Marimekko's year 2023

marimekko

Contents

Renowned for bold prints

Marimekko is a Finnish lifestyle design company whose original prints and colors have brought joy to people's everyday lives for over 70 years already. Our product portfolio includes high-quality clothing, bags and accessories as well as home décor items ranging from textiles to tableware.

Since the very beginning, our operations and design philosophy have been based on longevity: we want to offer our customers timeless and functional products of high quality that bring them long-lasting joy.

When Marimekko was founded in 1951, its unparalleled printed fabrics gave it a strong and unique identity. A large part of Marimekko's printed fabrics, used across its product lines, is produced in Helsinki in the company's own textile printing factory even today. The printing factory also acts as an innovation hub for Marimekko's key differentiator, its art of printmaking, and enables active participation in research and development projects related to Marimekko's products and operations.

In 2023, our net sales totaled 174 million euros and comparable operating profit margin was 18.4 percent. Globally, there are roughly 170 Marimekko stores, and online store serves customers in 35 countries. Our key markets are Northern Europe, the Asia-Pacific region and North America.

Puusepänkatu 4
00880 Helsinki
Finland

Tel. +358 9 758 71
marimekko.com
company.marimekko.com

Marimekko in brief

From the President and CEO

Marimekko's profitable growth continued in 2023. Our net sales grew by 5 percent to EUR 174.1 million as in particular international wholesale sales but also Finnish retail sales developed well. Our comparable operating profit improved to EUR 32.0 million, corresponding to 18.4 percent of net sales. I would like to take this opportunity to extend my warmest thanks to the entire Marimekko personnel as well as our partners around the world for their excellent work in 2023.

Cash flow from operating activities also developed favorably, and Marimekko's financial position remained strong. The continued positive development of our business, in spite of the weaker general market environment, combined with our strong financial position, enabled us to make investments that strengthen our competitiveness and support our long-term growth. We believe that the brand's desirability, strong commercial expertise and agility will continue to be ingredients for success across economic cycles, also in the future.

The beginning of 2023 marked the start of Marimekko's new strategy period, during which we focus on scaling our business and growth especially in international markets. We approach our key markets through key cities with an aim of building in each an omnichannel ecosystem, which will enable us to reach consumers in their preferred channels and at important moments. Already during the first year, we strengthened our position in international markets, particularly in Asia and Scandinavia, and, thus, took important steps on our journey to implement our SCALE strategy that runs till the end of 2027. Our international sales increased in total by 10 percent.

In line with our strategy, we concentrate on Asia as the most important geographical area for international growth. The growing market, strong brand fit and proven track record with the loose franchise partnership model provide a good foundation for accelerating Marimekko's omnichannel growth. In 2023, our net sales in the Asia-Pacific region increased by 17 percent, and 17 of the 19 new Marimekko stores that opened during the year are located in Asia. During the latter part of 2023, Marimekko also expanded into three new markets: Singapore, Malaysia and Vietnam. Singapore is an important global metropolis in South East Asia, and the brand's presence there has a wider impact in Asia. Vietnam and Malaysia, in turn, are rapidly growing markets, that offer interesting growth opportunities for Marimekko in the longer term.

In Scandinavia, we strengthened our footprint by opening in Copenhagen our flagship store, which represents our newest, dynamically evolving store

We believe that the brand's desirability, strong commercial expertise and agility will continue to be ingredients for success across economic cycles, also in the future.

concept, and by fully renewing our Stockholm flagship store. The Stockholm and Copenhagen stores are strategic investments that play an important role in growing omnichannel sales as well as building Marimekko's brand awareness and positioning in Scandinavia.

Versatile creative and experiential retail concepts help us to grow our global brand phenomenon. In addition to our network of stores, a total of 11 Marimekko pop-up stores in different markets, as well as Marimekko cafés in Singapore, Thailand and Finland, delighted our existing and new customers. During 2023, we also opened new digital sales channels, launched a new loyalty program for friends of Marimekko and extended the use of 3D tools in design and product development. For example these, along with many other steps to digitize our value chain, will be more strongly reflected in our work in the coming months and years.

Increasing brand awareness is a prerequisite for international growth. In addition to events such as fashion shows in Copenhagen, Bangkok and Helsinki as well as our installation at the Milan Design Week, the Marimekko brand gained wide international visibility throughout the year through high-profile brand collaborations. In March 2023, IKEA stores worldwide launched BASTUA, a limited-edition IKEA x Marimekko collection exuding Nordic design, sauna culture and wellbeing. The collaboration collection was enthusiastically received. Later in the spring, we launched a new global collaboration collection with adidas that combined Marimekko's art of printmaking with adidas' wide-ranging expertise in sports clothing, footwear and apparel. Along with global collaborations providing extensive visibility around the world, also targeted local collaborations represent an important way to introduce more and more new audiences to Marimekko. Therefore, in May, we launched in North America a summery limited-edition collaboration collection with the modern furniture and home décor company West Elm.

The desirability of our brand and collections is being constantly reinforced thanks to our sharpened creative vision. Responding to market and channel specific needs with more modular collections than before is one important focus area in our continuous efforts to speak to a wider global customer base during the started strategy period. In addition to seasonal collections, our work to develop our product offering was visible, for example, in the special capsules created for the Asian markets as well as in the Marimekko Maridenim jeans designed in 2023 according to the principles of circularity and launching on the market later in 2024. Overall, in 2023 we continued our persistent sustainability development activities to, for example, increase the share of organic and recycled materials in our collections, further lengthen the lifecycle of Marimekko products as well as promote innovations and business models in line with the principles of circular economy.

We will decisively continue to build Marimekko's future by challenging the fashion and design industry with empowering optimism, the art of printmaking and timeless design. In 2024, we are celebrating the 60th anniversary of our most renowned print design, Unikko, designed by Maija Isola. During the year, Unikko will appear in, for instance, special collections and various events around the world. This will provide us with excellent opportunities both from brand marketing and commercial perspectives to introduce new audiences to Marimekko, deepen our relationship with the friends of our brand around the world, and scale up our profitable growth in accordance with our SCALE strategy.

Tiina Alahuhta-Kasko

2023 in a nutshell

In 2023, our net sales grew by 5 percent to EUR 174.1 million. Net sales were boosted in particular by increased international wholesale sales but also by the good development in Finnish retail sales. Our comparable operating profit grew by 5 percent and totaled EUR 32.0. Operating profit was improved especially by increased net sales. On the other hand, higher fixed costs decreased operating profit. Improved relative sales margin had a positive effect on the operating profit. Cash flow from operating activities also developed favorably, and Marimekko's financial position remained strong.

The growth of international net sales, the development of the store network, new digital sales channels and interesting brand collaborations, with brands such as adidas and IKEA, are concrete proof of the progress of our strategy in 2023. In addition, we accelerated our growth in Asia, the most important geographical area for Marimekko's international growth, by expanding to three new markets: Singapore, Vietnam and Malaysia.

Net sales

174.1

million euros (166.5)

Comparable operating profit

32.0

million euros (30.4)

Comparable operating profit margin

18.4

% (18.2)

Comparable EBITDA

41.2

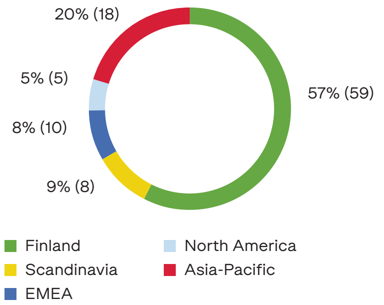
million euros (40.0)

Cash flow from operating activities

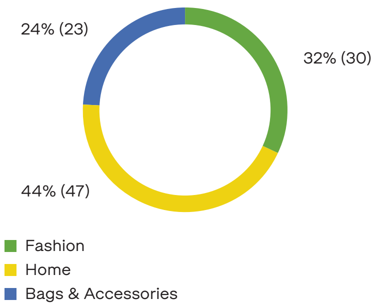
29.4

million euros (20.1)

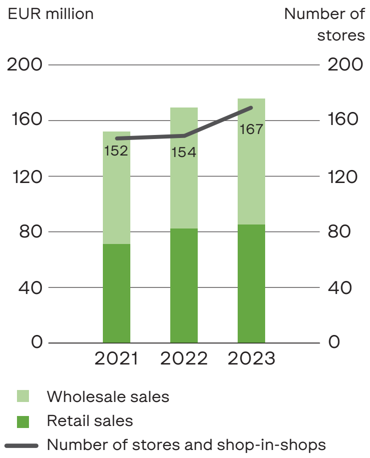
Net sales by market area, 2023
(2022)



Net sales by product line, 2023
(2022)



Net sales by channel, e-commerce included



Our key markets
Northern Europe, the Asia-Pacific region and North America

Around 170 Marimekko stores
Flagship stores in Helsinki, Stockholm, Copenhagen, New York, Tokyo and Sydney

Online store
reaches our customers in 35 countries

We employ
about 470 people

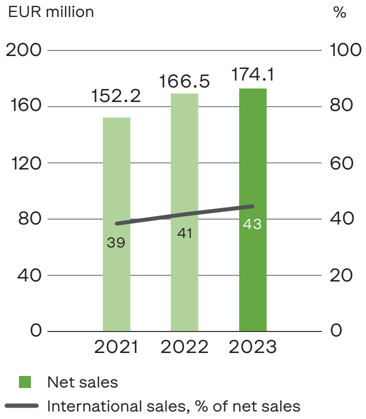
Our share is quoted on
Nasdaq Helsinki Ltd

