid EUR 8,195 thousand in dividends.

Non-current liabilities

The total of non-current liabilities in the balance sheet as at 31 March 2020 was EUR 19,597 thousand, a decrease of EUR 746 thousand, or 3.7 percent, as compared to EUR 20,343 thousand in the balance sheet as at 31 December 2019. The decrease was mainly due to a decrease in lease liabilities.

The total of non-current liabilities in the balance sheet as at 31 December 2019 was EUR 20,343 thousand, a decrease of EUR 2,988 thousand, or 12.8 percent, as compared to EUR 23,331 thousand in the balance sheet as at 31 December 2018. The decrease was mainly due to a decrease in lease liabilities.

The total of non-current liabilities in the balance sheet as at 31 December 2018 was EUR 23,331 thousand, a decrease of EUR 2,823 thousand, or 10.8 percent, as compared to EUR 26,154 thousand in the balance sheet as at 31 December 2017. The decrease was mainly due to a decrease in non-current lease liabilities. The lease liabilities decreased because the Company has not concluded new leases, and the lease term of existing leases taken into account in the IFRS 16 measurement decreases every year.

Current liabilities

The total of current liabilities in the balance sheet as at 31 March 2020 was EUR 97,739 thousand, a decrease of EUR 5,538 thousand, or 5.4 percent, as compared to EUR 103,277 thousand in the balance sheet as at 31 December 2019. The decrease was mainly due to a decrease in trade payables and VAT liability.

The total of current liabilities in the balance sheet as at 31 December 2019 was EUR 103,277 thousand, a decrease of EUR 3,569 thousand, or 3.3 percent, as compared to EUR 106,845 thousand in the balance sheet as at 31 December 2018. The decrease in financial year 2019 was mainly due to a decrease in trade payables.

The total of current liabilities in the balance sheet as at 31 December 2018 was EUR 106,845 thousand, an increase of EUR 20,848 thousand, or 24.2 percent, as compared to EUR 85,997 thousand in the balance sheet as at 31 December 2017. The increase was mainly due to an increase in current trade payables.

Contractual Obligations and Off-Balance Sheet Arrangements

Guarantees and Commitments

The following table presents the Company's guarantees and commitments on the dates indicated:

In EUR thousand	As at 31 March	As at 31 December		
	2020	2019	2018	2017
	(unaudited)	(audited)		(unaudited)
Collateral given for own commitments				
Mortgages	-	-	-	27,001
Guarantees[1]	2,258	2,652	2,850	3,662
Other commitments and contingent liabilities	11	11	14	14

[1] The Company's guarantees relate to rental guarantees, a customs guarantee, and import letters of credit.

Financial Risk Management

General

In its business operations, the Company is exposed to financial risks, mainly securing funding, liquidity, credit, counterparty, and foreign exchange rate risks. The aim of risk management of these risks is to reduce uncertainty concerning the possible impacts that changes in the financial markets could have on the Company's result, cash flow, and value. The management of the Company's financial risks forms a part of the charter of the Board of Directors. The Board of Directors also defines the general risk management principles. The Company does not have a separate treasury function; instead the CFO is responsible for the Company's funding, management of liquidity, relations with financiers, and funding risks. The audit committee monitors the development of the Company's funding situation. The Company does not have a separately approved financial policy. The following is a brief description of the most significant financial risks relating to the Company's business. The Company's financial risk management has been described in more detail in Note 7.22.3 "Financial Risk Management" of the audited financial statements for the financial year ended 31 December 2019 incorporated by reference to these Listing Particulars.

Funding and liquidity risk

The Company seeks to ensure the availability of funding and adequate liquidity. A business that generates positive cash flow and a solid management of net working capital enable an optimal capital structure, availability of funding, and having no net debt. The Company evaluates and monitors constantly the amount of funding required by the business so that the Company has sufficient liquid assets to fund its activities and settle the payables due. In accordance with normal seasonal fluctuation, cash in hand, cash flow, and payables peak at the end of the fourth quarter and have a low point at the end of the second quarter.

A significant part of the balance sheet consists of liquid funds (27 percent in 2019). The Company diversifies the risk of raising funds, i.e. counterparty risk, by establishing diverse committed revolving credit facilities with solvent Nordic banks with solid ratings. By varying the amounts as well as the term of the revolving credit facilities, the Company manages the counterparty and maturity risk. The Company policy is also to maximize the use of cash discounts in the current interest environment with its suppliers, although the Company also has the possibility, where necessary, to use net-based payment terms with its suppliers.

The Company's liquidity reserves at the end of the financial year 2019 consisted of liquid cash and cash equivalents. At the end of the financial year 2019, the amount of cash and cash equivalents was EUR 42,495 thousand. In addition, the Company has unused revolving credit facilities totaling EUR 20 million. The conditions of the committed revolving credit facilities include customary covenants, the requirements of which the Company has been able to fulfil. See section " – *Liquidity and Capital Resources – Liquidity*".

Foreign exchange rate risk

Foreign exchange rate risk is the uncertainty of cash flows, profit, and balance sheet, resulting from changes in foreign exchange rates. The Company's foreign exchange rate risk predominantly arises from the purchase of goods, as the Company has purchasing activities in several different currencies. However, the Company's management holds that the foreign exchange rate risk is not significant, since most of the purchases are made in euros. For purchases made in foreign currencies, trade payables in the balance sheet are exposed to foreign exchange rate risk. In addition, the Company has advance payments in foreign currencies in the balance sheet, with short open positions. From a commercial point of view, the foreign exchange rate risk is managed through rapid inventory turnover and by aiming to transfer possible foreign currency changes into sales prices or by changing the supplier. The Company does not hedge against foreign exchange rate risk. Revenue is not exposed to foreign exchange rate risk, given that the entire revenue is generated in euros. At the end of the financial year 2019, the amount of currency-denominated open trade payables was EUR 1,350 thousand as compared to EUR 1,354 thousand for 2018. The exchange differences were immaterial in 2019 and in the comparative year.

Credit and counterparty risk

Credit risks arise when a counterparty is unable to meet its contractual obligations, causing the Company to suffer a financial loss. Trade receivables and other receivables expose the Company to credit risk. The most significant credit risk is related to the company-financed Apuraha consumer financing service.

The Company's principal credit risk consists of the receivables from the company-financed Apuraha consumer financing service as well as traditional trade receivables from companies. The open position is larger and longer than in the trade receivable of the company-financed Apuraha than in conventional corporate trade receivables. On account of this, the credit risk from the company-financed Apuraha is greater than from conventional corporate finance receivables. The rotation of trade receivables is also faster in corporate trade receivables. The Company has defined a credit policy for customer receivables, the objective of which is to increase profitable sales by recognizing and managing credit risks in advance. The credit policy dictates the minimum principles of the Company's credit sales and debt recovery.

The Board of Directors of the Company defines and approves the strategy of the company-financed Apuraha consumer financing service. In its own customer financing, the Company employs credit policies which describe the principles of risk-taking and risk management. Furthermore, the Company has credit rules which, among other things, define the principles of making credit-granting decisions, credit limit amounts as well as the measurement principles of trade receivables. The Board of Directors regularly monitors the development of customer financing. The credit committee is responsible for reporting on the financing risks to the Board of Directors. The risk of customer-financing receivables is not concentrated, but instead consist of a large amount of receivables, the capital of which is EUR 3,000 at the most. To minimize credit risk, the customer's credit report and possible credit history are controlled before the credit-granting decision is made. In addition, the Company reduces its credit risk by selling its receivables falling due to third parties.

The counterparty risk involved with cash and cash equivalents is managed through depositing the cash and cash equivalents on the accounts of large and solvent Nordic banks with solid ratings. The Company's cash and cash equivalents are fully available. The counterparty risk arising from purchasing activities is managed through using, when necessary, letters of credit as payment method, thus ensuring contractual delivery. The letters of credit used by the Company are documentary credits.

Impairment

The Company's most significant financial assets subject to the expected credit loss model required by IFRS 9 are cash and cash equivalents, traditional trade receivables from companies, and the receivables from the company-financed Apuraha consumer financing service. In addition, it is necessary to apply the impairment model on the financial guarantee contracts. The Company's cash and cash equivalents are deposited in the accounts of large and solvent Nordic banks with solid ratings and are consequently not recognized for impairment. In addition to the aforementioned financial assets, the contract assets are subject to impairment. Expected credit loss is not recognized for contract assets because their amount is estimated to be immaterial and there have been no incurred historical credit losses. The Company's management monitors the development of the counterparty risk.

The Company recognizes the expected credit losses for trade receivables over the entire economic life based on a simplified procedure, i.e. the matrix model. The model based on expected credit losses is anticipative, and the expected portion of credit losses is based on the amounts of historical credit losses. The historical percentage of credit losses is adjusted when necessary, taking into consideration the macroeconomic impact on the customers' solvency. The expected credit losses over the entire life of the receivable are calculated by multiplying the gross value of the unpaid trade receivables with the expected loss portion in all maturity classes. In addition, the Company assesses separately on each reporting date whether there is further evidence of the receivable's impairment, for instance due to insolvency. In these cases, the Company recognizes the impairment at once. Impairment losses are recognized in the income statement under other operating expenses. The recovered credit losses are recognized in the income statement under other operating expenses.

Critical Accounting Estimates and Judgements

Accounting policies requiring judgement by the management and key factors of uncertainty related to estimates

The preparation of IFRS financial statements requires judgement by the management to make decisions related to the choice and application of the accounting policies. In addition, the management has to make accounting estimates and assumptions on the future that may affect the amounts of the assets, liabilities, income, and expenses recognized during the reporting period, and the actuals may differ from said estimated amounts.

Management judgement related to the choice and application of accounting policies

The management has to make judgement-based decisions related to the choice and application of IFRS accounting policies. This is especially related to cases where the IFRS contain optional modes of recognition, measurement, and/or presentation. The following entails significant judgement:

Segment reporting

The Company's management has exercised judgement when it has applied the aggregation criteria to aggregate the operating segments into one reportable segment. The customers are the same across all operating segments that offer the same goods and services under the same terms in one main market, i.e. Finland. The key to the Company's business model is a strong integration of the webstore and retail stores, joint support functions serving the entire business, as well as the volume benefits enabled by centralized business.

Key factors of uncertainty related to estimates

The estimates and assumptions are based on historical knowledge and/or other justifiable assumptions which are considered to be reasonable at the time of preparing the financial statements. It is possible that actuals differ from the estimates used in the financial statements. The factors of uncertainty and assumptions made related to estimates that may produce a significant risk of change in the carrying amounts of assets and liabilities relate to the following items:

Measurement of leases

The lease liabilities and the right-of-use assets that are recognized in the balance sheet are significantly impacted by the discount rate used in calculating their present values and the consideration of extension options. The Company's management has taken into consideration the Company's business model and the agility expected within it in relation to physical market places in an ever-changing business environment as it estimates the probability of the exercise of extension options. The extension options have not been taken into consideration in the lease term. The management has taken into consideration the changes in the financial position of the Company when defining the risk premium of the company-specific discount rate.

Measurement of inventories

A significant part of the Company's balance sheet is formed of inventories which consist of goods held for sale. Inventories bear the risk of the recoverable amount being below cost. To assess the risk, the Company's management monitors regularly the item turnover rates and compares the sales price to the value of the stock. A write-down is recognized if the sales price of an item at the time of reporting is lower than its cost in the balance sheet. In addition, the Company recognizes write-down separately for aged items based on stock days.

Risk of credit losses of the company-financed Apuraha consumer financing service receivables

The Company offers Apuraha financing to its customers. These receivables contain a risk of credit loss. The Company recognizes the expected credit loss according to the provision matrix model. The sufficiency of credit loss percentages of the provision matrix is being monitored regularly. In assessing the amount of the expected credit losses and the sufficiency of credit loss percentages, changes in the customers' payment behavior and the amount of the realized credit losses are monitored.

Rebates related to inventory

The amount and timing of inventory-related rebates are subject to uncertainty. The realization of contractual targets generates uncertainty in the amount of rebates recognized. The Company's management regularly assesses the recognized amount of the rebates based on targets by monitoring both actual purchase volumes and supplier rebates possibly realized. When the contract time extends over the balance sheet date, the amount to be accrued entails judgement by the management.

Provisions

The Company recognizes provisions related to the following items: product warranties and expected credit losses of financial guarantee contracts. The probability and amount of the provisions entail estimates. The Company's management regularly assesses the amount of realized costs based on historical actuals.

New and Amended Standards and Interpretations

No published but not yet effective IFRS, IFRIC interpretations, or annual improvements or amendments to IFRS are expected to have a material impact on the financial statements.

THE COMPANY'S BOARD OF DIRECTORS, MANAGEMENT, AND AUDITORS

General

Verkkokauppa.com's governance and management are divided, in the manner provided by the Companies Act, between the shareholders, the Board of Directors, and the CEO. The Management Team assists the CEO in the daily management of Verkkokauppa.com.

The shareholders of Verkkokauppa.com exercise their decision-making power at the General Meeting. Pursuant to the Articles of Association, the General Meeting must be held annually within six months of the end of the financial period. The matters to be dealt with in the General Meeting are defined in the Companies Act and in the Company's Articles of Association. The shareholders participate in the supervision and management of Verkkokauppa.com through decisions made at the General Meetings. As a general rule, the General Meeting is convened by the Board of Directors. In addition, a General Meeting must be held if requested in writing by the Company's auditor or shareholders representing no less than one tenth of all the shares issued by the Company.