Financial targets

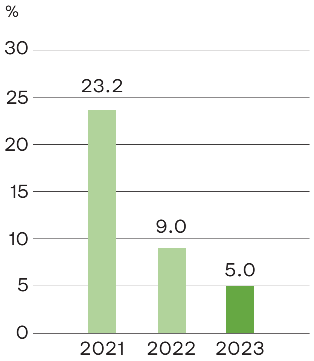
Long-term financial goals

- Annual growth in net sales 15%
- Comparable operating profit margin 20%
- Ratio of net debt to EBITDA at year end max. 2
- The intention is to pay a yearly dividend; percentage of earnings per share allocated to provide to dividends at least 50%

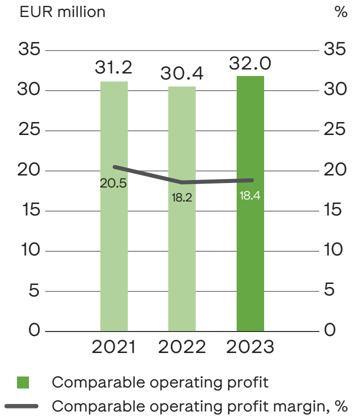
Net sales



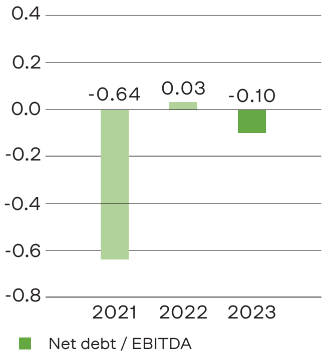
Growth in net sales



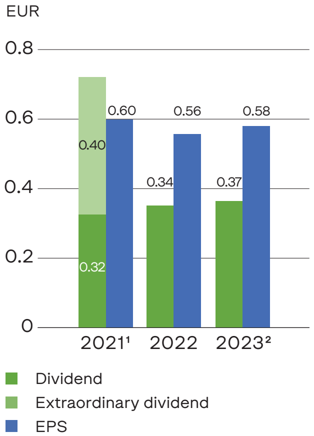
Comparable operating profit



Net debt / EBITDA



Dividend and earning per share



[1] Per-share key figures have been calculated and the figures for the comparable year have been restated using the new total number of shares following the issuance of shares without payment (share split), in accordance with the decision made by the AGM on 12 April 2022.

[2] The Board of Directors of Marimekko proposed on 14 February 2024 to the AGM on 16 April 2024 that a dividend of EUR 0.37 per share is paid for 2023.

Strategy

During the strategy period 2023–2027, we focus on scaling the Marimekko business and growth especially in international markets. Our results in recent years and overall increased interest in Marimekko around the world also demonstrate the unique opportunities for global expansion that megatrends, such as digitalization as well as changes in consumers' values, present Marimekko with.

The growth of international net sales, three new markets, 19 new stores and new digital sales channels as well as interesting collaborations are concrete proof of the progress of our strategy in 2023. We believe that the winning brands and companies of the future will be determined in challenging market conditions. We will decisively continue to build Marimekko's future by building on and reinforcing our proven success recipe and, thus, bring joy and optimism to the constantly growing audiences that appreciate Marimekko's original and timeless design.

Our vision is to be the world's most inspiring lifestyle design brand renowned for bold prints.

Marimekko has defined the following five strategic success factors to scale growth of the Marimekko business during the strategy period 2023–2027.

S Determined sustainability efforts strongly support Marimekko's long-term success

Marimekko wants to be a forerunner in developing products and practices throughout the value chain, for instance, by extending the lifespan of the products and increasing the use of organic and recycled materials. The company believes that sustainability also opens new value-creating opportunities for its business. To further demonstrate its dedication, Marimekko has committed to the Science Based Targets initiative to set science-based emissions reduction targets in line with the Paris Climate Agreement.

C Sharpened creative vision to speak to a wider global audience

Marimekko will continue to reinforce a sharpened creative vision to speak to a wider global audience, with ready-to-wear as the communicational spearhead of the Marimekko lifestyle. This work will include, among others, developing collection modularity to fulfil market and channel-specific customer needs even better, as well as levelling up the integration of sustainability aspects into the design principles.

A Accelerating growth in Asia

Northern Europe, North America and the Asia-Pacific region continue to be the company's main markets, while Marimekko will focus on Asia as the most important geographical area for international growth. The growing market, strong brand fit and proven track record with the loose franchise partnership model provide a good foundation for accelerating omnichannel growth in Asia. Marimekko approaches the markets via key cities and focuses on capturing growth in the company's existing markets as well as explores opening of new markets in Asia in the longer term.

L Love for Marimekko life

The company connects with its customers with a value-based, unique brand story with optimism and the art of printmaking at heart. Creative brand experiences that affix Marimekko with local art, culture and communities enable the company to stand out, while brand collaborations introduce Marimekko to new audiences. The meaningful purpose and values, the culture fostering creativity and internal entrepreneurship as well as the company's efforts to promote diversity, equity and inclusion create a strong foundation for Marimekko's future success.

E End-to-end digitality to boost omnichannel growth and efficiency

Direct-to-consumer, operated by the company itself or its partners, represents the core of Marimekko's distribution strategy. It is complemented with select, and increasingly online, retailers to gain scale and access to new customers. Even with a digital first mindset, physical stores play an important role as the hearts of brand culture, fueling also online growth. Marimekko will work actively on multiple fronts to accelerate the wider digitalization of the company as new technologies and data bring interesting opportunities benefiting the company's entire value chain and seamless customer experience.

We want to be a forerunner in developing our products and practices throughout the value chain

Marimekko's design philosophy and our operations have always been based on a sustainable approach: we want to provide our customers with timeless, functional and high-quality products that bring them long-lasting joy and that they will not want to throw away. We believe that determined sustainability efforts support our long-term success, which is why sustainability has been defined as one of the five strategic success factors in our business strategy for 2023–2027.

HIGHLIGHTS OF OUR SUSTAINABILITY WORK IN 2023

- In line with the material strategy, increasing the share of recycled materials to 21 percent and organic materials to 20 percent in the collections, which helped in reducing the greenhouse gas emissions and water scarcity score per kilogram of sourced textiles
- Increasing direct shipments from suppliers to wholesale customers in Asia in an effort to reduce greenhouse gas emissions of logistics
- 100 percent of the energy purchased for Marimekko's printing factory and headquarters renewable: biogas, renewable district heat and renewable electricity, some of which has been produced with solar panels installed on the roof of the headquarters
- Closed-loop pilot projects in Portugal and Finland, where textile waste generated in the manufacturing of Marimekko's collections were partly used as raw material for new Marimekko products
- Launching Icons Revived capsule collection from surplus fabrics of the previous collections
- Joining the Ellen MacArthur Foundation, the world's leading network on circularity, as a Network Member
- Documenting circular design principles that take into account the requirements of the circular economy and designing the new Marimekko Maridenim jeans capsule according to these principles
- Marimekko's in-house quality laboratory conducting over 5,000 tests to ensure compliance with the company's quality standards
- Joining the global Leather Working Group initiative which is committed to building a responsible leather supply chain
- Marimekko was granted a Responsible Animal Fiber certification for wool and mohair sourced from sheep and alpaca
- 100 percent of purchases from outside the EU covered by social audits
- Continuing official partnership with Helsinki Pride, creation of omnichannel content and collaborations to support the LGBTQIA+ community as well as working with a wide range of models, influencers and creatives to foster diversity.

Read more about our sustainability work and its progress on pages 65–86 and our website. A comprehensive sustainability review will be published on our website in the second quarter of 2024.

Timeless design brings joy for generations to come

The products of tomorrow leave no trace

Positive change through fairness & equality

We want to be a forerunner in developing our products and practices throughout the value chain, for instance, by extending the lifespan of our products and increasing the use of less emission-intensive materials. In 2023, we continued the execution of our ambitious sustainability strategy. Our sustainability strategy for 2021–2025 is built on three main principles that extend beyond our own operations to the entire value chain. These three main principles guide us on our journey:

Timeless design brings joy for generations to come

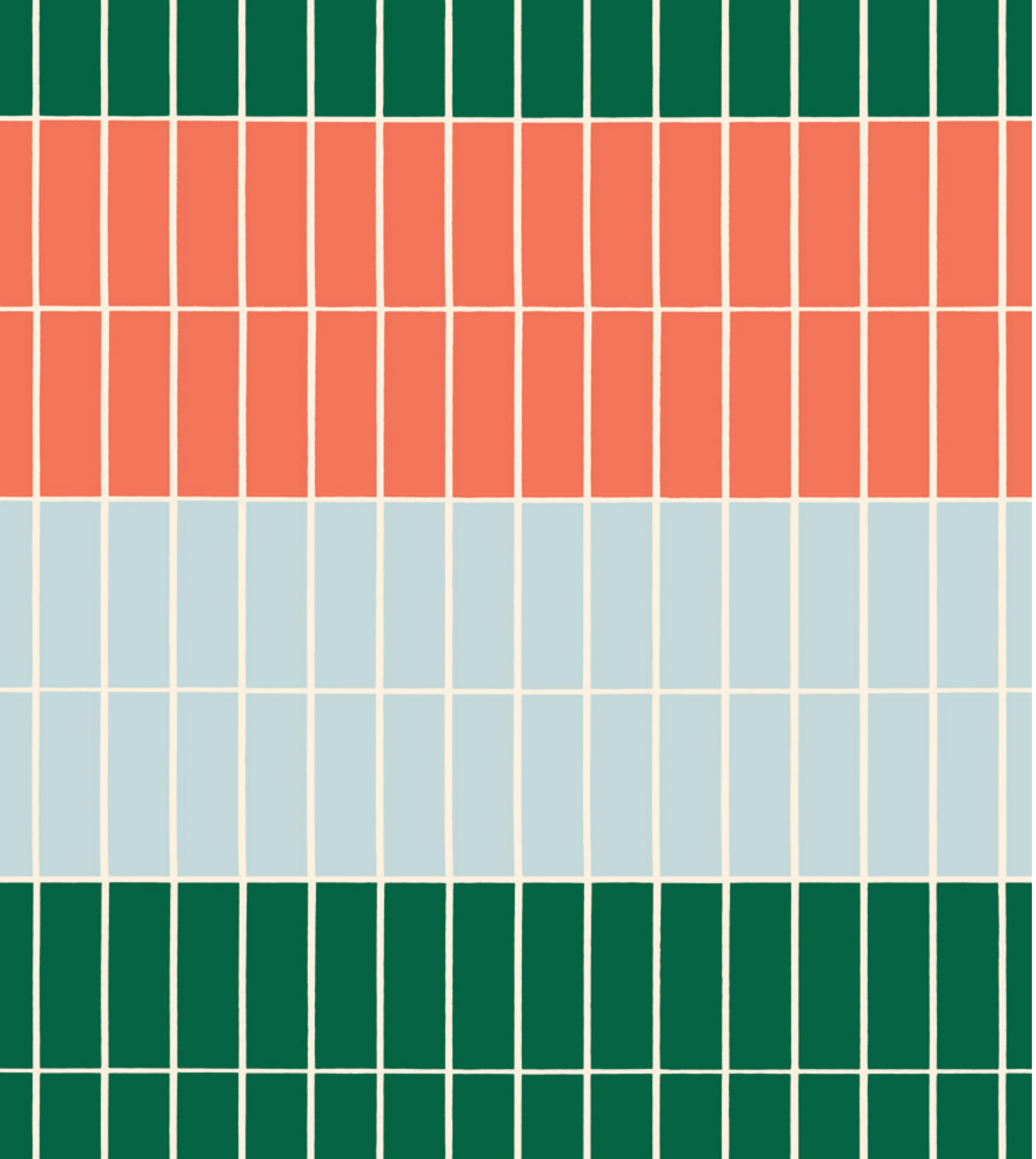
We aim to continue creating new classics – high-quality products that stand the test of time and follow the principles of circular economy. Our ambition is that, during their lifetime, Marimekko items bring joy to many different consumers, even generations, after which they are finally recycled into new products. To help consumers prolong the life of our products, we will be expanding our service offering related to lengthening our products' life cycle, such as second cycle and product care.

The products of tomorrow leave no trace

We have launched several projects to significantly reduce greenhouse gas emissions intensity in our entire value chain. We are committed, for example, to reducing the greenhouse gas emissions intensity of the purchased textile materials and logistics as well as the water use intensity of the textile materials. In addition, we are reducing the greenhouse gas emissions from our own operations. We are committed to the Science Based Targets initiative (SBTi) to align our greenhouse gas emissions-related targets with those of the UN Paris Climate Agreement.

Positive change through fairness and equality

We want to promote the implementation of fairness and equality in our value chain and to provide an inspiring and caring workplace. We will continuously provide more information about the origin of our products, ultimately aiming at full transparency of our supply chain. By actively collaborating with other players in the industry, we can drive positive change across the whole sector.



Financial Statements and Report of the Board of Directors 2023

marimekko

Report of the Board of Directors 2023

2023 IN BRIEF

- In 2023, Marimekko's net sales grew by 5 percent and amounted to EUR 174,105 thousand (166,515). Net sales were boosted in particular by the growth of international wholesale sales. In addition, the good development in Finnish retail sales increased net sales. In total, net sales in Finland grew by 1 percent and international sales by 10 percent.
- Marimekko's omnichannel retail sales grew globally by 3 percent with nearly all market areas contributing to growth. Wholesale sales increased in the Asia-Pacific region, North America and Scandinavia and, in total, the Group's wholesale sales grew globally by 6 percent. Licensing income increased by 8 percent from the record-high level of the comparable year.
- Brand sales[1] of Marimekko products amounted to EUR 376,746 thousand (382,253). 66 percent (66) of brand sales were international sales.
- Operating profit totaled EUR 31,400 thousand (30,236). Operating profit included EUR 631 thousand (146) from items affecting comparability. Comparable operating profit was EUR 32,031 thousand (30,382) equaling to 18.4 percent of net sales (18.2).
- Operating profit was improved especially by increased net sales. On the other hand, higher fixed costs decreased operating profit. Improved relative sales margin had a positive effect on the operating profit.
- Result for the period was EUR 23,601 thousand (22,708) and earnings per share were EUR 0.58 (0.56).

- The Board of Directors proposes that a dividend of EUR 0.37 per share will be paid for 2023.

OPERATING ENVIRONMENT

The following outlook information is based on materials published by the Confederation of Finnish Industries EK and Statistics Finland.

The world economy is estimated to grow in 2024, but the growth rate will vary clearly between markets. Inflation, which has continued to slow down towards the end of 2023, remains a central factor to the global economy. The uncertainties created by the geopolitical situations in, for example, supply and logistics chains, can cause reacceleration of inflation. The world economy is expected to grow at a rate of 2.7 percent, but growth in the Euro area in 2024 is expected to be only 0.9 percent.

The economic outlook for Finland continues to be weak and the estimates regarding the current situation are now lower than during the coronavirus pandemic. Companies' expectations for the future development of the economy have increased since the fall but remain at a low level. The confidence indicator for the retail trade improved in January 2024 but was still below the long-term average and lower than in other EU countries. Retail sales have decreased further, and sales expectations for the coming months are lower than in the fall. Consumer confidence, still below the long-term average, has improved somewhat. Estimates concerning the current state of personal finances remain at a very low level but expectations for the future of personal finances have improved. Expectations for Finland's economy continue to be very weak. Estimates concerning inflation and expectations for its future development are unchanged and continue to be at a high level.

(Confederation of Finnish Industries EK: Business Tendency Survey, January 2024; Confidence Indicators, January 2024. Statistics Finland: Consumer Confidence, January 2024.)

The working-day-adjusted turnover of the Finnish retail trade increased by 2.5 percent in December compared to the previous year, but the volume of sales grew by only 0.1 percent. The cumulative working-day-adjusted turnover of the retail trade in the January-December period rose by 2.0 percent but the volume of sales decreased by 2.9 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, December 2023.)

[1] Brand sales are given as an alternative non-IFRS key figure, representing the reach of the Marimekko brand through different distribution channels. An unofficial estimate of sales of Marimekko products at consumer prices, brand sales are calculated by adding together the company's own retail net sales and the estimated retail value of Marimekko products sold by other retailers. The estimated retail value is based on the company's realized wholesale sales and licensing income. Brand sales do not include VAT, and the key figure is not audited. Some licensees provide exact retail figures, in which case these figures are used in reporting brand sales. For other licensing agreements, Marimekko's own retail coefficients for different markets are used.

NET SALES

The Group's net sales in 2023 grew by 5 percent and amounted to EUR 174,105 thousand (166,515). Net sales were boosted in particular by the growth of international wholesale sales. In addition, the good development in Finnish retail sales increased net sales. In total, international sales in 2023 grew by 10 percent and net sales in Finland by 1 percent.

Marimekko's omnichannel retail sales grew globally by 3 percent with nearly all market areas contributing to growth. Wholesale sales increased in the Asia-Pacific region, North America and Scandinavia and, in total, the Group's wholesale sales grew globally by 6 percent. In the EMEA region, actions to control gray exports weakened wholesale sales. Licensing income increased by 8 percent from the record-high level of the comparable year.

Net sales in Finland were EUR 98,914 thousand (98,237). Despite the challenging macro-economic environment, retail sales increased by 3 percent. Many changes in the Finnish store network affected the comparable retail sales, which decreased by 1 percent. In spite of a strong third quarter, the cumulative wholesale sales in Finland were 4 percent lower than in the comparable year as a result of weakened general consumer demand.

Net sales in the Asia-Pacific region increased by 17 percent to EUR 35,415 thousand (30,309). The growth was attributable, in particular, to increased wholesale sales, partly boosted by the opening of new markets but also to increased licensing income. Wholesale sales in the market area increased by 15 percent, and in Japan, the most significant country to Marimekko in this region, by 5 percent. In the comparable year, wholesale sales in the region were boosted by some of the wholesale deliveries in the fourth quarter of 2021 being transferred to the first quarter of 2022. Retail sales in the Asia-Pacific region increased by 2 percent.