The Company's Board of Directors is responsible for the Company's governance and the appropriate organization of its business operations. Pursuant to Verkkokauppa.com's Articles of Association, the Company's Board of Directors consists of four to eight ordinary members and up to an equal number of deputy members. The board members' term expires at the end of the first Annual General Meeting after their election.

The CEO is responsible for the day-to-day management and administration of the Company in the manner provided by the Companies Act, the corporate governance of the Company, and the authorizations granted and instructions given by the Board of Directors. Verkkokauppa.com's Board of Directors appoints the CEO and decides in writing the terms and conditions of the CEO Agreement.

The address of the Board of Directors, CEO, and Management Team is Tyynenmerenkatu 11, 00220 Helsinki, Finland.

Corporate Governance

Verkkokauppa.com adheres to the corporate governance principles by complying in all its activities with the relevant laws and regulations and by implementing the corporate governance recommendations. Verkkokauppa.com's governance is subject to the Company's Articles of Association and the laws of Finland, in particular the Companies Act, the Accounting Act (1336/1997, as amended), securities markets legislation, and other regulations and provisions related to the governance of a public limited liability company. Furthermore, Verkkokauppa.com's operations are guided by the Company's values and its internal operating principles.

In addition, Verkkokauppa.com also complies with the Corporate Governance Code 2020 adopted by the Securities Market Association (the "**CG Code**"). If the Company in the future departs from any of the recommendations of the CG Code, it shall disclose the departure and provide reasons therefor. The Corporate Governance Code is available online at *www.cgfinland.fi*.

Verkkokauppa.com's Management

Board of Directors

As at the date of these Listing Particulars, Verkkokauppa.com's Board of Directors consists of six members, who were re-elected at the Annual General Meeting held on 31 March 2020. The re-elected members are Christoffer Häggblom, Robert Burén, Mikael Hagman, Kai Seikku, Samuli Seppälä, and Arja Talma. The constitutive meeting of the Company's Board of Directors elected Christoffer Häggblom as the chairman of the Board of Directors.

The following table sets forth the members of the Company's Board of Directors as at the date of these Listing Particulars:

	Position	Citizenship	Year of Birth
Christoffer Häggblom	Chairman	Finland	1981
Robert Burén	Member	Sweden	1970
Mikael Hagman	Member	Sweden	1968
Kai Seikku	Member	Finland	1965
Samuli Seppälä	Member	Finland	1975
Arja Talma	Member	Finland	1962

Christoffer Häggblom has been a member of the Company's Board of Directors since 2009, and he also serves as the chairman of the Remuneration Committee and as a member of the Audit Committee. Mr. Häggblom serves as the chairman of the Board of Directors of Qliro Group AB's and as a member of the Boards of Directors of Qliro Group AB's subsidiaries. Furthermore, Mr. Häggblom is the founder of Rite Internet Ventures Holding AB, and he has acted as the company's Managing Partner and as a member of the company's and its subsidiaries' Boards of Directors since 2007. Mr. Häggblom also serves as a member of the Boards of Directors of Acervo AB and Lemonsoft Oy. Previously, Mr. Häggblom has also acted as the chairman and a member of the Board of Directors of several group companies of Nebula Oy in 2007-2017. Mr. Häggblom holds a Master of Science degree in Economics. He is a Finnish citizen.

Robert Burén has been a member of the Company's Board of Directors since 2017. Mr. Burén serves as a member of the Boards of Directors of Bredband2 i Skandinavien AB (publ), Cygni AB, Gaming Innovation Group, and Qliro AB. Previously, Mr. Burén has served as a member of the Board of Directors of Eaton Gate Gaming Ltd in 2016-2020, as the CTO of Unibet (which is part of Kindred Group plc) in 2011-2015, as the CIO of Bisnode Sverige AB in 2016-2017, and as CIO of SBAB Bank in 2015. Mr. Burén has also acted as temporary CTO at Qliro AB in 2019, at Skincity Sweden AB in 2018, and at Mediaplanet Sverige AB in 2017-2018. Mr. Burén is a Swedish citizen.

Mikael Hagman has been a member of the Company's Board of Directors since 2014. Mr. Hagman serves as the chairman of the Boards of Directors of Greasy Lake AB, Mikael Hagman AB, and Vitvaruxperten.com Nordic AB[51], and he also serves as the CEO of Vitvaruxperten.com Nordic AB. Previously, Mr. Hagman has acted as the chairman of the Board of Directors of Innohome Oy in 2014-2017 and as the CEO and chairman of the Board of Directors of Media Markt Sweden (Media-Saturn Holding Sweden AB) in 2008-2013. Mr. Hagman has also acted in several leading roles in Media Markt's group companies in 2008-2013. In addition, Mr. Hagman has also served as Neonode Inc's CEO in 2007-2008 and as Sony Nordic's country manager in 1999-2007. Mr. Hagman holds a degree in Economics from IHM Business School. He is a Swedish citizen.

Kai Seikku has been a member of the Company's Board of Directors since 2013, and he also acts as the chairman of the Company's Audit Committee and as a member of the Remuneration Committee. Mr. Seikku serves as the President and CEO and member of the Board of Directors of Okmetic Oy, as the Deputy CEO of National Silicon Industry Group Co Ltd, and he also serves as a member of the Boards of Directors of Inderes Oy and Soitec S.A. Previously, Mr. Seikku has served as CEO at Hasan & Partners Oy in 1999-2005, at Hasan & Partners Finland Oy in 2000-2005, and at HKScan Corporation in 2006-2009. In addition, Mr. Seikku acts as a member of the Boards of Directors of Merivaara Corporation and its parent company, Marketing Clinic Ltd and its subsidiary, and Seico Investments Ltd. Previously, Mr. Seikku has also acted as the chairman of the Board of Directors of Fiarell Oy in 2013-2015, as a member of the Boards of Directors of Robit Plc in 2018-2020, Intera Equity Partners II Ltd in 2013-2020 and the Federation of Finnish Technology Industries in 2012-2017. Mr. Seikku holds a Master of Science degree in Economics. He is a Finnish citizen.

Samuli Seppälä has been a member of the Company's Board of Directors since the Company was established, and he also acts as a member of the Company's Audit Committee and Remuneration Committee. Seppälä also served as the Company's CEO until 2018 and as the Company's purchasing director until 2017. In addition, Seppälä is the main owner and a member of the Board of Directors of F. Sergejeff Olut-tehdas Osakeyhtiö, and he is also a member of the Board of Directors of Hillside School Foundation. Mr. Seppälä has completed the Finnish matriculation examination. He is a Finnish citizen.

Arja Talma has been a member of the Company's Board of Directors and Audit Committee since 2018. Ms. Talma acts as the chairman of the Boards of Directors of Onvest Oy and Serena Properties AB, as member and the vice chair of the Board of Directors of Aktia Bank plc, and as a member of the Board of Directors of Metso Corporation. Previously, Ms. Talma has served as the chairman of the Board of Directors of Kestra Kiinteistöpalvelut Oy in 2014-2015, as a member of the Boards of Directors of Posti Group Corporation in 2016-2020, Ankkuri-Energia Oy in 2014-2015, Mehiläinen Oy in 2017-2018, Ankkurikadun Kiinteistöt Oy (presently Mercada Oy) in 2014-2015, Norvestia Oyj in 2015-2017, Nordic Cinema Group AB (publ) in 2015, Ruokakesko Oy in 2013-2015, and Sponda Plc in 2007-2017. In addition, Ms. Talma has acted as a member of the supervisory board of Varma Mutual Pension Insurance Company in 2014-2015, as the Senior Vice President of Kesko Corporation's Store Sites and Investments business unit in 2013-2015, as the President and CEO of Rautakesko Oy in 2011-2013, as the CFO of Kesko Corporation in 2005-2011, as the Vice President and corporate controller of Kesko Corporation in 2004-2005, and as the Executive Vice President of Oy Radiolinja Ab in 2001-2003. In addition, Ms. Talma has held several auditing and risk management positions in KPMG Wideri Oy Ab in 1987-2001, and she has acted as an auditor in several companies since 1987. Ms. Talma holds a Master of Science degree in Economics, and she has also completed an eMBA degree. She is a Finnish citizen.

[51] Vitvaruexperten.com Nordic AB is part of the Bygghemma Group. On 12 October 2017 Verkkokauppa.com, together with the other shareholders, sold its shares in Vitvaruexperten.com Nordic AB to Bygghemma Sverige AB. Part of the purchase price was reinvested in Vitvaruexperten.com Nordic AB, after which Verkkokauppa.com's ownership as at the date of these Listing Particulars is approximately 9.3 percent. Verkkokauppa.com will sell its remaining shares in Vitvaruexperten.com Nordic AB within 30 days of the registration of the financial statements for the year 2020 of Vitvaruexperten.com Nordic AB. The Company's Board member Mikael Hagman is the CEO, chairman of the Board of Directors and a shareholder of Vitvaruexperten.com Nordic AB and Rite Internet Ventures Holding AB, a company controlled by the chairman of the Company's Board of Directors, Christoffer Häggblom, owns approximately 11.8 percent of Vitvaruexperten.com Nordic AB. Further, Kai Seikku, a member of the Company's Board of Directors, is a shareholder of Vitvaruexperten.com Nordic AB through his controlled company Seico Investments Oy.

Chief Executive Officer and Management Team

The CEO is responsible for the management and administration of Verkkokauppa.com's day-to-day running in the manner provided by the Companies Act and the authorizations and instructions provided by the Board of Directors. Panu Porkka has acted as Verkkokauppa.com's CEO since 2018. The Management Team assists the CEO in the management of the Company.

The following table sets forth the members of Verkkokauppa.com's Management Team as at the date of these Listing Particulars:

	Position	**Citizenship**	**Year of Birth**
Panu Porkka	CEO	Finland	1977
Mikko Forsell..............................	CFO	Finland	1974
Miika Heinonen...........................	Logistics Director	Finland	1976
Vesa Järveläinen	Commercial Director	Finland	1983
Kalle Koutajoki	Sales Director	Finland	1976
Seppo Niemelä	Marketing and Communications Director	Finland	1981
Taina Suorsa................................	HR Director	Finland	1977
Henrik Weckström	IT Development Director	Finland	1976

Panu Porkka has been the Company's CEO since 2018. Mr. Porkka also serves as a member of the Board of Directors of Solteq Plc. Previously, Mr. Porkka has served as the CEO of Suomalainen Kirjakauppa Ltd and as a deputy member of the Board of Directors of Otava Ltd in 2017-2018, and as a part of these duties, he also acted as the CEO and chairman of the Board of Directors of Kirja-Kärkkäinen Oy, and as a member the Boards of Directors of Kirjamedia Oy and Otavamedia Ltd in 2017-2018. Previously, Mr. Porkka has also served as the CEO of Waucher Finland Oy in 2011-2013. In addition, Mr. Porkka has acted as the Sales Director of Tokmanni Oy in 2013-2016, as the COO of Lidl Schweiz GmbH in 2009-2010, and as the Sales Director of Lidl Stiftung & Co. KG in 2008. Mr. Porkka took his matriculation examination at Deutsche Schule in Helsinki, Finland. He is a Finnish citizen.

Mikko Forsell has been the Company's CFO since 2019. Mr. Forsell also serves as a member the Board of Directors of Haka-Wood Oy. Previously, Mr. Forsell has served as the CFO of HKScan Corporation in 2018-2019, and as a part of these duties, he also acted as a member of the Boards of Directors of certain foreign subsidiaries of HKScan Corporation. In addition, Mr. Forsell served as Metsä Tissue Corporation's CFO in 2014-2017, as Vice President Purchasing in 2012-2013, as Vice President Finance projects in 2009-2012, and as Group Controller in 2005-2009, and as a part of these duties he also acted as a member of the Boards of Directors of certain foreign operative subsidiaries of Metsä Tissue Corporation. Mr. Forsell holds Master of Science degrees in Economics and in Engineering. He is a Finnish citizen.

Miika Heinonen has been the Company's Logistics Director since 2011. In addition, Mr. Heinonen acted as Warehouse Manager in 2005-2011. Previously, Mr. Heinonen acted as the logistics center manager of Tech Data Finland Oy in 2000-2005. Mr. Heinonen holds a Bachelor's degree in Business Administration. He is a Finnish citizen.

Vesa Järveläinen has been the Company's Commercial Director since 2019 and a member of the Management Team since 2017. Previously, Mr. Järveläinen has acted as the Company's Purchasing Director in 2017-2018 and as the Vice Purchasing Director in 2015-2017. Before this, Mr. Järveläinen acted in several other management positions at the Company since 2006. Mr. Järveläinen has completed the Finnish matriculation examination. He is a Finnish citizen.

Kalle Koutajoki has been the Company's Chief Sales Officer since 2019. Mr. Koutajoki is the founder of Digital Foodie Ltd, and he has served as a member of its Board of Directors in 2017-2019 and as its CEO in 2009-2019. As a part of his duties, he has also served as a member of the Boards of Directors of Digital Foodie Oy's foreign subsidiaries in 2016-2019. In addition, Mr. Koutajoki acted as the chairman of the Board of Directors of Voondon Oy in 2008-2016. Previously, Mr. Koutajoki has served as the managing director of Wayfinder Systems Oy in 2008-2009 and as the managing director, eCommerce, in 2007-2008. In addition, Mr. Koutajoki also acted as Visual Components Oy's product manager in 2004-2005 and application developer in 2000-2004. Mr. Koutajoki holds a Master of Science degree in Engineering. He is a Finnish citizen.