FINANCIAL RESULT

In 2023, the Group's operating profit totaled EUR 31,400 thousand (30,236). Operating profit included EUR 631 thousand (146) from items affecting comparability. Comparable operating profit was EUR 32,031 thousand (30,382). Operating profit was improved especially by increased net sales. On the other hand, higher fixed costs decreased operating profit. Improved relative sales margin had a positive effect on the operating profit.

Fixed costs in 2023 increased due to recruitments made to strengthen the building blocks of international growth as well as higher personnel costs in the stores. Relative sales margin was improved by increased licensing income and lower transport costs. However, higher discounts resulting from weaker general consumer demand and the tactical market environment had a weakening impact on relative sales margin.

Net sales by market area

(EUR 1,000)	**2023**	**2022**	**Change, %**
Finland	**98,914**	98,237	1
Retail sales	66,627	64,559	3
Wholesale sales	32,133	33,491	-4
Licensing income	154	187	-18
Scandinavia	**15,557**	13,956	11
Retail sales	4,386	4,157	5
Wholesale sales	11,096	9,799	13
Licensing income	75	-	
EMEA	**14,645**	16,014	-9
Retail sales	3,008	2,492	21
Wholesale sales	10,802	11,603	-7
Licensing income	834	1,919	-57
North America	**9,575**	7,999	20
Retail sales	4,523	4,621	-2
Wholesale sales	4,688	2,761	70
Licensing income	365	617	-41
Asia-Pacific	**35,415**	30,309	17
Retail sales	6,775	6,619	2
Wholesale sales	26,883	23,455	15
Licensing income	1,758	234	
International sales, total	**75,191**	68,278	10
Retail sales	18,691	17,890	4
Wholesale sales	53,469	47,618	12
Licensing income	3,031	2,770	9
Total	**174,105**	166,515	5
Retail sales	85,318	82,448	3
Wholesale sales	85,602	81,109	6
Licensing income	3,186	2,957	8

Wholesale net sales are recognized according to the geographical location of the wholesale customer.

All figures in the table have been individually rounded to thousands of euros, so there may be rounding differences in the totals. The change percentages have been calculated on exact figures before rounding.

Marketing expenses in 2023 were EUR 9,483 thousand (9,245), or 5 percent of the Group's net sales (6).

The Group's depreciation amounted to EUR 9,180 thousand (9,651), representing 5 percent of net sales (6).

In 2023, operating profit margin was 18.0 percent (18.2) and comparable operating profit margin was 18.4 percent (18.2).

Net financial items in 2023 were EUR -1,663 thousand (-1,097), or 1 percent of net sales (1). Financial items include exchange rate differences amounting to EUR -626 thousand (-75), of which EUR -497 thousand (-73) were unrealized. The impact of lease liabilities on interest expenses was EUR -1,020 thousand (-720).

The Group's result before taxes in 2023 was EUR 29,737 thousand (29,139). Net result for the period was EUR 23,601 thousand (22,708) and earnings per share were EUR 0.58 (0.56).

BALANCE SHEET

The consolidated balance sheet total as at 31 December 2023 was EUR 123,258 thousand (114,587). Equity was EUR 65,738 thousand (55,425), or EUR 1.62 per share (1.37).

Non-current assets at the end of the year stood at EUR 37,259 thousand (36,108). Lease liabilities amounted to EUR 32,294 thousand (31,824), and financial liabilities were EUR 615 thousand (2,169). In addition, the Group had unused committed credit lines of EUR 31,932 thousand (14,591).

At the end of the year, net working capital was EUR 24,345 thousand (20,557). Inventories were EUR 29,268 thousand (33,784).

CASHFLOW AND FINANCING

In 2023, cash flow from operating activities was EUR 29,427 thousand (20,141), or EUR 0.73 per share (0.50). Cash flow before cash flow from financing activities was EUR 27,402 thousand (19,142). Cash flow before cash flow from financing activities during the year was strengthened by the decrease of inventories. On the other hand, cash flow was negatively affected by higher current non-interest-bearing trade receivables than in the comparison year. Marimekko uses efficient internal credit controls, letters of credit as well as customer credit insurance in order to secure its receivables.

The Group's cash and cash equivalents at the end of the year amounted to EUR 37,044 thousand (32,711). Dividends paid in 2023 totaled EUR 13,794 thousand (37,372). Return on capital employed (ROCE) was at an excellent level, 33.0 percent (31.5). The amount of interest-bearing credit facilities drawn down was EUR 615 thousand (2,127). In addition, the Group had unused committed credit lines of EUR 31,932 thousand (14,591), as in January 2023, with the continued general economic uncertainties, Marimekko took additional short-term revolving credit facilities, which include covenants, totaling EUR 16,000 thousand.

The Group's equity ratio at the end of the financial year was 54.1 percent (49.2). Gearing was -6.3 percent (2.2). The ratio of net debt to 12-month rolling EBITDA was -0.10 (0.03), i.e. well below the company's long-term goal, with the goal being a maximum of 2.

INVESTMENTS

The Group's gross investments in 2023 were EUR 2,033 thousand (999), or 1 percent of net sales (1). The investments were mainly devoted to building store and office premises as well as to digital development. New lease agreements included in balance sheet (IFRS 16) are not included in gross investments in the review or comparison period.

RESEARCH AND DEVELOPMENT

Marimekko's product design and development costs arise from the design of collections and collaborations on new materials and manufacturing methods. Design costs are recorded in expenses.

STORE NETWORK

Omnichannel retail sales, operated by the company itself or its partners, represents the core of Marimekko's distribution strategy. It is complemented with select, and increasingly online, retailers to gain scale and access to new customers. Even in the digitalized business, physical stores play an important role not only as a distribution channel but also as the hearts of brand culture, supporting, in addition, sales online and in other channels.

Good store locations that cater to its target audience are essential for Marimekko. The operations and efficiency of the store network are continuously assessed and developed. In 2023, Marimekko entered into three new markets operated by loose-franchise partners: Singapore, Malaysia and Vietnam. Singapore is an important global metropolis in South East Asia, and the brand's presence there has a wider impact in Asia. Vietnam and Malaysia, in turn, are rapidly growing markets, that offer interesting growth opportunities for the brand. A total of 19 new Marimekko stores or shop-in-shops were opened during the year, with 17 of them in Asia. In Copenhagen, a new flagship store was opened and the Stockholm flagship store was completely redesigned. Six stores around the world were closed. In different markets, a total of 11 Marimekko pop-up stores were launched and both in Finland and Thailand, Marimekko pop-up cafes served customers. At the end of December, there were a total of 167 Marimekko stores and shop-in-shops worldwide. The stores' net sales in each market are primarily generated from sales to local customers, although sales to tourists make up a significant portion of the sales at certain central stores, especially during the holiday seasons.

E-commerce plays an important role in Marimekko's omnichannel retail. Online sales in 2023 increased clearly. The company's own and partner-operated Marimekko webstores reach customers in 35 countries. In addition, Marimekko also has distribution through other online channels.

Digital service solutions are constantly increasing the integration of e-commerce and in-store retailing. For this reason, Marimekko reports its own e-commerce net sales as part of retail sales and sales through other online channels as part of wholesale sales.

In order to accelerate its long-term international growth, Marimekko continues to invest in its digital and omnichannel business. The importance of online sales in the company's business will grow further, and the shift to digital sales channels among customers will influence Marimekko's distribution channel choices in the future.

SUSTAINABILITY

Marimekko's operations and design philosophy have always been based on a sustainable approach: Marimekko wants to offer its customers timeless, functional and high-quality products that bring them long-lasting joy and that they will not want to throw away. Determined sustainability efforts support the company's long-term success and sustainability has been defined as one of the five strategic success factors during the strategy period of 2023–2027. The company's sustainability strategy from 2021 to 2025 is built on three guiding principles as well as related ambitious targets and a roadmap for the entire value chain: timeless design brings joy for generations to come, the products of tomorrow leave no trace, and positive change through fairness and equality. In 2023, the company's activities included, for example, work to increase organic and recycled materials in its collections, lengthen the product lifecycle as well as to promote innovations and business models, which are in line with the principles of the circular economy.

Statement of non-financial information
Marimekko issues a statement of non-financial information for 2023 separately from the report of the Board of Directors. The statement will be available at Marimekko's website company.marimekko.com and in the Marimekko in year 2023 publication. Marimekko reports in greater detail on its sustainability work and on matters of the environment, health and safety in a separate sustainability review published annually. The review can be read on the company's website. The next review will be published in the second quarter of 2024.

PERSONNEL

In 2023, the number of employees, expressed as full-time equivalents, averaged 462 (434). At the end of the year, the Group had 468 (459) employees, of whom 83 (76) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 33 (24), the EMEA region 0 (1), North America 16 (16) and the Asia-Pacific region 33 (35). The personnel at company-owned stores, expressed as full-time equivalents, totaled 226 (218) at the end of the year.

Salaries, wages and bonuses paid to personnel amounted to EUR 26,245 thousand (24,155). In 2023, the turnover of employees leaving was 11 percent (11). More information on personnel and the development of staff is available in the statement of non-financial information.

MANAGEMENT

Board of Directors, management and auditors
Marimekko's Annual General Meeting on 13 April 2023 appointed six members to the company's Board of Directors. Carol Chen, Mika Ihamuotila, Mikko-Heikki Inkeroinen, Teemu Kangas-Kärki, Tomoki Takebayashi and Marianne Vikkula were re-elected. From among its members, the Board of Directors elected Mika Ihamuotila as Chair of the Board and Teemu Kangas-Kärki as Vice Chair of the Board.

From among its members, the Board of Directors elected Teemu Kangas-Kärki as Chair and Mikko-Heikki Inkeroinen and Marianne Vikkula as members of the Audit and Remuneration Committee. All members of the committee are independent of the company and its significant shareholders.

The AGM re-elected KPMG Oy Ab, Authorized Public Accountants, as the company's auditor, with Heli Tuuri, Authorized Public Accountant, as the auditor with principal responsibility. It was decided that the auditor's fee will be paid as per invoice approved by the company.

The following changes in the company's management took place in 2023. On 16 February 2023, Marimekko informed that Natacha Defrance was appointed Senior Vice President of Sales in Region East and member of the Management Group and that General Counsel Essi Weseri was appointed member of the Management Group as of 16 February 2023. The company also informed, on 2 November 2023, that it will merge its Digital Business unit and IT organization to form a holistic Technology unit and that Chief Digital Officer and member of Marimekko Management Group Kari Härkönen will step down from his position. Mikko-Heikki Inkeroinen was appointed as new Chief Technology Officer and member of the Management Group as of 29 January 2024. Inkeroinen resigned from his position as a member of the Board of Directors of Marimekko on the same date.

At the end of the year 2023, the company's Management Group comprised Tiina Alahuhta-Kasko as Chair and Elina Anckar (Chief Financial Officer), Rebekka Bay (Creative Director), Tina Broman (Chief Supply Chain and Product Officer), Natacha Defrance (Senior Vice President, Sales, Region East), Noora Laurila (Senior Vice President, Sales, Region West), Sanna-Kaisa Niikko (Chief Marketing Officer), Tanya Strohmayer (Chief People Officer), Riika Wikberg (Chief Business Development Officer) and Essi Weseri (General Counsel) as members.

Corporate governance statement

The corporate governance statement for 2023 will be issued separately from the report of the Board of Directors. It will be available on the company's website and in the Marimekko in year 2023 publication.

Remuneration of the Board and management

The remuneration of Marimekko's Board of Directors and President & CEO is presented in more detail in the Remuneration Report for 2023. Remuneration Report will be available at Marimekko's website and in the Marimekko in year 2023 publication.

SHARES AND SHAREHOLDERS

Share capital and number of shares

Marimekko Corporation's share is quoted in the Consumer Discretionary sector of Nasdaq Helsinki Ltd. Marimekko Corporation was listed on the I List of the Helsinki Stock Exchange in March 1999 and on the main list on 27 December 2002. Marimekko's trading code is MEKKO and its ISIN code is FI0009007660.

The company has one series of shares, each conferring the same voting rights to their holders. At the end of the financial year, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 8,040,000 and the number of shares totaled 40,649,170.

Shareholdings

According to the book-entry register, Marimekko had 39,014 shareholders (36,616) at the end of December 2023. Of the shares, 13.68 percent (15.15) were owned by nominee-registered or non-Finnish holders.

Monthly updated information on the largest shareholders can be found on the company's website at company.marimekko.com under Investors/Share information/Shareholders.

At the end of the financial year, members of the Board of Directors and the Management Group of the company either directly or indirectly owned 5,354,493 Marimekko shares corresponding to 13.17 percent of the number and voting rights of the company's shares. Updated information on the management holdings can be found on the company's website at company.marimekko.com under Investors/Share information/Shareholders/Management's shareholding.

Shareholder agreements

Marimekko has neither made nor is aware of any shareholder agreements concerning the company's shares or other commitments agreeing on the company's ownership or the use of voting rights.

Ownership by size of holding, 31 December 2023

Number of shares	Number of shareholders	% of shareholders	Number of shares and votes	% of holding and votes
1–100	23,718	60.79	882,206	2.17
101–500	10,575	27.11	2,678,912	6.59
501–1,000	2,108	5.40	1,661,678	4.09
1,001–5,000	2,126	5.45	4,751,399	11.69
5,001–10,000	238	0.61	1,736,208	4.27
10,001–50,000	192	0.49	3,822,783	9.40
50,001–100,000	27	0.07	1,891,610	4.65
100,001–500,000	21	0.05	4,833,538	11.89
500,001–	9	0.02	18,390,836	45.24
Total	39,014	100.00	40,649,170	100.00

Ownership by sector, 31 December 2023

Owner	Number of shares and votes	% of holding and votes
Nominee-registered and non-Finnish holders	5,560,500	13.68
Households	17,682,452	43.50
Financial and insurance corporations	4,984,793	12.26
Non-financial corporations and housing corporations	7,405,257	18.22
Non-profit institutions	304,272	0.75
General government	4,711,896	11.59
Total	40,649,170	100.00

Largest shareholders according to the book-entry register, 31 December 2023

Owner	Number of shares and votes	% of holding and votes
1. PowerBank Ventures Oy (Mika Ihamuotila)	5,088,500	12.52
2. Varma Mutual Pension Insurance Company	1,929,600	4.75
3. Ilmarinen Mutual Pension Insurance Company	1,926,940	4.74
4. Ehrnrooth Anna Sophia	1,651,885	4.06
5. Evli Finnish Small Cap Fund	1,066,418	2.62
6. Nordea Nordic Small Cap Fund	999,425	2.46
7. Oy Talcom Ab	505,000	1.24
8. Oy Etra Invest Ab	500,000	1.23
9. Elo Pension Insurance Company Ltd.	485,000	1.19
10. Alahuhta Matti	436,050	1.07
Total	14,588,818	35.88

Own shares

Marimekko did not acquire the company's own shares during the financial year. On 31 December 2023, Marimekko held 77,790 of its own shares, corresponding to approximately 0.19 percent of the total number of the company's shares. Marimekko shares held by the company carry no voting rights and no entitlement to dividends.

Flagging announcements

There were no flagging announcements on Marimekko shares in 2023.

Share trading and the company's market capitalization

In 2023, a total of 9,658,017 Marimekko shares (14,263,348) were traded on Nasdaq Helsinki, representing 23.76 percent (35.09) of the shares outstanding. Share trading data takes into account the new shares issued without payment following the decision of the AGM on 12 April 2022. The total value of the share turnover in the January-December period was EUR 95,729,933 (171,076,384). The lowest price of the share was EUR 8.56 (8.14), the highest was EUR 13.60 (17.60) and the average price was EUR 9.91 (12.04). At the end of December, the closing price of the share was EUR 13.31 (8.76).

The company's market capitalization on 31 December 2023 was EUR 540,005,068, excluding the Marimekko shares held by the company (355,405,289).

Authorizations

The Annual General Meeting on 13 April 2023 authorized the Board of Directors to decide on the acquisition of a maximum of 200,000 of the company's own shares in one or more instalments. The maximum number of shares represents approximately 0.5 percent of the total number of the company's shares. The shares would be acquired with funds from the company's non-restricted equity, which means that the acquisition would reduce funds available for distribution. The shares would be acquired otherwise than in proportion to the shareholdings of the shareholders through public trading on Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition and in accordance with the rules and regulations of Nasdaq Helsinki Ltd. The shares would be acquired to be used as a part of the company's incentive system, to be transferred for other purposes or to be cancelled. The Board of Directors is authorized to decide on all of the other terms and conditions of the acquisition of the shares. The authorization was not used in 2023. The authorization is valid until 13 October 2024.

Furthermore, the AGM on 13 April 2023 authorized the Board of Directors to decide on the issuance of new shares and the transfer of the company's own shares in one or more instalments. The total number of shares to be issued or transferred pursuant to the authorization may not exceed 250,000 new or the company's own shares. The number of shares represents approximately 0.6 percent of the total number of the company's shares. Pursuant to the authorization, the Board may decide on a directed share issue in deviation from the shareholders' pre-emptive rights for a weighty financial reason, such as the company's incentive system, personnel share issue, developing the company's capital structure, using the shares as consideration in possible company acquisitions or carrying out other business transactions. The share issue may be subject to a charge or free. A directed share issue can be free of charge only if there is a particularly weighty financial reason for the company and taking into account the interests of all of the company's shareholders. The subscription price of the new shares and the amount paid for the company's own shares would be recorded in the company's reserve for invested non-restricted equity. The Board of Directors is authorized to decide on all of the other terms and conditions of the share issue. The authorization was not used during the period under review. The authorization is valid until 13 October 2024.

During the financial year, the Board of Directors had no valid authorizations to issue convertible bonds or bonds with warrants.

INFORMATION CONTAINED IN THE NOTES TO THE FINANCIAL STATEMENTS

- Information on the Group's personnel expenses is disclosed in note 4.
- Financial risks are presented in note 20 and information on financial instruments measured at fair value is disclosed in note 17.
- Subsidiaries and related party transactions are disclosed in note 19.