Seppo Niemelä has been the Company's Director of Marketing and Communications since 2018. Previously, Mr. Niemelä acted as Lidl Finland's Head of Marketing and Campaigns in 2013-2018, advertising manager in 2011-2013, and purchasing manager in 2006-2011. Mr. Niemelä holds a Master of Science degree in Engineering. He is a Finnish citizen.

Taina Suorsa has been the Company's HR Director since 2018. Before that, Ms. Suorsa acted as the Company's HR manager in 2014-2018. Previously, Ms. Suorsa acted as Suur-Seudun Osuuskauppa SSO's HR manager in 2011-2014, as Suomen Osuuskauppojen Keskuskunta's project manager in 2010-2011, and as Suur-Seudun Osuuskauppa SSO's development manager in 2008-2010. Ms. Suorsa holds a Master of Science degree in Agriculture and Forestry. She is a Finnish citizen.

Henrik Weckström has been the Company's CTO since 1999 and as a member of the Management Team since 2008. Previously, Mr. Weckström served as a member of the Company's Board of Directors in 2001-2018. In addition, Mr. Weckström has also served as a deputy member of the Board of Directors of Oy Compart plc since 2000. Mr. Weckström holds a Master of Science degree in Technology. He is a Finnish citizen.

Duties of the Board of Directors

The Board of Directors has prepared a charter on its activities. The Board of Directors oversees Verkkokauppa.com's operations and governance, and it also decides on significant matters related to the Company's strategy, investments, organization, and finances in the manner provided by the Companies Act. The general duty of the Board of Directors is to act as a representative of all shareholders by managing the operations of the Company in accordance with the Articles of Association in order to ensure that Verkkokauppa.com provides the largest possible added value in the long term while taking into consideration the expectations of different stakeholders.

The responsibilities of the Board of Directors include:

- to deliberate and decide on the Company's strategy;
- to confirm the business plans and budgets and financing transactions, to the extent that they do not fall under the responsibility of the shareholders;
- to deliberate on and approve the interim reports, financial statements, and reports by the Board of Directors;
- to confirm internal control and risk management systems and reporting procedures on the basis of recommendations by the Audit Committee;
- to decide on possible bonus and incentive schemes for the management and possible general or special pension schemes, profit sharing schemes, or bonus or incentive schemes for the employees of the Company;
- to decide on any contracts which, given the scope and nature of the activities of the Company, are of unusual nature or of significant importance, such as long-term lease contracts; and
- to decide on any material related party transactions, including transactions either outside the Company's ordinary course of business or on other than normal market terms.

The Board of Directors also appoints and dismisses Verkkokauppa.com's CEO and decides on the CEO's terms of service, which are described in more detail in the written CEO contract. In addition, the Board of Directors also approves the other employees of the Management Team appointed by the CEO.

Committees

As at the date of these Listing Particulars, Verkkokauppa.com has an audit committee and a remuneration committee. The Board of Directors elects the members of these committees from among its board members at its constitutive meeting after the Annual General Meeting. The Board of Directors has confirmed written charters for the committees. The committees report to the Board of Directors on their work.

Audit Committee

It is the responsibility of the Audit Committee to prepare the monitoring and supervision duties of the Board of Directors in matters related to the Company's financial reporting, efficiency of internal control and audit and risk management function, and the independence of the Company's auditor. The Audit Committee consists of the chairman of the committee elected by the Board of Directors and a minimum of two other members appointed by the Board of Directors. The majority of the members of the Audit Committee must be independent of the Company, in addition to which at least one member must also be independent of the Company's major shareholders. The Audit Committee must convene at least four times a year. In the constitutive meeting held on 31 March 2020, Kai Seikku (chairman), Arja Talma (vice chairman), Christoffer Häggblom, and Samuli Seppälä were elected as the members of the committee. The majority of the members of the Audit Committee are independent of the Company and the Company's major shareholders. Qualification requirements regarding the members of the committee have been taken into consideration when appointing the members.

Remuneration Committee

It is the responsibility of the Remuneration Committee to review and prepare matters related to the Company's remuneration principles, the performance and remuneration of the CEO, other executive management and personnel, as well as the appointments and succession planning of the CEO and other executive management, and make proposals to the Board of Directors on such matters. The Remuneration Committee also prepares the Company's remuneration policy and remuneration report to the Board of Directors. The Remuneration Committee consists of the chairman of the committee elected by the Board of Directors and a minimum of two other members appointed by the Board of Directors. The majority of the members of the Remuneration Committee must be independent of the Company, and the CEO or other directors of the Company should not be appointed to the committee. The Remuneration Committee must convene at least three times a year. In the constitutive meeting of the Board of Directors, held on 31 March 2020, Christoffer Häggblom (chairman), Samuli Seppälä, and Kai Seikku were elected as members of the committee. The majority of the members of the Remuneration Committee are independent of the Company and the Company's major shareholders. Qualification requirements regarding the members of the committee have been taken into consideration when appointing the members.

Shareholders' Nomination Board

The Annual General Meeting of the Company resolved on 31 March 2020 that a shareholders' nomination board consisting of the Company's major shareholders or persons appointed by such shareholders be established for the purpose of preparing, annually and otherwise when appropriate, proposals concerning the composition of the Board of Directors and the election and remuneration of the members of the Board of Directors. The Shareholders' Nomination Board operates and its charter applies until otherwise decided by the General Meeting.

The Shareholders' Nomination Board consists of four members, three of whom represent the three largest shareholders of the Company and who hold the largest number of votes of all votes in the Company on the last banking day in May preceding the next Annual General Meeting. The chairman of the Company's Board of Directors acts as the fourth member of the Nomination Board of the shareholders.

The duties of the Shareholders' Nomination Board of the shareholders include:

- to prepare and present to the General Meeting a proposal on the remuneration of the members of the Board of Directors and the Board committees, in accordance with the remuneration policy;
- to prepare and present to the General Meeting a proposal on the number of the members of the Board of Directors;
- to prepare and present to the General Meeting, in consideration of the Company's diversity policy, a proposal on the members of the Board of Directors; and
- to seek for prospective successors for the members of the Board of Directors.

The Nomination Board of the shareholders convenes when summoned by the chairman of the Shareholders' Nomination Board of the shareholders.

Information on the Members of the Board of Directors and the Management Team

As at the date of these Listing Particulars, none of the members of Verkkokauppa.com's Board of Directors or Management Team has, in the previous five years:

- been convicted of a fraudulent offence or violation;
- held a managerial position, been in the executive management, been a member of the administrative or supervisory bodies of any company, or acted as a general partner in a limited partnership at the time of its bankruptcy, administration of an estate, or liquidation (excluding voluntary liquidation proceedings with a purpose of dissolving the company); or
- been subject to any official public incrimination and/or sanctions by any statutory or supervisory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Conflicts of Interest

The provisions regarding the conflicts of interest of the management are set forth in the Companies Act. Pursuant to Section 4 of Chapter 6 of the Companies Act, the members of the Board of Directors or the CEO may not participate in the handling of a contract between them and the Company. Pursuant to Section 4(a) of Chapter 6 of the Companies Act, a member of the Board of Directors of a publicly listed company may not participate, in the Board of Directors of the company or of its subsidiary, in the handling of a matter pertaining to a contract between the company and a third party, should the member in question be related to them and the action in question does not fall within the ordinary course of business of the company or is not concluded on normal commercial terms. A decision concerning such a matter is valid if it is supported by the required majority of those board members of the publicly listed company or its Finnish subsidiary who are not considered related parties to the matter at hand. The CEO is subject to the above-mentioned provisions related to the incapacity of a member of the Board of Directors of a public listed company in the decision-making of its subsidiary. What is stated above regarding the agreement is also applicable to other legal acts and legal proceedings, and to the exercise of the right to speak. The Companies Act contains no provisions on the conflicts of interest of the members of the management team.

To the knowledge of the Company, notwithstanding any Shares they hold directly or indirectly, the members of the Board of Directors, the CEO, and the members of the Management Team do not have any conflicts of interest between their duties to the Company and their private interests and/or their other duties. There are no family relationships between the members of Verkkokauppa.com's Board of Directors or the members of its Management Team.

Based on an evaluation of independence, Christoffer Häggblom, Robert Burén, Mikael Hagman, Kai Seikku, and Arja Talma are considered independent of the Company, and Christoffer Häggblom, Robert Burén, Mikael Hagman, Kai Seikku, and Arja Talma are independent of the Company's major shareholders. Samuli Seppälä is not independent of the Company or its major shareholders.

Board of Directors' and Management Team's Holdings of Shares

The members of Verkkokauppa.com's Board of Directors and Management Team hold on 27 May 2020 a total of 24,747,082 Shares in Verkkokauppa.com, which represent approximately 54.9 percent of the Company's Shares and votes.

The following table sets forth the number of Shares held by the members of Verkkokauppa.com's Board of Directors and the Management Team as at 27 May 2020:

	Number of Shares
Board of Directors	
Christoffer Häggblom	2,192,488[1]
Robert Burén	15,954
Mikael Hagman	13,066
Kai Seikku	125,340
Samuli Seppälä	22,111,342
Arja Talma	9,954
Management Team	
Panu Porkka	85,000
Mikko Forsell	34,000
Miika Heinonen	28,971
Vesa Järveläinen	35,000
Kalle Koutajoki	25,000
Seppo Niemelä	30,967
Taina Suorsa	10,000
Henrik Weckström	30,000

[1)] Includes shares owned directly by Christoffer Häggblom and by Rite Internet Ventures Holding AB, a company controlled by him.

Management Remuneration

Remuneration of the Board of Directors

In accordance with the Companies Act, the Annual General Meeting decides on the remuneration payable to the members of Verkkokauppa.com's Board of Directors and Committees and on the grounds for the remuneration in accordance with the remuneration policy adopted by it. The Nomination Board of the shareholders prepares the proposals to the General Meeting relating to the composition of the Board of Directors and the remuneration of the Board of Directors in accordance with the Company's remuneration policy.

The Annual General Meeting resolved on 31 March 2020 that the following amounts be paid to the members of the Board of Directors: EUR 70,000 for the chairman of the Board of Directors and EUR 35,000 for the other members of the Board of Directors. 50 percent of the annual fee of the chairman and the members of the Board of Directors will be paid in Verkkokauppa.com's Shares acquired from the market or alternatively by using the shares held by the Company itself. The acquisition of the Shares or the disposal of the Company's Shares held by it will take place in four equal instalments so that each instalment is acquired or disposed of within two weeks of the day after the publication of the Company's each interim report and financial statements for 2020. The Company will be liable for any transaction costs and transfer tax that may arise in connection with an acquisition or disposal of the reward shares. The remaining part of the annual fee is paid in cash, which is used to cover taxes arising from the fees. If Shares belonging to a certain instalment cannot be acquired or disposed of within the above-defined period as a result of legal or other regulatory restrictions or for reasons attributable to a member of the Board of Directors, the portion of the annual fee belonging to such instalment will be paid in full in cash.

The Annual General Meeting held on 31 March 2020 resolved on the annual fees payable to the members of the Board committees: EUR 12,000 for the chairman of the Audit Committee, EUR 10,000 for the vice chairman of the Audit Committee, EUR 6,000 for each member of the Audit Committee, EUR 8,000 for the chairman of the Remuneration Committee, and EUR 4,000 for each member of the Remuneration Committee.

In addition, reasonable accrued travel and lodging expenses and other possible costs related to the Board and Committee work are compensated for each Board member.

The Company had earlier appointed Mikael Hagman as its advisor to support the Company in matters related to purchasing operations. The fees paid to Mikael Hagman for his advisory services amounted to EUR 19,000 in 2018 and to EUR 64,000 in 2017. Mikael Hagman did not offer advisory services, and no fees were paid to him for 2019 or for the three months ended 31 March 2020.

The remuneration paid to the members of the Board of Directors for the financial years 2019, 2018, and 2017 are presented in the table below:

	1 January to 31 December		
The remuneration of the members of the Board of Directors, EUR thousands	**2019**	**2018**	**2017**
Christoffer Häggblom	84	70	40
Robert Burén[1)]	35	29	18
Mikael Hagman	35	28	20
Minna Kurunsaari[2)]	-	-	20
Panu Porkka[3)]	-	-	18
Kai Seikku	51	42	20
Samuli Seppälä[4)]	45	54	-
Arja Talma[5)]	45	32	-
Henrik Weckström[6)]	-	-	-
Total	**295**	**255**	**137**

1) A member of the Board of Directors since 28 April 2017.
2) A member of the Board of Directors until 21 March 2018.
3) A member of the Board of Directors between 28 April 2017 and 21 March 2018.
4) For the financial year ended 31 December 2017, the person belonged to the Company's executive management, wherefore no separate remuneration was paid for the board membership.
5) A member of the Board of Directors since 21 March 2018.
6) A member of the Board of Directors until 21 March 2018, the person belonged to the Company's executive management, wherefore no separate remuneration was paid for the board membership.

Remuneration of the CEO and the Members of the Management Team

The Remuneration Committee of the Board of Directors prepares the framework for salaries, remuneration and other benefits of the Company's CEO and Management Team, and the Board of Directors resolves on the salaries, remuneration, and other benefits of the CEO. The Board of Directors approves the salaries, remuneration, and other benefits of the CEO and Management Team operating under the CEO on the basis of the recommendation by the Remuneration Committee. The remuneration policy adopted by the Company must be adhered to in the remuneration of the CEO and a possible deputy to the CEO.