MAJOR RISKS AND FACTORS OF UNCERTAINTY

Marimekko's business exposes the company to various risks. The risks and uncertainties presented below have the potential to substantially weaken Marimekko's business conditions, sales, financial results and position. Marimekko's risk management practices are described in the Corporate Governance Statement.

The economic and political operating environment
The uncertainties related to the general development of the global economy, such as the risk of an economic recession, and geopolitical tensions influence consumer confidence, purchasing power and behavior in all of Marimekko's market areas. Declining consumer confidence and purchasing power may have a significant unfavorable impact on Marimekko's sales and profitability. This risk is emphasized in Finland and Japan, which are the company's biggest single countries for business.

Geopolitical tensions can also affect Marimekko's procurement and logistics chains and operating possibilities in certain countries. Geopolitical tensions may lead to military action, trade disputes, economic sanctions as well as export and import restrictions that can affect the reliability and efficiency of the company's value chain. Pandemics and epidemics may also have a negative impact on Marimekko's sales, profitability and cash flow as well as the reliability and efficiency of the company's supply chain.

Sudden market movements, development of inflation, changes in the price development of production factors, exchange rates (particularly the US dollar) and the company's taxation, as well as rising interest rates may affect Marimekko's financial position.

Marimekko is also exposed to labor market disputes, and strikes and other labor market disturbances may have a negative impact on the company's business.

Marimekko continuously monitors the development of the economic and political operating environment, takes various scenarios into account in the management of the company's business, and adapts its operations as necessary. The company's strong balance sheet and stable financial position introduce flexibility also in exceptional circumstances. Risks are also mitigated with diverse geographical presence throughout the value chain.

The retail environment, customers and partners
The company's growth in the longer term is based primarily on omnichannel retail: on increasing e-commerce, on partner-led retail in Asia, as well as on enhancing the sales per square meter of existing stores in the company's main market areas. In addition, the company expands its distribution through physical and digital wholesale channels appropriate for the Marimekko brand. The Asia-Pacific region is Marimekko's second-biggest market, and especially Asia plays an important role in the company's international growth.

The importance of omnichannel business in the retail trade has been emphasized over the past few years. International e-commerce has increased the options available to consumers and the significance of big e-commerce operators. In addition, the coronavirus pandemic accelerated the digitization of retail and intensified the financial difficulties of some traditional wholesale customers in the fashion sector, such as department stores and multi-brand retailers. Structural changes in the retail environment may have an impact on Marimekko's distribution channel decisions, the prioritization of different distribution channels, sales and profitability. The structural changes can also lead to the creation of new revenue models. Risks related to the sales structure may have an impact on the company's financial position. Maintaining competitiveness in a rapidly changing operating environment being revolutionized by digitization demands agility, efficiency, flexibility and the constant re-evaluation of operations from the company.

Major partnership choices, partnering contracts and other collaboration agreements involve considerable risks. Store lease agreements in Finland and abroad also contain risks. With the company's internationalization and the growing interest in its brand, risks related to gray exports may increase, which may have an impact on the company's sales and profitability. In addition, risks related to changes in the company's cost structure as well as the liquidity of customers and partners may also have an impact on the company's financial position.

Other significant risks include risks related to changes in the company's design, product assortment and product distribution and pricing. Increased inflation creates pressure to raise prices while the uncertainties in the global economy and the operating environment may affect consumers' purchasing power and behavior negatively. Fast reactivity and competitive pricing are crucial in a tactical operating environment. The company's ability to design, develop and commercialize new products that meet consumers' expectations while ensuring the effectivity and quick reactions in the production, sourcing and logistics as well as an active work towards sustainability has an impact on the company's sales and profitability.

Supply chain

The risks related to Marimekko's supply chain are associated especially with production, procurement and logistics processes and their reliability, flexibility and efficiency, fluctuations in the prices of raw materials and other factors of production as well as the availability and price of logistics. For example, geopolitical tensions (such as shipping disruptions in the Red Sea due to attacks on vessels), cyber security incidents and possible epidemics and pandemics as well as other uncertainties in the global economy may cause even significant disruptions in production and logistics chains that may have a negative impact on the company's sales, profitability and cash flow. In addition, fires, natural disasters and machine breakdowns can cause damages to supplier's factories, Marimekko's own textile printing factory or the operations of the logistics chain. Overall, it is of utmost importance to safeguard the operational reliability of the company's own printing factory in all circumstances. The availability of biogas, among other materials, is critical to the operations of the company's own printing factory. The company has a business interruption insurance for assets and business operations that covers insured risks of damage in line with the terms and conditions of the insurance.

Higher costs of raw materials, energy and other factors of production may affect Marimekko's sales and profitability. Early commitment to product orders from supplier partners, which is typical of the industry, means that changes in costs affect the company with a delay. These early commitments have partly been further emphasized by the exceptional situations, such as the Russian invasion of Ukraine and shipping disruptions on the Red Sea, undermining the company's ability to optimize product orders and respond to rapid changes in demand and consumer behavior, which also increases risks related to inventory management.

In addition to supply chain disruptions and even earlier commitment to product orders, risks related to inventory and product flow management increase as product distribution is expanded and operations are diversified, which may have a weakening impact on the company's sales, cash flow as well as on relative profitability. Substantial non-recurring wholesale promotions can also increase risks related to procurement, transport and inventory management, especially in exceptional circumstances. Any delays or disturbances in supply, or fluctuations in the quality of products, may have a harmful impact on business, also on substantial non-recurring wholesale promotions.

Marimekko works actively to ensure functioning production and logistics chains, to avoid delays, to mitigate the negative impacts of generally increased costs, and to enhance inventory management.

Sustainability

Enhancing sustainability is increasingly important for competitiveness in Marimekko's industry, which can have an impact on the company's sales and profitability, as versatile investments are required for the enhancement. Risks and opportunities with regard to Marimekko's sustainability work and targets include, for example, changes in consumer behavior and in the company's product portfolio weightings, continuously evolving best practices in the industry as well as increasing regulation that may affect, for example, the company's products, communications and the value chain more broadly. The company's ability to anticipate changes, react to them and actively advance its sustainability targets throughout the value chain plays a key role with regard to the company's competitiveness. Compliance with responsible business practices and legislation is also important in maintaining the trust of customers and other stakeholders; any failures or errors in this area will involve reputation, financial liability and business risks.

Marimekko primarily uses supplier partners to manufacture its products. Global supply chains in the fashion and design business are complex, which makes it challenging for companies to ensure the sustainability of the entire value chain despite active sustainability work. Regarding the sustainability elements of manufacturing, especially social aspects related to the supply chain (e.g. human rights, working conditions and remuneration) and environmental aspects (e.g. production methods and raw materials and chemicals used) as well as transparent communications on these issues in compliance with continuously increasing legislation, are of growing significance to customers. These sustainability topics apply to Marimekko's sourcing and the company's own production as well as to licensed products.

The environment and climate change

Climate change increases the likelihood of extreme weather phenomena and natural disasters, such as floods, forest fires, wildfires and storms. Extreme weather phenomena and natural disasters pose a risk to the operational reliability and efficiency of Marimekko's value chain. Climate change-related heatwaves, drought, water shortages, soil depletion and other changes may, in turn, affect the availability and price of the raw materials used in Marimekko's products, such as cotton. Extreme weather phenomena and natural disasters may also affect the availability of products if they cause damage to the company's suppliers' factories, the company's own textile printing factory or hamper the logistics chains. In addition, Marimekko has stores and offices in areas in which extreme weather phenomena or natural disasters may occur, and if they damage stores or offices or cause momentary changes in consumer behavior, it may result in lost sales as well as expenses.

Risks related to climate change are managed by, for example, increasing the share of materials with lower emission intensity and water consumption in Marimekko's collections and exploring new material and production method innovations. Marimekko's insurance program covers insured risks of damage in line with the terms and conditions of the insurance.

Compliance
Compliance with the applicable legislation, regulations and ethical business practices, as well as product safety and quality, are essential for Marimekko. Potential allegations, failures or mistakes can lead to, for example, reputation and business risks for the company, fines, claims for damages, or criminal charges. Internationalization increases the regulations applicable to the company's operations and elevates the risk of potential allegations, failures and mistakes. Risks are prevented by focusing on sustainability and compliance work as well as by ensuring product safety and continuous quality control.

Intellectual property rights
Intellectual property rights play a vital role in the company's success, and the company's ability to manage and protect these rights may have an impact on the company's business, value and reputation. Agreements with freelance designers and fees paid to designers based on these agreements are also an essential part of the management of intellectual property rights. As the company grows and internationalizes, the risks related to intellectual property rights, in particular to its most renowned prints, may increase.

Information security risks
There are risks associated with information system reliability, dependability and compatibility. With digitization, internationalization and Russia's war, cybercrime and cyber attacks as well as various other risks related to cybersecurity and personal data protection have also increased. DoS attacks, malfunctions in data communications or, for example, in the company's own online store, and system changes may disrupt business or result in lost sales. Personal data breaches can lead to claims for damages, fines and reputation risks. Marimekko manages risks with the systematic management and development of cybersecurity. In addition, the company has a cybersecurity insurance program.

Personnel and competence
Potential new serious coronavirus infection waves or new epidemics or pandemics may increase risks related to taking care of the health and safety of employees and securing sufficient workforce in cases of sickness.