The CEO's remuneration consists of a fixed salary, and the Management Team's remuneration consists of a basic salary consisting of either an hourly or monthly wage. In addition to these, the CEO's and the Management Team's remuneration consists of fringe benefits, an incentive bonus related to the achievement of financial and operational targets, and the share-based incentive scheme of the key employees. In addition, certain members of the Management Team are entitled to additional pay in accordance with the collective agreement for the commercial sector (*FI: kaupan alan työehtosopimus*) for work outside normal working hours. More information on Verkkokauppa.com's incentive bonuses and the key employees' share-based incentive scheme can be found in section "*– Incentive Schemes*" below.

The table below sets forth the salaries and remuneration paid to the members of Verkkokauppa.com's management (excluding the CEO) for the financial years 2019, 2018, and 2017. The sums are presented on an accrual basis.

	1 January to 31 December		
	2019	**2018**	**2017**
Salaries and remuneration, EUR thousands	**audited**	**audited**	**unaudited**
Fixed salaries and fringe benefits	1,480	866	901
Performance bonuses	30	-	9
Statutory pension	242	156	166
Share-based payments	109	27	-
Total	**1,861**	**1,048**	**1,075**

The table below sets forth the salaries and remuneration paid to Verkkokauppa.com's CEO and for the financial years 2019, 2018, and 2017. The sums are presented on an accrual basis.

	1 January to 31 December		
	2019	**2018**	**2017**
Salaries and remuneration, EUR thousands	**audited**	**audited**	**unaudited**
Fixed salaries and fringe benefits	520	318[1)]	2
Performance bonuses	109	90	-
Statutory pension	90	74	-
Share-based payments	29	27	-
Total	**749**	**508**	**2**

1) Samuli Seppälä acted as the CEO until 22 March 2018, and his share of the remuneration is EUR 1 thousand. As of 22 March 2018, Panu Porkka has been the CEO, and his share of the remuneration was EUR 317 thousand.

The statutory pension age is applied to the CEO, and the Company pays the CEO's statutory pension insurance premiums. The pension and pension age of the members of the Management Team are determined in accordance with the applicable earnings-related pension legislation. No special pension arrangements are offered to the CEO or the Management Team, but instead normal pension arrangements are applied.

There has been no material changes in the salaries or other fringe-benefits of the Management Team or the CEO between 31 December 2019 and the date of these Listing Particulars.

Employee Benefits upon the Termination of Employment or Service

The CEO's terms of duty have been agreed upon in writing, and pursuant to the agreement, the notice period for the CEO is 12 months. In addition, 12-month non-compete and non-solicitation obligations are applied to the CEO. Furthermore, pursuant to the agreement, the CEO is entitled to a compensation corresponding to his base salary for six months, if he is dismissed by the Company without having breached the contract as specified in the agreement. If the CEO resigns himself, the said compensation will not be paid. The CEO does not have any additional pension agreements with the Company, and there are no other agreements based on which the CEO would be entitled to any additional benefits at the end of his service contract.

As a main rule, the notice period for the members of the Management Team is six months depending on the terms of the service or employment contract. If the employment of a member of the Management Team is terminated for a reason not attributable to the Company, a non-compete period of six months is, as a main rule, applied. Some members of the Management Team are entitled to a monthly compensation for such period corresponding to the average monthly salary paid for normal working hours. The members of the Management Team do not have any additional pension agreements with the Company, and there are no other agreements based on which the members of the Management Team would be entitled to any additional benefits at the end of their employment.

Incentive Schemes

Long-term incentives

As at the date of these Listing Particulars, the Company has two separate share-based incentive schemes.

<u>Matching Share Plan 2018-2020</u>

On 16 May 2018, the Company's Board of Directors decided to establish a share-based incentive plan for the Company's CEO and key employees. The members of the Board of Directors are not part of the share-based incentive plan. The aim of the plan is to align the objectives of the shareholders and the key employees in order to increase the value of the Company in the long term, to encourage the key employees to personally invest in the Company's Shares, to retain the

key employees at the Company, and to offer them a competitive share-based reward plan, which is based on the acquisition, obtaining, and accumulation of the Company's Shares.

The Matching Share Plan 2018-2020 includes three matching periods, calendar years 2018-2020, 2019-2021, and 2020-2022. The first matching period started to run from the beginning of 2018. The Board of Directors will resolve annually on the commencement and details of the matching periods. On 13 February 2020, the Company's Board of Directors decided that the last matching period of the Matching Share Plan, i.e. 2020-2022, would not be implemented at all because it would be replaced by the new Performance Matching Share Plan 2020-2022.

A participant of the new Performance Matching Share Plan will earn a certain number of matching shares based on their investment in the Company's Shares. The prerequisite for receiving a reward on the basis of this plan is that a person participating in the plan allocates freely transferable Company shares held by them or acquires Company Shares up to the number determined by the Board of Directors. Furthermore, the payment of the reward is based on the participant's valid employment or service upon the payment of the reward.

The rewards will be paid partly in the form of Company's Shares and partly in cash in 2021 and 2022. The cash proportion is intended to cover the taxes and tax-related costs arising from the reward to the participant. As a main rule, no reward will be paid if the participant's employment or service ends before the payment of the reward. In the first matching period, which commenced in 2018, the participant receives one matching share for each allocated Share, up to a set amount, free of charge after a three-year vesting period, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still fulfilled at the time. The rewards to be paid on the basis of the matching period of 2018-2020 correspond to the value of an approximate maximum total of 85,000 Verkkokauppa.com Shares (also including the proportion to be paid in cash). In the second matching period, which commenced in 2019, the participant receives one matching share for each allocated Share, up to a set amount, free of charge after a three-year vesting period, provided that the other conditions stipulated for the receipt of the share-based incentive by the terms of the plan are still fulfilled at the time. The rewards to be paid on the basis of the matching period 2019-2021 correspond to the value of an approximate maximum total of 45,000 Verkkokauppa.com Shares (also including the proportion to be paid in cash).

<u>Performance Matching Share Plan 2020-2022</u>

On 13 February 2020, the Company's Board of Directors decided to launch a new share-based incentive plan for the Company's CEO and the members of the Management Team. The Performance Matching Share Plan includes one performance period, calendar years 2020-2022, and its objectives correspond to the Company's earlier matching share plan. The Total Shareholder Return (TSR) of the Share is used as the performance criteria of a performance period. The reward to be paid to participants is based on the achievement of the required TSR levels, and a maximum of three performance-based matching shares are paid for each allocated Share. The prerequisite for participation and receiving of the reward is that a participant allocated freely transferable Company Shares held by them in the plan or acquires the Company's Shares. The participation is restricted to the number of shares determined by the Board of Directors. Furthermore, the payment of the reward is based on the participant's valid employment or service upon the payment of the reward. As a main rule, no reward will be paid, if a participant's employment or service ends before the payment of the reward.

The target group of the plan consists of eight persons, the CEO, and all other members of the Management Team. In accordance with the terms of the plan each participant is entitled to get a gross number of shares. However, a net number of shares will be paid to the participant after the Company has withheld and paid the value of a part of the shares to cover the employee's tax obligation. The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 540,000 Verkkokauppa.com Shares (gross amount).

Short-term incentives

The short-term incentive plan consists of an annual bonus plan on the basis of a performance criteria. The Board of Directors decides annually on the performance criteria and the determination of the incentives based on the proposal of the Remuneration Committee. For 2019, 75 percent of the performance target was based on the 2019 revenue and 25 percent was based on the Company's comparable EBITDA. For 2020, 25 percent of the performance target is based on the 2020 revenue and 75 percent is based on the Company's comparable operating profit. The maximum amount of the payment to the person participating in the scheme is equal to four months' salary. The Board of Directors may, in its discretion, resolve on the payment of separate one-off compensations, i.e. bonuses.

Independent Auditors

The Company's auditor PricewaterhouseCoopers Oy has audited Verkkokauppa.com's financial statements for the years ended 31 December 2019 and 31 December 2018, which have been prepared in accordance with IFRS, and the financial statements for the year ended 31 December 2017, which have been prepared in accordance with FAS, which have been incorporated by reference into these Listing Particulars. Authorized Public Accountant Ylva Eriksson acted as the principal auditor in the financial years ended 31 December 2019, 31 December 2018, and 31 December 2017. Ylva Eriksson is registered in the register of auditors referred in Section 9 of Chapter 6 of the Auditing Act (1141/2015, as amended).

Verkkokauppa.com’s Annual General Meeting of 31 March 2020 re-elected PricewaterhouseCoopers Oy as the auditor for a period up until the end of the next Annual General Meeting. Authorized Public Accountant Ylva Eriksson is acting as the principal auditor.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

The Company's registered share capital, as at the date of these Listing Particulars, is EUR 100,000.00 consisting of 45,065,130 Shares.

The following table sets forth the Company's ten largest shareholders as at 27 May 2020, which appear on the shareholders' register maintained by Euroclear Finland.

Shareholder	Number of Shares	Percent of shares and votes
Seppälä Samuli	22,111,342	49.07
Rite Ventures Finland AB	2,172,576	4.82
The Local Government Pensions Institution	2,171,000	4.82
Varma Mutual Pension Insurance Company	2,065,932	4.58
Nordea Nordic Small Cap Fund	1,690,607	3.75
Mandatum Life Insurance Company Limited	1,673,378	3.71
Evli Finnish Small Cap Fund	644,000	1.43
Skogberg Ville Johannes	634,266	1.41
Kaleva Mutual Insurance Company	466,475	1.04
Aktia Nordic Micro Cap Fund Ytj	450,000	1.00
Other shareholders including nominee-registered shareholders	10,985,554	24.38
Total Shares in the Company	**45,065,130**	**100.00**

To the knowledge of the Company, the Company is not, directly or indirectly, owned or controlled by any one person.

Transactions with Related Parties

The Company's related parties comprise the Board of Directors, the CEO, and the other members of the Company's Management Team, and the close members of the family of said persons and their controlled entities. Samuli Seppälä, who is a member of the Company's Board of Directors and a related party, owned approximately 49 percent of the Company's Shares and voting rights as at 27 May 2020. The transactions with the related parties have been carried out on normal commercial terms. The members of the Board of Directors, the CEO, and the members of the Management Team and the remuneration of these individuals have been presented in these Listing Particulars under section "*The Company's Board of Directors, Management, and Auditors*".

The following table presents the Company's related-party transactions (other than remuneration paid to the members of the Board of Directors and the Management Team) for the three-month period ended 31 March 2020 and for the years 2019, 2018, and 2017.

	1 January to 31 March	1 January to 31 December		
In EUR thousand	**2020 (unaudited)**	**2019 (audited)**	**2018 (audited)**	**2017 (unaudited)**
Sales of goods and services				
To key management personnel and their related parties	15	46	31	87
Purchases of goods and services				
From key management personnel and their related parties	6	-	19	65
In EUR thousand				
Closing balances from purchases/sales of goods/services				
Trade receivables from key management personnel and their related parties	6	7	7	6
Trade payables to key management and their related parties	-	0	2	1

There have not been any significant changes in the Company's related party transactions between the period ended on 31 March and the date of these Listing Particulars.

SHARES AND SHARE CAPITAL

General Information about Verkkokauppa.com

As at the date of these Listing Particulars, the Company's registered business name is Verkkokauppa.com Oyj. The Company is domiciled in Helsinki, Finland, its registered address is Tyynenmerenkatu 11, FI00220 Helsinki, and its telephone number is +358 10 309 5555. The Company is a Finnish public limited liability company subject to the laws of Finland. The business ID of the Company is 1456344-5, its LEI is 743700QZE6B52SHHTV75, and its accounting period is the calendar year.

Verkkokauppa.com Oyj[52] was registered with the Trade Register on 22 April 1998.

According to Section 2 of the Articles of Association of the Company, the Company's line of business comprises the purchase, sale, leasing, importing, and consultation of computers and their peripheral devices, software, cameras, components, electronics, printing devices, cables, office technology and supplies, telecommunications devices, and services. The Company also offers Internet and network services, including its webstore.

Shares and Share Capital

As at the date of these Listing Particulars, the Company's registered share capital is EUR 100,000 and the number of Shares issued is 45,065,130. The Shares have no nominal value, are denominated in euro and all Shares issued have been paid in full and issued in accordance with Finnish laws.

The Company has one share class, the ISIN code of which is FI4000049812. Each Share entitles to one vote at the General Meetings of the Company, and all Shares provide equal rights to dividend and other distributable funds of the Company, including the distribution of the Company's assets in dissolution. There are no voting restrictions related to the Shares.

The Company's Shares have been listed on Nasdaq Helsinki's First North Growth Market Finland marketplace as from 4 April 2014, and the trading code of the Shares is VERK. The Company's Shares were entered in the book-entry securities system of Euroclear Finland on 5 December 2012.

On 27 May 2020, the Company held 129,651 of its own shares in treasury.

History of the Share Capital

The share capital or number of Shares of the Company have not changed during the period covered by the historical financial information.

Listing of the Shares

The Company has submitted a listing application to Nasdaq Helsinki to list the Shares on the Official List. Trading in the Shares is expected to commence on the Official List on or around 5 June 2020. In connection with the listing, the trading and ISIN codes of the Shares will remain unchanged, namely "VERK" and "FI4000049812".

Current Authorizations

Authorization to Repurchase the Company's Own Shares

On 31 March 2020, the Annual General Meeting authorized the Board of Directors of the Company to decide on the repurchase of a maximum of 4,506,513 Shares in one or several instalments, using the unrestricted shareholders' equity of the Company, however taking into account the provisions of the Companies Act on the maximum number of treasury shares held by the company or its subsidiaries. The number of Shares corresponds to ten (10) percent of the total number of Shares in the Company.