As Marimekko is a small company, risks related to securing the necessary talent for international growth as well as risks related to key personnel can be significant. Marimekko's competence development efforts include training of personnel, succession planning and performance management. These measures support a performance-oriented, diverse and inclusive culture.

MARKET OUTLOOK AND GROWTH TARGETS FOR 2024

The uncertainties related to the development of the global economy, such as geopolitical tensions and their impact on the general economic situation and general cost inflation influence consumer confidence, purchasing power and behavior and, as a result, can have an impact on Marimekko's business in 2024, especially in the important domestic market of Finland. Different exceptional situations, such as Russia's war in Ukraine and shipping disruptions on the Red Sea, may cause even significant disruptions in production and logistics chains, and may thus have a negative impact on the company's sales, profitability and cash flow.

Finland, Marimekko's important domestic market, traditionally represents about half of the company's net sales. Sales in Finland in 2024 are impacted by the weak general economy and low consumer confidence as well as the development of purchasing power and behavior. The tactical operating environment also has an impact on the business. In addition, the size and timing of non-recurring promotional deliveries in wholesale create volatility to Finnish sales estimate. Despite the weak market situation, net sales in Finland are expected to be approximately at the level of the previous year.

International sales are estimated to grow in 2024. In the strategy period 2023–2027, Marimekko will focus on Asia as the most important geographical area for international growth. In 2024, net sales in the Asia-Pacific region, Marimekko's second-largest market, are expected to increase. Japan is clearly the most significant country in this region to Marimekko and already has a very comprehensive network of Marimekko stores. All brick-and-mortar Marimekko stores and most online stores in Asia are partner-owned. In 2024, the aim is to open approximately 10–15 new Marimekko stores and shop-in-shops, and most of the planned openings will be in Asia.

Because of the seasonal nature of Marimekko's business, the major portion of the company's euro-denominated net sales and operating result are traditionally generated during the second half of the year. In 2024, Marimekko's net sales are expected to grow. Net sales in the first quarter of the year are estimated to be approximately at the level of the previous year, as wholesale sales, for example, will be partly impacted by some of the wholesale deliveries in Finland in the first quarter of 2024 being transferred to the fourth quarter of 2023.

Licensing income in 2024 is forecasted to be approximately at the previous year's record level.

Marimekko develops its business with a long-term view and aims to scale its profitable growth in the upcoming years. In 2024, fixed costs are expected to be up on the previous year. The general cost inflation continues to affect Marimekko in 2024. Personnel expenses are impacted, for example, by general pay increases in different markets. In 2024, Marimekko is celebrating the 60th anniversary of the Unikko pattern, which provides the company with a unique opportunity to grow international awareness through, for example, various events around the world. Marketing expenses are expected to increase (2023: EUR 9.5 million).

Early commitments to product orders from supplier partners, typical of the industry but partly further emphasized by the exceptional situations, undermine the company’s ability to optimize product orders and respond to rapid changes in demand and consumer behavior, which also increases risks related to inventory management and relative profitability. The domestic non-recurring wholesale promotional deliveries also raise inventory risks. Marimekko works actively to ensure functioning production and logistics chains, to avoid delays, to mitigate the negative impacts of generally increased costs, and to enhance inventory management.

Marimekko is closely monitoring the general economic situation, the development of consumer confidence and purchasing power and the impacts of different exceptional situations, and the company will adjust its operations and plans according to the circumstances.

FINANCIAL GUIDANCE FOR 2024

The Marimekko Group’s net sales for 2024 are expected to grow from the previous year (2023: EUR 174.1 million). Comparable operating profit margin is estimated to be approximately some 16–19 percent (2023: 18.4 percent). Development of consumer confidence and purchasing power, particularly in Finland, global supply chain disruptions and the general inflation development cause volatility to the outlook for 2024.

Uncertainties related to the development of net sales and result are described in more detail in the Major risks and factors of uncertainty section.

DIVIDEND POLICY

Marimekko aims to pay a regular dividend every year. The dividends to be paid and their amount and the payout date depend on the company’s financial result, financial situation, equity ratio, need for working capital and other factors.

Marimekko intends to follow a stable and active dividend policy that by and large reflects the company’s earnings trend. Marimekko’s goal is to distribute as dividends at least half of earnings per share annually.

THE BOARD OF DIRECTORS’ PROPOSAL FOR DIVIDENDS

On 31 December 2023, the parent company’s distributable funds amounted to EUR 60,604,858.19; profit for the financial year was EUR 25,359,472.05. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.37 per share be paid for 2023.

The Board proposes 18 April 2024 as the dividend payout record date and 25 April 2024 as the dividend payout date. A dividend of EUR 0.34 per share was paid for 2022.

ANNUAL GENERAL MEETING

The Annual General Meeting 2024 is planned to be held on Tuesday, 16 April 2024 at 2.00 p.m.

Helsinki, 14 February 2024

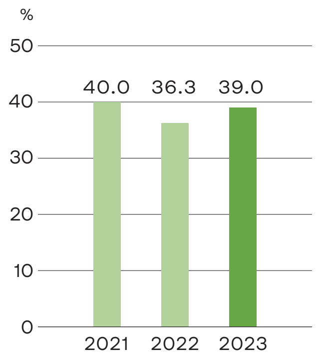
Marimekko Corporation
Board of Directors

Key figures of the Group and formulas for the key figures

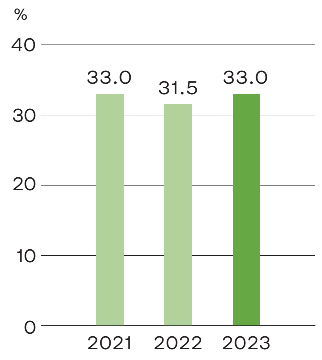
Key financial figures

	2023	2022	2021
Net sales, EUR 1,000	174,105	166,515	152,227
Change in net sales, %	4.6	9.4	23.2
Operating profit, EUR 1,000	31,400	30,236	31,249
% of net sales	18.0	18.2	20.5
Comparable operating profit, EUR 1,000	32,031	30,382	31,249
% of net sales	18.4	18.2	20.5
Financial income, EUR 1,000	393	1,241	851
Financial expenses, EUR 1,000	-2,056	-2,339	-1,403
Result before taxes, EUR 1,000	29,737	29,139	30,697
% of net sales	17.1	17.5	20.2
Taxes, EUR 1,000	6,137	6,430	6,289
Net result for the period, EUR 1,000	23,601	22,708	24,408
Balance sheet total, EUR 1,000	123,258	114,587	132,887
Net working capital, EUR 1,000	24,345	20,557	7,235
Interest-bearing liabilities, EUR 1,000	32,909	33,993	32,277
Shareholders' equity, EUR 1,000	65,738	55,425	69,833
Net debt / EBITDA	-0.10	0.03	-0.64
Return on equity (ROE), %	39.0	36.3	40.0
Return on capital employed (ROCE), %	33.0	31.5	33.0
Equity ratio, %	54.1	49.2	53.3
Gearing, %	-6.3	2.2	-39.3
Gross investments, EUR 1,000	2,033	999	207
% of net sales	1.2	0.6	0.1
Employee salaries, wages and bonuses, EUR 1,000	26,245	24,155	21,273
Average personnel	462	434	401
Personnel at the end of the financial year	468	459	409

Return on equity (ROE)



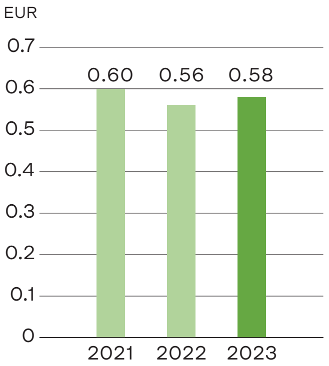
Return on capital employed (ROCE)



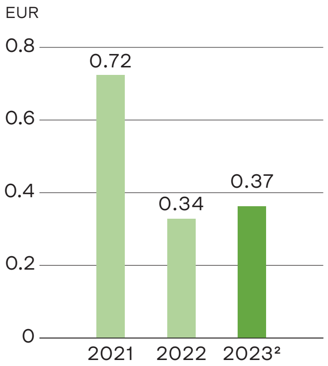
Per-share key figures

	2023	2022	2021
Earnings per share (EPS), EUR[1]	0.58	0.56	0.60
Equity per share, EUR[1]	1.62	1.37	1.72
Dividend per share, EUR[1 2]	0.37[2]	0.34	0.72
Dividend per profit, %[2]	63.8[2]	60.7	119.6
Effective dividend yield, %[2]	2.8[2]	3.9	4.3
P/E ratio	22.9	15.5	28.1
Share issue adjusted average number of shares	40,571,380	40,623,999	40,554,370
Share issue adjusted number of shares at the end of the period	40,571,380	40,571,380	40,582,370