The authorization includes the right of the Board of Directors to decide on all other terms and conditions of the repurchase of the Company's own shares, including the repurchase of its own shares in deviation from the proportion of the Shares held by shareholders (directed repurchase). Shares may be repurchased on the trading venues where the Company's Shares are traded at the market price at the time of the repurchase or at a price otherwise established on the market at the time of the repurchase. Shares may be repurchased for the purposes of improving the Company's capital structure, financing or carrying out corporate acquisitions or other arrangements, implementing prospective incentive and remuneration schemes of the Company, or to be otherwise transferred further, retained as treasury shares or cancelled.

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[52] Between 22 April 1998 and 15 December 2008, the Company's registered business name was Arctecho Oy, and between 16 December 2008 and 3 December 2012, the Company's registered business name was Verkkokauppa.com Oy.

The authorization is valid until the close of the following Annual General Meeting, however, no longer than until 30 June 2021. The authorization revokes previous unused authorizations for the repurchase of the Company's own shares.

Authorization to Decide on a Share Issue

On 31 March 2020, the Annual General Meeting authorized the Board of Directors of the Company to decide on a share issue by one or several decisions. A maximum of 4,506,513 Shares may be issued on the basis of the authorization. The maximum number covered by the authorization corresponds to ten (10) percent of the total number of Shares in the Company. The Board of Directors may decide to issue either new shares or transfer the treasury shares held by the Company.

The Board of Directors decides on the terms and conditions of the share issue, including the deviation from the shareholders' pre-emptive subscription rights, should there be a weighty financial reason for the Company to do so. The authorization may be used in order to improve the Company's capital structure, to finance or carry out corporate acquisitions or other arrangements, to implement prospective incentive and remuneration schemes, or to be used for other purposes decided by the Board of Directors.

The authorization is valid until the close of the following Annual General Meeting, however, no longer than until 30 June 2021. The authorization revokes previous unused share issue authorizations.

Acquisition of Own Shares

Based on the authorization granted by the Annual General Meeting on 31 March 2020 as described above in section "*– Current Authorizations*", the Board of Directors of Verkkokauppa.com decided on 23 April 2020 to commence acquiring the Company's own shares. The maximum number of Shares to be acquired is 300,000, which represents approximately 0.67 percent of all Shares in Verkkokauppa.com. The Shares will be acquired through trading on First North marketplace at the market price prevailing at the time of acquisition. The share acquisitions commenced on 14 May 2020 and will end at the latest on 31 August 2020. The acquired Shares are intended mainly to be used for the payment of the share portion of the annual fees of the members of the Board of Directors and the matching shares under the performance matching share plan of key employees. For further information on the fees of the members of the Board of Directors and incentives schemes for the Company's management, see "*The Company's Board of Directors, Management, and Auditors – Incentive Schemes*".

The maximum sum to be used for the acquisition of own shares is EUR 1.5 million. The Company's own shares will be acquired otherwise than in proportion to the shareholdings of shareholders using the Company's unrestricted equity. On 27 May 2020, the Company held 129,651 of its own shares in treasury. As a result of the acquisition of own shares described above, the number of the Company's own shares held in treasury may change prior to the Listing.

Shareholder Agreements

As at the date of these Listing Particulars, the Company is not aware of any shareholder agreements relating to its Shares.

Shareholders' Rights

Shareholders' Pre-Emptive Subscription Rights

Pursuant to the Companies Act, the shareholders of a Finnish limited liability company have a pre-emptive right to subscribe for the company's shares in proportion to the number of shares in the company they already hold unless otherwise provided in the resolution of the General Meeting or the Board of Directors on such issue. Pursuant to the Companies Act, a resolution by the General Meeting that deviates from the shareholders' pre-emptive rights must be approved by at least two thirds of all votes cast and shares represented at the General Meeting. In addition, pursuant to the Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders. In addition, pursuant to the Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty financial reason for the company and considering the interests of all shareholders in the company.

Certain shareholders who reside in or have a registered address in certain jurisdictions other than Finland may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable securities laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available. See "*Risk Factors – Risks Associated with the Shares and Trading on Nasdaq Helsinki – Certain foreign shareholders may not necessarily be able to exercise their subscription rights.*"

General Meetings

Under the Companies Act, shareholders exercise their decision-making power at General Meetings. Pursuant to the Articles of Association of the Company and the Companies Act, the Annual General Meeting is to be held annually within six (6) months of the end of the financial year.

Pursuant to the Companies Act, the Annual General Meeting must resolve on, among other things, the following matters:

- adoption of the financial statements, which in a parent company means also the adoption of the consolidated financial statements,
- granting of discharge from liability to the members of the Board of Directors and the CEO,
- use of the profit shown on the balance sheet,
- election and remuneration of the members of the Board of Directors, and
- election of auditors.

Furthermore, an authorization for the Board of Directors to resolve on a share issue or issue of other special rights entitling to shares and amendments to the Articles of Association also require the resolution of the General Meeting. In addition to Annual General Meetings, Extraordinary General Meetings may also be held if required. Depending on the nature of the matter to be resolved, the provisions of the Companies Act regarding qualified majority, as described below, are applied.

The General Meeting handles the matters required by the Companies Act or the Articles of Association or presented to it by the Board of Directors. As a general rule, the General Meeting is convened by the Board of Directors. If a shareholder or shareholders of a company controlling at least ten percent of the shares or the company's auditor requests in writing that a certain matter be handled at the General Meeting, the Board of Directors must convene the General Meeting within one month from the arrival of the request. Under the Companies Act, a shareholder may submit a written request to the Board of Directors to include on the agenda for the next General Meeting any matter falling within the competence of the General Meeting, provided that the request is submitted in good time so that it can be included in the notice to the meeting. In a listed company, a request is always considered to be on time if it is submitted no later than four weeks prior to notice being given to a meeting.

A proposal by the Shareholders' Nomination Board for the composition of the Board of Directors is included in the notice to the General Meeting. The same applies to a proposal for the composition of the Board of Directors made by shareholders with at least 10 percent of the votes carried by the shares, provided that the candidates have given their consent to the election and the Company has received information of the proposal sufficiently in advance so that it may be included in the notice to the General Meeting. A proposal by the Board of Directors for the auditors of the company is published in connection with the notice to the General Meeting.

Pursuant to the Company's Articles of Association, the notice to the General Meeting must be delivered to shareholders no earlier than three months and no later than nine days before the Record Date (defined below) of the General Meeting. The General Meeting is convened by publishing the notice on the Company's website. In addition, information about the delivered notice can be published in a newspaper. In order to attend the General Meeting, a shareholder must register for the meeting no later than on the date mentioned in the notice, which may be no earlier than ten (10) days before the meeting.

Pursuant to the Companies Act, only the shareholders who have been entered in the Company's shareholders' register maintained by Euroclear Finland eight working days before a General Meeting (the "**Record Date**") have the right to attend the General Meeting. A holder of nominee-registered Shares has the right to participate in the General Meeting by virtue of such shares based on which they would, on the Record Date, be entitled to be registered in the shareholders' register of the Company held by Euroclear Finland. The right to participate in the General Meeting requires, in addition, that the shareholder has been registered on the basis of such shares in the temporary shareholders' register of the Company held by Euroclear Finland. The notification of temporary entry into the shareholders' register must be submitted no later than on the date specified in the notice to the General Meeting, which must be after the Record Date.

Pursuant to the Companies Act, a shareholder may participate in the General Meeting in person or by way of proxy representation. A proxy representative must produce a dated proxy document or otherwise in a reliable manner demonstrate their right to represent a shareholder at the General Meeting. When a shareholder participates in the General Meeting by means of several proxy representatives representing the shareholder based on shares in different securities accounts, the shares based on which each proxy representative represents the shareholder must be identified in connection with the registration for the General Meeting. In addition, each shareholder or proxy representative may have an assistant present at the General Meeting.

Voting Rights

A shareholder may attend and vote at a General Meeting personally or by using an authorized representative. Each share of the Company entitles its holder to cast one (1) vote at the General Meeting. If a holder of a nominee-registered share wishes to attend the General Meeting and exercise the voting rights attached to such share, the holder must register for a temporary entry in the Company's shareholders' register. A notification for the temporary entry into the shareholders' register must be submitted no later than on the date specified in the notice to the General Meeting, which must be after the Record Date. There are no quorum requirements for the General Meetings in the Companies Act or the Company's Articles of Association.

At the General Meeting, resolutions generally require the approval of the majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, a directed share issue and, in certain cases, a resolution regarding the merger or demerger of the Company, require a majority of two thirds of the votes cast and of the shares represented at the General Meeting. In addition, certain resolutions, such as a mandatory redemption of the shares in deviation from the shareholdings of the shareholders, require the consent of all shareholders.

Dividends and Other Distribution of Funds

Under the Companies Act, dividends on shares of a Finnish company may only be paid after the General Meeting has adopted the company's financial statements and resolved on the distribution of dividend. As a general rule, the General Meeting may not decide to distribute assets in excess of what the Board of Directors has proposed or approved. Pursuant to the Companies Act, the distribution of dividends must be based on the most recently adopted and audited financial statements. A company may also pay an interim dividend based on the earnings of the ongoing financial year if the Extraordinary General Meeting adopts new audited financial statements. The payment of dividends requires the approval of the majority of the votes cast at the General Meeting. The General Meeting may also authorize the Board of Directors to decide on the distribution of dividend.

Pursuant to the Companies Act, equity is divided into restricted and non-restricted equity. The division between restricted equity and unrestricted equity is relevant in the determination of distributable funds. Share capital and revaluation surplus, fair value reserve, and revaluation reserve as defined in the Finnish Accounting Act (1336/1997, as amended) are restricted equity. The share premium reserve and legal reserve established prior to the entry into force of the Companies Act are restricted equity as provided by the Act on the Implementation of the Companies Act (625/2006, as amended). Unrestricted equity consists of other reserves and the profit of the current and previous financial periods. The amount of any dividend or other distribution of assets is limited to the amount of distributable funds. However, no funds may be distributed if at the time of deciding on the distribution it is known or it should be known that the company is insolvent or that the distribution would result in insolvency. Distributable funds include the profit for the financial year, retained earnings from previous years, and other unrestricted equity, less reported losses and the amount required by the company's Articles of Association to be left undistributed. The distributable funds must be adjusted as appropriate by the amount of foundation, research, and certain development costs capitalized in the balance sheet pursuant to the Act on the Implementation of the Companies Act.

A dividend or other distribution of assets may not exceed the amount proposed or approved by the Board of Directors unless requested at the Annual General Meeting by shareholders representing at least ten percent of the issued shares of a company. If such a request is presented, and sufficient distributable funds are available as described above, the dividend paid must equal at least one half of a company's profit for the financial year, less the amount required by the company's Articles of Association to be left undistributed. The shareholders may request dividend for a maximum amount of eight percent of the total equity of a company. The possible distributions of profit for the financial period before the General Meeting are subtracted from the amount to be distributed.

Dividend and other distributions are paid to shareholders or their nominees who are included in the shareholders' register on the relevant Record Date. The shareholders' register is maintained by Euroclear Finland through a relevant book-entry account operator. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the registry. All Shares of the Company provide their holders equal rights to dividend and other distributions of the Company (including in an event of dissolution of the Company). The date of expiry of the dividend is usually three years from the payment date of the dividend.

Under the Companies Act, a company may acquire or redeem its own shares. Decisions on the acquisition or redemption of a company's own shares must be made by the General Meeting and require at least two thirds of the votes cast and the shares represented at the meeting. The General Meeting may also authorize the Board of Directors to decide on an acquisition of the company's own shares using the unrestricted equity for a specific period of time, which cannot exceed 18 months. A company may acquire its own shares in a proportion other than that of the shares held by the shareholders only if there is a weighty financial reason for the company to do so. As a general rule, a company may redeem its own shares in a proportion other than that of the shares held by the shareholders only by the consent of all shareholders. A public company's decision to acquire or redeem its own shares or to accept them as pledge may not be made if the treasury shares in the possession of or held as pledges by the company and its subsidiaries exceed ten percent of all shares. Shares held by a company or its subsidiaries do not entitle the holder to participate in the General Meeting or to dividend distribution.

Mandatory Tender Offer and Redemption Obligation

The Finnish Securities Market Act requires that a shareholder whose holding in a company exceeds three tenths or one half of the total voting rights attached to the shares of the company after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to the shares issued by the company for fair value. For more information, see "*The Finnish Securities Markets — Regulation of the Securities Markets*".

Under the Companies Act, a party holding more than nine tenths of all the shares and votes attached to the shares in a company has the right to redeem the shares of the other shareholders of the company at fair value. The Companies Act provides detailed provisions for the calculation of shares and votes attached thereto. In addition, any minority shareholder that possesses shares that may be so redeemed by a majority shareholder under the Companies Act has the right to require such majority shareholder to redeem its shares. If a shareholding constitutes the right and obligation for redemption, the company must immediately have this entered in the Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption and the redemption price. The current price of the share before the initiation of the arbitration serves as the basis for the determination of the redemption price.

Transfer through the Finnish Book-Entry Securities System

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the buyer's book-entry account as an account transfer. For the sale, allocation data is recorded into Euroclear Finland's Infinity system and, if necessary, a provision regarding the book-entry security is made to the book-entry account. The sale is registered as an advance transaction until the settlement thereof and the payment for the shares, after which the buyer will automatically be registered in the register of shareholders of the relevant company. Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity system) on the second banking day after the trade date unless otherwise agreed by the parties. If the shares are registered in the name of a nominee and the seller's and buyer's shares are deposited in the same custodial nominee account, a sale of shares does not require any entries into the Finnish book-entry securities system unless the nominee changes or the shares are transferred from the custodial nominee account based on the sale.

Foreign Exchange Control

The shares of a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, but the company is generally required to withhold tax on the transfer of assets out of Finland unless an agreement for avoiding double taxation whose provisions prevent the withholding of tax applies. Non-residents who have acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. The shares of a Finnish company may be sold in Finland by non-residents, and the proceeds of such sales may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

THE FINNISH SECURITIES MARKETS

The following is an overview of the Finnish securities market, including a brief summary of certain Finnish laws and regulations in effect as at the date of these Listing Particulars, affecting Verkkokauppa.com as a company listed on Nasdaq Helsinki. The summary is not intended to provide a comprehensive description of all laws and regulations affecting Verkkokauppa.com and should not be considered exhaustive. Moreover, the laws, rules, regulations, and procedures summarised below may be amended or reinterpreted.

Trading in Securities and Clearing on Nasdaq Helsinki

Trading in and clearing of securities on Nasdaq Helsinki take place in euro. The minimum price increment in which prices are quoted (tick size) depends on the share price. Price information is produced and published in euro.

Nasdaq Helsinki uses the trading platform INET Nordic. INET Nordic is an order-based system in which orders are executed when price and volume information and other conditions match. INET Nordic continuously broadcasts trading information. The information is displayed in real time in the form of order books, concluded trades, index information, and different kinds of reports, for instance. Nasdaq Helsinki has three principal trading sessions: pre-open session, continuous trading, and post-trading session. The pre-open session for shares begins at 9:00 a.m. (all times in this section are stated in Finnish time) and ends at 9:45 a.m., during which orders may be placed, changed, or cancelled. The opening call begins at 9:45 a.m. and ends at 10:00 a.m. Continuous trading begins immediately after the opening call ends at 10:00 a.m., and trading based on market demand continues until 6:25 p.m., when the closing call is initiated. Orders entered during the pre-open session and existing orders with several days' validity are automatically transferred into the opening call. Post-trading, during which contract transactions for shares can be registered as after-hours trading in confirmed prices within the price limits based on the day's trading, takes place between 6:30 p.m. and 7:00 p.m.

Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (Infinity system) on the second banking day after the trade date unless otherwise agreed by the parties. Nasdaq Helsinki is a part of the Nasdaq, Inc. ("**Nasdaq**"). Nasdaq offers trading across multiple asset classes, and its technology supports the operations of over 90 marketplaces in 50 countries. Nasdaq also owns and maintains the stock exchanges in Stockholm, Copenhagen, Reykjavik, Tallinn, Riga, and Vilnius. Each country has its own official list and country-specific listing requirements. Nasdaq's Nordic List (the "**Nordic List**") was launched in 2006 and consists of shares listed on the exchanges in Helsinki, Copenhagen, Stockholm, and Reykjavik. Through the Nordic List, the listing requirements for companies and the way of presenting the listed companies have been harmonized. On the Nordic List, companies are presented first by their market capitalization and then by their industry sector irrespective of the domicile of the issuer. The market capitalization classification is divided into three categories: large companies (Large Cap), mid-sized companies (Mid Cap), and small companies (Small Cap). Within each market capitalization segment, issuers are sorted by their industry sector according to the ICB Company Classification Standard. Issuers belonging to the same industry sector are placed in the same industry sector segment in alphabetical order.

Regulation of the Securities Market

The securities market in Finland is supervised by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The principal statute governing the Finnish securities market is the Securities Markets Act, which contains regulations with respect to, among other things, company and shareholder disclosure obligations, such as the flagging obligation, prospectuses, and public tender offers. Furthermore, the Market Abuse Regulation regulates insider dealing, the unlawful disclosure of inside information, market manipulation, and the public disclosure of inside information. MAR establishes a uniform regulatory framework for the market abuse regime in the EU. The FIN-FSA and Nasdaq Helsinki have also issued more detailed regulations under the Securities Markets Act. The FIN-FSA monitors compliance with these regulations.

The Securities Markets Act specifies the minimum disclosure requirements for Finnish companies applying to be listed on Nasdaq Helsinki or making a public offering of securities in Finland. An issuer of a security subject to public trading is obliged to provide financial information of the company regularly and, pursuant to MAR, disclose to the public as soon as possible any inside information which directly concerns the issuer. The issuer may delay the disclosure of inside information to the public if all of the conditions set out in MAR are met. Information disclosed must be sufficient to enable investors to make an informed assessment of the security and the issuer thereof.

The Finnish Criminal Code (39/1889, as amended) contains provisions relating to the misuse of inside information, the unlawful disclosure of inside information, market manipulation, and the breach of disclosure requirements. A breach of these provisions constitutes a criminal offense. Pursuant to MAR, the Securities Markets Act, and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FIN-FSA has the right to impose administrative sanctions to the extent the offense does not fall within the scope of the Finnish Criminal Code. The FIN-FSA may, for example, issue a public warning or impose an administrative fine or penalty payment for the breach of disclosure requirements or public tender offer, insider register, or market abuse provisions. The disciplinary board of Nasdaq Helsinki may give a warning or note or impose a disciplinary fine or order a company to be removed from the stock exchange list.

A shareholder of a Finnish listed company is required, without undue delay, to notify said company and the FIN-FSA when its voting interest in or its percentage ownership of the total number of shares in said company reaches, exceeds, or falls below 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent, 66.67 percent (2/3), or 90 percent, calculated in accordance with the Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds, or falls below any such threshold. If a Finnish listed company receives information indicating that a voting interest or ownership interest has reached, exceeded, or fallen below any of these thresholds, it must, without undue delay, publish such information and disclose it to Nasdaq Helsinki and to the main media. If a shareholder violates its obligation to notify the relevant parties of a voting interest or ownership, the FIN-FSA may, based on a weighty reason, prohibit the shareholder from using its right to vote and be presented at the General Meeting for the shares to which the violation relates.

Pursuant to the Securities Markets Act, a shareholder whose proportion of voting rights in a listed company exceeds three tenths (3/10) or one half (1/2) of the total voting rights attached to the shares of the company, calculated in accordance with the Securities Markets Act, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. If the securities exceeding the thresholds referred to above have been acquired through a public tender offer on all shares and securities with an entitlement to the shares issued by the target company, no obligation to make a tender offer arises. If a company has two or more shareholders whose holdings of voting rights exceed the above-mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If the proportion of votes described above is exceeded solely due to measures taken by the target company or other shareholders, the shareholder will not be obligated to make a tender offer until they acquire or subscribe for more shares in the target company or otherwise increase their proportion of votes in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if the acting in concert is limited to such tender offer only. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above-mentioned limit within one month after such limit is exceeded, provided that the shareholder publishes its intention and voting rights are not used during such time.

Under the Companies Act, a shareholder holding shares representing more than nine tenths of all the shares in a company and of the votes conferred by the shares has the right to redeem the shares of the other shareholders of the company at fair value. In addition, any minority shareholder that possesses shares that may be so redeemed by the majority shareholder in accordance with the Companies Act is entitled to require the majority shareholder to redeem its shares. The Companies Act includes detailed rules that apply to the calculation of the specified proportions of shares and votes of a majority shareholder.

Under the Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body established in Finland that broadly represents the business sector and has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid (the "**Helsinki Takeover Code**"). Pursuant to the Securities Markets Act, a listed company must provide an explanation for not being committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on Nasdaq Helsinki must be disclosed to the FIN-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps. The obligation to notify net short positions applies to all investors and market participants. A net short position in relation to the shares of a company that has shares admitted to trading on a regulated market must be disclosed where the position reaches, exceeds, or falls below the threshold of 0.2 percent of the target company's issued share capital. A new notification must be submitted for each 0.1 percent above the threshold. The FIN-FSA publishes the notified net short positions on its website if the net short position reaches, exceeds, or falls below 0.5 percent of the issued share capital of the target company.

Book-Entry Securities System

General

Any issuer established in the European Union that issues or has issued transferable securities that are admitted to trading or traded on trading venues must arrange for such securities to be represented in book-entry form. The issuer has the right to choose the central securities depository where the securities are admitted to trading. The central securities depository maintains the book-entry system. In Finland, the central securities depository is Euroclear Finland, which provides national clearing and settlement as well as registration services for securities. Euroclear Finland maintains a centralized book-entry securities system for both equity and debt securities. The address of Euroclear Finland is Urho Kekkosen katu 5 C, FI-00100, Helsinki, Finland.

Euroclear Finland keeps, on behalf of the issuers, issuer-specific shareholders' registers of companies entered into the book-entry system. In addition, Euroclear Finland offers book-entry account services to shareholders who have opened their accounts before the enforcement of the Act on the Book-Entry System and Settlement Activities (348/2017, as amended), entered into force on 21 June 2017. During the transitional period of the Act on the Book-Entry System and Clearing Operations (348/2017, as amended), the expenses incurred by Euroclear Finland in connection with maintaining the centralized book-entry securities system are borne mainly by the issuers and the account operators participating in the book-entry securities system. The account operators, consisting, for instance, of credit institutions, investment service firms, and other institutions licensed to act as clearing parties by the central securities depository, administer the book-entry accounts and are entitled to make entries in the book-entry accounts.

Registration Procedure

In order to hold entries in the book-entry system, a shareholder or such holder's nominee must establish a book-entry account with an account operator or register its shares through a nominee registration process in order to effect share entries. Finnish shareholders are not allowed to hold their shares through nominee registration in Finland. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, shares owned by a foreigner, foreign entity, or foreign trust may be registered in a book-entry account opened in the name of such foreigner, foreign entity, or foreign trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. For shareholders who have not transferred their shares into book-entries, a joint book-entry account is opened with the central securities depository, and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerized book-entry transfers. The account operator confirms book-entry transfers by sending notifications of all transactions to the holder of the respective book-entry account. Account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specified information with respect to the account holder and other holders of rights to the book-entries entered into the account and information on the account operator administering the book-entry account. In addition to this, the book-entry account must contain information with respect to the type and number of book-entry securities registered and the rights and restrictions pertaining to the account and to the book-entry securities registered in the account. A nominee account is identified as such on the entry. Euroclear Finland and the account operators are bound by strict confidentiality requirements, although certain information (for example the name and address of each account holder) contained in the register is public, except in the case of nominee registration. The FIN-FSA is entitled to receive certain information on nominee registrations upon request. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book-entry system, at the registered office of the central securities depository in Finland, except in the case of nominee registration.

Each account operator is strictly liable for errors and omissions in the registers it maintains and for any unauthorized disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or an amendment to or deletion of rights in respect of registered securities, and the relevant account operator is unable to compensate for such loss due to insolvency that is not temporary, such account holder is entitled to compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry system during the last five calendar years and it must be at least EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered from a single account operator subject to a maximum amount of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each individual incident is limited to EUR 10 million.

Custody of the Shares and Nominee Registration

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organizations approved by the central securities depository) to act as a custodial nominee account holder on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A holder of nominee-registered shares wishing to attend and vote at General Meetings must be notified for a temporary entry in the shareholders' register no later than the date set out in the notice to convene the meeting, which date must be subsequent to the Record Date of the relevant General Meeting. A holder of nominee-registered shares temporarily registered in the shareholders' register will be deemed to have registered for the meeting and no further registration is required provided that such holder of nominee-registered shares would be entitled, by virtue of such shares, to be registered in the shareholders' register of the company held by Euroclear Finland on the Record Date. When the holder of nominee-registered shares is known, a custodial nominee account holder is required, on request, to disclose to the FIN-FSA and the relevant company the identity of the holder of the shares registered in its name and the number of shares owned by such holder of nominee-registered shares. If the identity of the holder of nominee-registered shares is not known, the custodial nominee account holder is required to disclose the identity of the representative acting on behalf of the holder of nominee-registered shares and the number of shares held and to submit a written declaration to the effect that the holder of the nominee-registered is not a Finnish natural person or a legal entity.

Finnish depositories for both Euroclear Bank, S.A./N.V. – the operator of Euroclear Finland – and Clearstream have custodial accounts within the book-entry securities system, and, accordingly, non-Finnish shareholders may hold their shares listed on Nasdaq Helsinki in their accounts in Euroclear Bank, S.A./N.V. and in Clearstream.

Shareholders who wish to hold their shares in the book-entry securities system in their own name and who do not maintain a book-entry account in Finland are required to open a book-entry account through an authorized account operator in Finland and a convertible euro account at a bank.

Compensation Fund for Investors and Deposit Insurance Funds

The Finnish Act on Investment Services (747/2012, as amended) sets forth a compensation fund for investors. The act divides investors into professional and non-professional investors. The fund does not cover losses incurred by professional investors. The definition of professional investor includes business enterprises and public entities, which can be deemed to understand the securities markets and the associated risks. An investor may also provide notice in writing that, on the basis of their professional skills and experience in investing, they are a professional investor; however, natural persons are presumed to be non-professional investors.

Investment firms and credit institutions must belong to the compensation fund. The compensation fund secures the payment of clear and indisputable claims in cases where an investment company or credit institution has been declared bankrupt, undergoing corporate restructuring proceedings, or otherwise, for a reason other than temporary insolvency, not able to pay claims within a determined period of time. For valid claims, the compensation fund will pay 90 percent of the investor’s claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses attributable to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions.

Pursuant to the Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee scheme, which is intended to safeguard payments of receivables in the depositary bank’s account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit insurance fund up to a maximum of EUR 100,000. An investor’s assets may be safeguarded either by the deposit insurance fund or the compensation fund. However, an investor’s funds may not be safeguarded by both funds at the same time.

TAXATION

The following summary is based on the tax laws of Finland as in effect and applied as at the date of these Listing Particulars, as well as on the current case law and tax practice. Any changes in Finnish tax laws and their interpretation may also have a retroactive effect. The following summary is not exhaustive and does not take into account or discuss the tax laws, case law or tax practice of any country other than Finland. Prospective investors are advised to consult a tax adviser in order to obtain information about tax consequences resulting from the purchase, ownership and disposition of the Shares in Finland or elsewhere. The tax legislation of the investor's Member State and the Company's country of incorporation may have an impact on the income received from the Shares. Prospective investors, whose taxation may be impacted by the tax laws of other countries, should consult their own tax advisers as to the tax implications related to their individual circumstances.

Finnish Taxation

Background

The following is a general description of Finnish income and transfer tax consequences that may be relevant in terms of the Listing. The description below is applicable to individuals and limited companies that are tax resident or tax non-resident in Finland, and it discusses the Finnish tax laws applicable to distribution of dividends and capital gains arising from the sale of the Shares.

The following does not address the taxation of the Company itself or any tax consequences applicable to shareholders who are subject to special tax rules. Such shareholders include, among others, entities exempt from income tax, non-business carrying entities, individuals taxable under the Finnish Business Income Tax Act and general or limited partnerships. Furthermore, this description does not address the tax consequences of Finnish resident shareholders in controlled foreign corporations in Finland, different restructurings of corporations or Finnish inheritance tax or gift tax consequences.

This description is based on:

- the Finnish Income Tax Act (1535/1992, as amended);
- the Finnish Act on the Taxation of Business Profits and Income from Professional Activity (360/1968, as amended) (the "Finnish Business Income Tax Act");
- the Finnish Act on Taxation of Non-Residents (627/1978, as amended);
- the Finnish Transfer Tax Act (931/1996, as amended); and
- the Finnish Tax Procedure Act (1558/1995, as amended)

In addition, relevant case law and any decisions and statements made by tax authorities in effect and available as at the date of these Listing Particulars have also been taken into account. Tax legislation, case law, and statements given by tax authorities are subject to change, which could also have retroactive effects.

General

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. Finnish residents (persons with unlimited tax liability) are subject to Finnish taxation on their worldwide income. Non-residents (persons with limited tax liability) are only taxed on Finnish source income. In addition, all income of non-residents derived from a permanent establishment located in Finland will be taxed in Finland. Tax treaties entered into by Finland may restrict the applicability of Finnish internal tax legislation and prevent the taxation of income derived in Finland by a non-resident.

Generally, a natural person is deemed a resident of Finland for tax purposes if the person stays in Finland for more than six consecutive months or if the permanent home and abode of the person is in Finland. A Finnish citizen is deemed a resident of Finland for tax purposes during the year he or she has emigrated from Finland and three subsequent years, unless he or she proves that no essential ties to Finland existed during the relevant tax year. Earned income is taxed at progressive tax rates. Capital income up to EUR 30,000 per calendar year is taxed at a rate of 30 percent and, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent. Corporate entities established under the laws of Finland are regarded as residents of Finland and thus subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. The current corporate income tax rate is 20 percent.

Distribution of unrestricted equity (in accordance with Section 1(1) of Chapter 13 of the Companies Act) by a publicly listed company ("**Listed Company**") pursuant to Section 33(a)(2) of the Finnish Income Tax Act is taxable as dividend. Hence, the description below addressing the tax implications of dividends is also applicable with respect to distribution of unrestricted equity.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership, and disposition of Shares by Finnish resident and non-resident shareholders.

Taxation of Finnish Corporations

The following applies only to Finnish limited liability companies taxed in accordance with the Finnish Business Income Tax Act. With effect from the tax year 2020, the Finnish Business Income Tax Act is, as a rule, applied to the calculation of the taxable income of most corporations (with certain exceptions, such as the calculation of the taxable income of certain real estate companies and agriculture).

Purchasing the Shares

No income taxation is triggered by purchasing or owning the Shares per se. For the dividends received based on the Shares, please see below "*– Dividends Received Based on the Shares*" and for Finnish transfer taxation, please see below "*– Transfer Tax*".

Dividends Received Based on the Shares

The tax treatment of dividends distributed by a Listed Company varies depending on whether the Finnish company receiving the dividend is a Listed Company or a non-listed company.

Dividends received by a Listed Company from another Listed Company are generally exempt from tax. However, in the event that the underlying Finnish shares belong to the investment assets of such a shareholder, 75 percent of the dividend received by the Listed Company is taxable income and 25 percent is tax-exempt income. Only financial, insurance, and pension institutions may have investment assets. The actual tax rate in these situations is 15 percent.

If the recipient is a non-listed company, the dividends it receives are fully subject to corporate income tax if such a shareholder does not directly own at least 10 percent of the share capital of the distributing company. If the direct ownership is at least 10 percent when the dividend is distributed, the dividend received on such shares is tax exempt. However, if a non-listed company receives a dividend from shares of a Finnish company included in its investment assets, 75 percent of the dividend is taxable income and 25 percent is tax exempt regardless of the share of ownership.

Disposal of the Shares: Capital Gains and Losses

Any capital gains from the sale of the Shares are generally regarded as taxable income arising from business activities of Finnish resident corporations. The taxable income of a Finnish corporation is determined separately for business activities. A fixed tax rate of 20 percent is applied to the income in the business income basket and the Finnish Business Income Tax Act is applied to the taxation of the income in the business income basket. Shares belonging to the business income basket may be fixed assets, current assets, investment assets, financial assets, or other assets of a Finnish corporation. Other assets comprise assets which do not have a clear connection to the business operations of a corporation, and assets that cannot be allocated as belonging to the asset classes of fixed assets, current assets, investment assets, or financial assets. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify.

The capital gain and loss is calculated by deducting the total sum of the actual acquisition cost and selling cost from the transfer price. The acquisition cost of the disposed Shares is thus deductible for the company from the income in the basket to which the sold Shares belonged and in which the sales price was recorded.

Any capital loss arising from the disposal of the Shares attributable to business activities, but not belonging to fixed assets or other assets, is generally deductible from the income in the business income basket. As a rule, confirmed losses from business activities can be carried forward from the taxable income in the business income basket for ten years following the negative year.

Capital losses on disposals of the Shares belonging to other assets can only be offset against capital gains on disposals of other assets in said tax year and in the subsequent five tax years. Any capital gains from the sale of the Shares before the tax year 2020 could generally be regarded as taxable income in the business income basket or the other income basket of Finnish resident corporations. With effect from tax year 2020, the application of the Finnish Income Tax Act will be restricted significantly, and, as a rule, the Finnish Business Income Tax Act will be applied to the calculation of the taxable income of most corporations (with certain exceptions, such as the calculation of the taxable income of certain real estate companies and agriculture). In accordance with the transitional provision, capital losses which have been calculated according to the Finnish Income Tax Act and have not been offset before tax year 2020, can be carried forward for five years following the tax year of the disposal of the asset, and will primarily be deductible from capital gains on disposals of other assets, and secondarily from capital gains on disposal of shares or real property belonging to fixed assets.

Capital gains based on the disposal of shares in a limited liability company may also be tax exempt for corporate entities in certain strictly defined situations. Under Section 6(b) of the Finnish Business Income Tax Act, capital gains arising from the sale of shares that are part of the fixed assets of a selling company that is not engaged in private equity activities are not considered taxable business income and, correspondingly, capital losses incurred in the sale of such shares are not tax deductible, if the disposal of shares is tax exempt. A disposal of shares is tax exempt, if (i) the selling company has directly and continuously for at least one year owned at least 10 percent of the share capital in the company whose shares are sold and such ownership has ended at the most one year before the sale of shares; (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, de facto, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland, in another EU member state, the company is specified in Article 2 of the Parent Subsidiary Directive or the company is resident in a country with which Finland has entered into a Tax Treaty that is applicable to dividends. Additionally, in Finnish case law it has also been required, inter alia, that there is a business connection between the company disposing shares and the company whose shares are disposed of.

Capital losses relating to the disposals of shares entitled to this tax exemption will not be tax deductible. Capital losses arising from the disposal of shares which belong to the seller's fixed assets but do not qualify for tax exemption are deductible only from capital gains arising from the disposal of shares, which belong to the seller's fixed assets, in the same tax year and the subsequent five tax years.

Taxation of Natural Persons with Unlimited Tax Liability

Purchasing the Shares

No income taxation is triggered by purchasing or owning the Shares per se. For the dividends received based on the Shares, please see below "*– Dividends Received Based on the Shares*" and for Finnish transfer taxation, please see below "*– Transfer Tax*".

Dividends Received Based on the Shares

85 percent of dividends received by a natural person resident in Finland from a Listed Company is taxable as capital income, whereas 15 percent is tax exempt income. The current applicable tax rate is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount in excess of EUR 30,000.

When a Listed Company distributes dividends to individuals, the Listed Company is obligated to withhold advance tax on the dividend payments. As at the date of these Listing Particulars, the tax withholding is 25.5 percent of the amount of the dividend. The advance tax withheld by the distributing company is credited against the final tax payable by the recipient of the dividend. Finnish tax resident individuals must check from their pre-completed tax return that the dividend information has been correctly reported, and, when necessary, correct the right amount of dividends and tax withholding into the tax return.

Regulations concerning the taxation of a dividend based on a nominee-registered share have been amended and the new regulation came into force on 1 January 2020 regarding taxpayers who are Finnish tax residents. According to the new rules, a 50 percent withholding tax will be withheld on the nominee account's dividends if the dividend paying company or registered custodian cannot identify the recipient of the dividend.

The dividends paid for shares kept on a share savings account constitute proceeds of the share savings account, which are regarded as taxable capital income when the proceeds are withdrawn from the share savings account. For the taxation of the proceeds of share savings accounts, please see below "*– Disposal of the Shares: Capital Gains and Losses*".

Disposal of the Shares: Capital Gains and Losses

Capital gains from the sale of the Shares are taxed as capital income of the Finnish resident individual. The current tax rate applied to capital gains is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount in excess of EUR 30,000. However, capital gains from assets that do not belong to the person's business activities are exempt from tax if the total amount of the transfer prices of the person's sold assets does not exceed EUR 1,000 in a tax year (excluding sales prices of assets from which capital gains are tax exempt under Finnish tax laws).

Capital losses arising from the sale of the Shares are deductible primarily from capital gains and secondarily from other capital income arising in the same tax year and the following five tax years. Capital losses will not be taken into account when calculating the capital income deficit for the tax year in question, and hence, it does not entitle to a deficit credit. Capital losses will not, however, be tax deductible if the total amount of the acquisition costs (and also sales prices) of the assets sold by the individual does not exceed EUR 1,000 in a tax year (excluding sales prices of assets from which capital gains are tax exempt under Finnish tax laws).

Capital gains and losses are calculated as the difference between the transfer price and the aggregate of the actual acquisition cost and sales-related expenses. Alternatively, individuals may choose to apply the presumptive acquisition cost for the Shares instead of the actual acquisition cost. The presumptive acquisition cost is normally 20 percent of the sales price, but 40 percent of the sales price for shares that have been held by the shareholder for a period of at least ten years. If the presumptive acquisition cost is applied instead of the actual acquisition cost, any expenses arising from the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the sales price.

Natural persons resident in Finland must enter information about any disposal of the Shares during the tax year in their pre-completed tax return.

The profit gained on the disposal of the assets kept on a share savings account is not taxable income. The proceeds of a share savings account are considered taxable capital income when the proceeds are withdrawn from the share savings account. The current capital tax rate is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount in excess of EUR 30,000.

The loss resulting from the disposal of the assets kept on a share savings account is also not deductible. The losses of a share savings account are deductible from the taxable capital income only in the year in which the share savings account is closed. The losses of a share savings account are deducted from the net capital income after the capital losses and before the other deductions from the capital income. To the extent that the losses have not been deducted from the taxable capital income in any tax year, it will be taken into account when calculating the capital income loss. The losses of a share savings account are not taken into account when calculating the capital income deficit, and hence, no deficit credit is granted. The capital income loss will be deducted from the capital income over the course of the subsequent 10 years as capital income is accumulated.

Taxation of Investors with Limited Tax Liability

Purchasing the Shares

No income taxation is triggered by purchasing or owning the Shares per se. For the dividends received based on the Shares, please see below "– *Dividends Received based on the Shares*" and for Finnish transfer taxation, please see below "– *Transfer Tax*".

Dividends Received Based on the Shares

In connection with the payment of dividends from a Finnish company to a non-resident investor, the Finnish dividend payer is generally obliged to withhold withholding tax in connection with the payment of the dividend, and no other Finnish taxes are payable on the dividend.

The withholding tax rate of dividends paid in Finland to non-resident entities is currently 20 percent. The withholding tax rate of dividends paid in Finland to non-resident individuals and other non-corporate income recipients is 30 percent. The withholding tax may be reduced or removed pursuant to tax treaty provisions applicable to the dividend.

Finland has entered into tax treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of the treaties with the following countries, Finnish withholding tax rate regarding dividends of portfolio shares is generally reduced to the following percentages: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: 0 percent; Germany: 15 percent; Ireland: 0 percent; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: 0 percent; and the United States: 15 percent (0 percent for certain pension funds). This list is not exhaustive. A further reduction in the withholding tax rate is available under most tax treaties to corporate entities for dividend distributions on qualifying holdings (usually direct ownership of at least 10 or 25 percent of the share capital or votes of the distributing company). The reduced withholding rate benefit in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided a valid tax at source card or necessary details of its nationality and identity to the company paying the dividend.

However, no withholding tax is levied on dividends paid to such corporate entities residing within the European Union, as defined in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), if the recipient company directly holds at least 10 percent of the share capital of the dividend distributing Finnish company.

Dividends paid to certain foreign corporate entities resident within the EEA may qualify for a complete exemption from Finnish withholding taxation or may be subject to withholding taxation at a reduced rate, based on how the dividend would have been taxed, had it been paid to a corresponding Finnish entity. No withholding tax is levied in Finland from dividends to a non-resident entity distributed by a Finnish company, if (i) the entity receiving dividend resides in the EEA; (ii) the Mutual Assistance Directive (2011/16/EU) or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; and (iii) the company receiving a dividend is equivalent to a Finnish entity defined in Section 33(d)(4) of the Finnish Income Tax Act or Section 6(a) of the Finnish

Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to a Finnish corresponding corporation or entity; and (v) the entity establishes (with a certificate from the home member state's tax authority) that in accordance with the agreement on avoiding double taxation concluded between Finland and the home state of the recipient of dividends, the withholding tax cannot de facto be credited in full.

Notwithstanding the aforementioned, the dividend is only partly tax exempt if the Shares belong to the investment assets of the recipient corporate entity, and that corporate entity is not a corporate entity defined in the Parent Subsidiary Directive directly holding at least 10 percent of the capital of the distributing company. In this case, the applicable withholding tax rate is currently 15 percent. A prerequisite for this tax treatment is that the recipient entity has its registered office in a state fulfilling conditions (i) and (ii) above and that the entity fulfils the conditions set out under (iii) above. Depending on the applicable agreement on avoiding double taxation, the withholding tax rate may also be lower than 15 percent.

When the shares of a Finnish company are nominee-registered, the Finnish company paying the dividend pays them to the nominee-registered custodian account, whose custodian remits the dividends paid to the beneficial owners. If the recipient of the dividend paid to a nominee registered share is resident in a tax treaty state, withholding tax is always levied on the dividend at a rate of at least 15 percent, or a higher percentage provided for in the applicable tax treaty, provided that, pursuant to the information duly ascertained by the payer, the recipient qualifies under the tax treaty provisions applicable to dividends. The recipient of dividends may, prior to the payment, provide the payer with an explanation of his or her domicile and the other requirements for the application of the tax treaty, in which case he or she may receive the dividend payable on the nominee-registered share at a lower withholding tax rate pursuant to the applicable tax treaty. This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty, higher than 15 percent or 15 percent absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary is registered in the Finnish tax authorities' register and that it is resident in territory of the European Union or in a country with which Finland has a tax treaty. Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, agree to report the dividend receiver's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, a 30 percent withholding tax is withheld from a non-resident natural person and a 20 percent withholding tax is withheld from a non-resident corporate entity on the nominee account's dividends. The regulations concerning the taxation of a dividend based on a nominee-registered share and the prerequisites on how the provisions of a tax treaty could be applied to the dividend have been amended and the new regulation will come into force on 1 January 2021. According to the new rules, a 35 percent withholding tax will be withheld on nominee-registered shares' dividends if the new provisions regarding application of a lower withholding tax rate under a tax treaty are not fulfilled.

Recent rulings of the European Court of Justice (Joined Cases C-116/16 and C-117/16 and Joined Cases C-115/16, C-118/16, C-119/16, C-299/16) regarding the concept of beneficial owner for European Union law purposes may have implications on Finnish tax legislation going forward, which may result in, inter alia, additional criteria to obtain a preferred dividend withholding tax rate.

If the recipient of the dividends is a person with limited tax liability residing in the EEA, he or she can claim, provided that certain preconditions are met, that the taxation of dividends paid by a Finnish company is executed in accordance with the Tax Procedure Act instead of in the form of a withholding tax. A precondition is that the mutual assistance in tax matters between Finland and the recipient's country of residence is organised in accordance with the Mutual Assistance Directive (2011/16/EU) or a tax treaty concerning executive assistance and exchange of information and, furthermore, that the Finnish withholding tax cannot, by virtue of provisions in the applicable tax treaty, be credited in its entirety in the country where the recipient is residing.

No withholding tax is levied on dividends paid for shares kept on a share savings account. The dividends paid for shares kept on a share savings account constitute proceeds of the share savings account. For the taxation of the proceeds of share savings accounts, please see below "*– Disposal of the Shares: Capital Gains and Losses*".

Disposal of the Shares: Capital Gains and Losses

Investors that are not resident in Finland for tax purposes are not generally subject to Finnish tax on capital gains arising from the transfer of the Shares, unless the transfer of the Shares relates to business activities carried out in Finland (through a permanent establishment) or more than 50 percent of the total assets of the company in question consists of real estate properties located in Finland.

If a non-resident individual has a share savings account in Finland, the proceeds withdrawn from the share savings account may, however, be taxed in Finland as the non-resident's income, if there is no tax treaty in place preventing the taxation of the income. If there is no tax treaty in place preventing the levying of the withholding tax, the proceeds withdrawn from the share savings account will be subject to withholding tax at the rate of 30 percent.

The loss resulting from the closing of a share savings account cannot be deducted from a non-residents' income subject to withholding tax. The loss of a share savings account can, however, be deducted from the capital income generated in Finland which is subject to taxation under the Finnish Act on Assessment Procedure, if the non-resident has such income. However, if the taxation of the proceeds paid from a share savings account is not possible in Finland because of the existence of a tax treaty, the loss cannot be deducted from the capital income and it will not be taken into account when calculating the capital income loss.

Transfer Tax

Transfer tax is generally not payable on the transfer of a Finnish company's shares subject to public trading on a regulated market or multilateral trading facility against fixed cash consideration on the condition that the broker or other party to the transaction is an investment firm, a foreign investment firm or other investment services provider as defined in the Finnish Act on Investment Services or the transferee has been approved as a trading party in the market where the transfer is executed. If the broker or other trading party is not a securities broker within the meaning of the Transfer Tax Act (i.e. the intermediary is a foreign broker that does not have a branch or office in Finland), the precondition for the tax exemption is that the transferee notifies the Finnish tax authorities of the transfer within two months of the transfer or that the intermediary submits an annual notification to the tax authorities pursuant to the Tax Procedure Act.

The exemption does not apply to certain specifically defined disposals, such as transfers of shares by means of a capital contribution or distribution, or transfers of shares in which the consideration consists partially or completely of employment or work. Also, the exemption does not apply to transfers of shares carried out in order to fulfil the provisions in the Companies Act concerning the purchase of minority shareholdings under squeeze out rules. Furthermore, the exemption does not apply to a transfer of shares if it is based on an offer made after the public trading with the share in question has ended or before it has begun. However, such transfer may qualify for the exemption if it takes place in the context of a sale of shares that is a part of a combined public offer to sell existing shares and subscribe for new shares of the company, in which the shares transferred are specified only after the public trading has begun and in which the sales price is equal to the subscription price of the new shares.

Where the transfer of shares does not fulfil the above requirements for a tax-exempt transfer, the purchaser has a liability to pay transfer tax at a rate of 1.6 percent of the transaction price. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company, or EEA alternative investment fund manager, the seller must levy the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to levy the transfer tax from the purchaser and pay the tax to the state. If neither party to the transfer is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, fund management company, or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax. No transfer tax is levied if the amount of the tax is less than EUR 10.

Transfer tax is not payable in Finland in connection with the issuance of or subscription for new shares.

DOCUMENTS ON DISPLAY

Documents on Display

Copies of the following documents are on display for the period of validity of these Listing Particulars during normal business hours between 9 a.m. and 4 p.m. on weekdays at the registered office of the Company at Tyynenmerenkatu 11, FI-00220 Helsinki, Finland and on the investor website of the Company at https://investors.verkkokauppa.com/en/listing2020:

1. the Articles of Association of the Company;

2. the audited financial statements and auditor’s reports of the Company for the financial years ended on 31 December 2019, 31 December 2018, and 31 December 2017;

3. the Company's unaudited interim report for the three months ended on 31 March 2020;

4. the Finnish Prospectus;

5. these Listing Particulars; and

6. the decision of the FIN-FSA regarding the Finnish Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference into these Listing Particulars in accordance with Article 19 of the Prospectus Regulation, and they form a part of the financial information of Verkkokauppa.com Oyj. Should any of the documents incorporated by reference into these Listing Particulars themselves refer to or incorporate by reference any further information, such information is not incorporated by reference into and does not form a part of these Listing Particulars. The documents incorporated by reference are available on Verkkokauppa.com's website at https://investors.verkkokauppa.com/en/listing2020 and during normal business hours on weekdays at Verkkokauppa.com's registered office at Tyynenmerenkatu 11, FI-00220 Helsinki, Finland.

Document	Section	Pages
Verkkokauppa.com's unaudited interim report for the three months ended on 31 March 2020	In its entirety	
Verkkokauppa.com's Annual Report 2019	Audited financial statements (IFRS) and auditor's report for the financial year ended on 31 December 2019	26–52, 53–54
Verkkokauppa.com's Annual Report 2018	Audited financial statements (IFRS) and auditor's report for the financial year ended on 31 December 2018	24–53, 54–55
Verkkokauppa.com's Annual Report 2017	Audited financial statements (FAS) and auditor's report for the financial year ended on 31 December 2017	24–33, 34–35

ANNEX A – THE ARTICLES OF ASSOCIATION OF VERKKOKAUPPA.COM (UNOFFICIAL ENGLISH TRANSLATION)

1 § Trade name and Domicile of the Company

The trade name of the Company is Verkkokauppa.com Oyj and its domicile is Helsinki.

2 § Line of Business

The Company is engaged in the purchase, sale, leasing, importing and consultation of computers and their peripheral devices, software, cameras, components, electronics, printing devices, cables, office technology and supplies, telecommunications devices and services. The Company also offers Internet and network services, including its online store.

3 § Board of Directors

The Company shall have a Board of Directors, consisting of four to eight ordinary members and at most a corresponding number of deputy members.

4 § Representation

The Company is represented by the CEO and the Chairman each alone and two members of the Board of Directors together. The Board of Directors may also provide an authorization a specifically named person to represent the Company, alone or together with another person. The Board of Directors decides on the granting of powers of procuration.

5 § Auditors

The auditor of the company shall be an Authorized Public Accountants firm approved by the Patent and Registration Office.

6 § Financial Period

The Company's financial period is from 1 January to 31 December.

7 § Notice to convene a General Meeting of Shareholders

The notice to convene a General Meeting of Shareholders shall be delivered to shareholders no earlier than three months and no later than nine days prior to the record date of the General Meeting of Shareholders. The General Meeting of Shareholders is convened by publishing the notice on the Company's website. In addition, information about a delivered notice may be published in a newspaper.

In order to attend the General Meeting of Shareholders, the shareholder must register in advance with the Company at the latest by the date stated in the notice, which may be no earlier than ten (10) days prior to the General Meeting of Shareholders.

8 § Annual General Meeting

The Annual General Meeting shall be held annually within six months from the end of the financial period.

The Annual General Meeting shall decide on:

1. the adoption of the financial statements and, if the Company is a parent company, the adoption of the consolidated financial statements;
2. the measures called for by the profit shown on the balance sheet;
3. discharging the members of the Board of Directors and any CEO from liability;
4. the number of the members of the Board of Directors and the number of any deputy members;
5. the remunerations of the members of the Board of Directors and the auditors and the reimbursement policy for travel expenses;

elect:

6. members of the Board of Directors and any deputy members;

7. the auditor;

and handle:

8. other matters mentioned separately in the notice of the Annual General Meeting.

9 § The shares of the Company have been entered to the book-entry securities system of securities.

ANNEX B – INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE COMPANY'S UNAUDITED INTERIM REPORT AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2020

Report on Review of Interim Financial Information (Translation of the Finnish original)

To the Board of Directors of Verkkokauppa.com Oyj

Introduction

As requested by the Board of Directors of Verkkokauppa.com Oyj (business identity code 1456344-5, the “Company”) we have reviewed the interim financial information as at and for the three months period ended March 31, 2020 included in the pages 9 -18 to the Interim Report January 1 – March 31 2020 of Verkkokauppa.com Oyj (the “Interim financial information”). The Interim financial information comprises of the Company’s statement of financial position as at 31 March 2020, the Company’s income statement, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the three months period ended 31 March 2020, as well as the selected explanatory notes. The Board of Directors and Managing Director are responsible for the preparation and presentation of the Interim financial information in accordance with IAS34 as adopted by European Union. Our responsibility is to express a conclusion on the Interim financial information based on our review.

This report has been prepared only for the purpose of including it in the Listing Particulars prepared in accordance with Prospectus Regulation (EC) N:o 2017/1129 and Commission Delegated Regulation (EC) 2019/980.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim financial information is not prepared, in all material respects, in accordance with IAS34 Interim Financial Reporting standard as adopted by European Union.

Helsinki 28 May 2020

PricewaterhouseCoopers Oy
Authorised Public Accountants

Ylva Eriksson
Authorised Public Accountant (KHT)

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