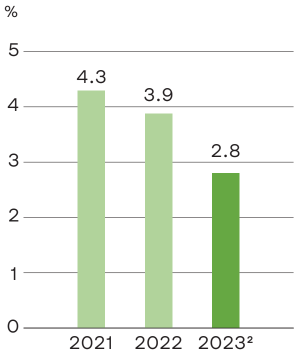
Earnings per share



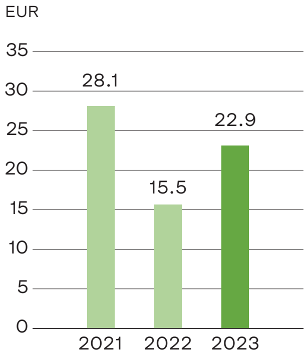
Dividend per share



Effective dividend yield



P/E ratio



[1] Per-share key figures have been calculated and the figures for the comparable year have been restated using the new total number of shares following the issuance of shares without payment (share split), in accordance with the decision made by the AGM on 12 April 2022

[2] The Board of Directors of Marimekko proposed on 14 February 2024 to the AGM on 16 April 2024 that a dividend of EUR 0.37 per share is paid for 2023

Reconciliation of alternative key figures to IFRS

(EUR 1,000)	2023	2022	2021
Items affecting comparability			
Employee benefit expenses	-631	-146	-
Items affecting comparability in operating profit	-631	-146	-
EBITDA	40,580	39,887	43,123
Employee benefit expenses	631	146	-
Comparable EBITDA	41,211	40,033	43,123
Operating profit	31,400	30,236	31,249
Employee benefit expenses	631	146	-
Comparable operating profit	32,031	30,382	31,249
Net sales	174,105	166,515	152,227
Operating profit margin, %	18.0	18.2	20.5
Comparable operating profit margin, %	18.4	18.2	20.5

Items affecting comparability are exceptional transactions that are not related to the company's regular business operations. The Group's management exercises its discretion when making decisions regarding the classification of items affecting comparability. These items include, for example, restructuring costs, expenses related to ending employment contracts as well as exceptional and unexpected events.

Formulas for key figures

Comparable EBITDA, EUR:
Operating result - depreciation - impairments - items affecting comparability

Comparable operating result, EUR:
Operating result - items affecting comparability in operating result

Comparable operating result margin, %:
(Operating result - items affecting comparability in operating result) x 100 / Net sales

Earnings per share (EPS), EUR:
(Profit before taxes - income taxes) / Adjusted number of shares (average for the period under review)

Comparable earnings per share (EPS), EUR:
(Comparable profit before taxes - income taxes on comparable profit) / Adjusted number of shares (average for the period under review)

Equity per share, EUR:
Shareholders' equity / Number of shares, 31 December

Return on equity (ROE), %:
Rolling 12 months (Profit before taxes - income taxes) x 100 / Shareholders' equity (average)

Return on capital employed (ROCE), %:
Rolling 12 months (Profit before taxes + interest and other financial expenses) x 100 / Balance sheet total - non-interest-bearing liabilities (average)

Equity ratio, %:
Shareholders' equity x 100 / (Balance sheet total - advances received)

Gearing, %:
Interest-bearing net debt x 100 / Shareholders' equity

Net working capital, EUR:
Inventories + trade and other receivables + current tax assets - tax liabilities - current provisions - trade and other payables

Net debt / EBITDA:
Interest-bearing net debt / Comparable rolling 12-month EBITDA

Consolidated financial statements, IFRS

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	Note	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
NET SALES	1.	**174,105**	**166,515**
Other operating income	2.	91	108
Change in inventories of finished goods			
and work in progress		-4,489	7,721
Raw materials and consumables	3.	-63,190	-72,115
Employee benefit expenses	4.	-33,512	-30,846
Depreciation and impairments	5.	-9,180	-9,651
Other operating expenses	6.	-32,425	-31,497
OPERATING PROFIT		**31,400**	**30,236**
Financial income	7.	393	1,241
Financial expenses	8.	-2,056	-2,339
		-1,663	-1,097
RESULT BEFORE TAXES		**29,737**	**29,139**
Income taxes	9.	-6,137	-6,430
NET RESULT FOR THE PERIOD		**23,601**	**22,708**
Distribution of net result to equity holders			
of the parent company		23,601	22,708
Basic and diluted earnings per share			
calculated on the result attributable to equity			
holders of the parent company, EUR	10.	0.58	0.56

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
Net result for the period	23,601	22,708
Items that could be reclassified to profit or loss		
at a future point in time		
Change in translation difference	90	-40
COMPREHENSIVE RESULT FOR THE PERIOD	**23,691**	**22,668**
Distribution of net result to equity holders of the parent company	23,691	22,668

The notes are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	Note	31 Dec. 2023	31 Dec. 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	11.1	453	288
Tangible assets	11.2	35,100	34,560
Other financial assets	11.3, 17.	595	512
Deferred tax assets	14.	1,110	748
		37,259	36,108
CURRENT ASSETS			
Inventories	12.1	29,268	33,784
Trade and other receivables	12.2	19,688	11,983
Cash and cash equivalents	17.	37,044	32,711
		85,999	78,479
ASSETS, TOTAL		**123,258**	**114,587**

(EUR 1,000)	Note	31 Dec. 2023	31 Dec. 2022
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	13.	8,040	8,040
Reserve for invested non-restricted equity	13.	1,228	1,228
Treasury shares	13.	-541	-541
Translation differences		-32	-122
Retained earnings		57,043	46,820
Shareholders' equity, total		65,738	55,425
NON-CURRENT LIABILITIES			
Lease liabilities	15.1, 20.	24,984	25,277
		24,984	25,277
CURRENT LIABILITIES			
Trade and other payables	16.	24,599	24,752
Current tax liabilities		12	416
Lease liabilities	15.2, 20.	7,309	6,547
Financial liabilities	17., 20.	615	2,169
		32,536	33,885
Liabilities, total		57,520	59,162
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		**123,258**	**114,587**

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Net result for the period	23,601	22,708
Adjustments		
Depreciation and impairments	9,180	9,651
Financial income and expenses	1,663	1,097
Taxes	6,137	6,430
Share-based payments	417	750
Cash flow before change in working capital	40,997	40,636
Change in working capital	-3,342	-11,212
Increase (-) / decrease (+) in current non-interest-bearing		
trade receivables	-7,690	49
Increase (-) / decrease (+) in inventories	4,449	-7,809
Increase (+) / decrease (-) in current		
non-interest-bearing liabilities	-101	-3,452
Cash flow from operating activities before financial items and taxes	37,655	29,424
Paid interest and payments on other financial expenses	-1,532	-1,130
Interest received and payments on other financial income	223	166
Taxes paid	-6,919	-8,319
CASH FLOW FROM OPERATING ACTIVITIES	**29,427**	**20,141**

(EUR 1,000)	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-2,025	-999
CASH FLOW FROM INVESTING ACTIVITIES	**-2,025**	**-999**
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term loans drawn	149	1,049
Short-term loans repaid	-1,562	-665
Acquisition of treasury shares	-	-454
Payments of lease liabilities	-7,381	-8,485
Dividends paid	-13,794	-37,372
CASH FLOW FROM FINANCING ACTIVITIES	**-22,588**	**-45,927**
Change in cash and cash equivalents	4,814	-26,784
Cash and cash equivalents at the beginning of the period	32,711	59,726
Effects of exchange rate fluctuations	-482	-230
Cash and cash equivalents at the end of the period	37,044	32,711

The notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Equity attributable to equity holders of the parent company

(EUR 1,000)	Share capital	Reserve for invested non-restricted equity	Treasury shares	Translation differences	Retained earnings	Shareholders' equity total
Shareholders' equity, 1 Jan. 2022	**8,040**	**1,228**	**-210**	**-81**	**60,856**	**69,833**
Comprehensive result						
Net result for the period					22,708	22,708
Translation differences				-40		-40
Total comprehensive result for the period				**-40**	**22,708**	**22,668**
Transactions with owners						
Dividends paid					-37,372	-37,372
Share-based payments			123		627	750
Acquisition of own shares			-454			-454
Shareholders' equity, 31 Dec. 2022	**8,040**	**1,228**	**-541**	**-122**	**46,820**	**55,425**
Shareholders' equity, 1 Jan. 2023	**8,040**	**1,228**	**-541**	**-122**	**46,820**	**55,425**
Comprehensive result						
Net result for the period					23,601	23,601
Translation differences				90		90
Total comprehensive result for the period				**90**	**23,601**	**23,691**
Transactions with owners						
Dividends paid					-13,794	-13,794
Share-based payments					417	417
Shareholders' equity, 31. Dec. 2023	**8,040**	**1,228**	**-541**	**-32**	**57,043**	**65,738**

The notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY PROFILE

Marimekko Corporation (business identity code 0111316-2) is a Finnish clothing and textile design company. Marimekko Corporation and its subsidiaries form a Group that designs, sources, sells and markets clothing, bags and accessories, and interior decoration products. In addition, the company produces printed fabrics in its own textile printing factory.

Marimekko Corporation's shares are quoted on Nasdaq Helsinki Ltd. The company is domiciled in Helsinki, and its registered address is Puusepänkatu 4, 00880 Helsinki, Finland. The financial year of all Group companies is the calendar year.

Copies of the consolidated financial statements are available at company.marimekko.com and the head office of the Group's parent company at Puusepänkatu 4, 00880 Helsinki, Finland.

Marimekko Corporation's Board of Directors approved these financial statements for publication at its meeting on 14 February 2024. According to the Finnish Companies Act, shareholders have the right to accept or reject the financial statements at the AGM held after the publication. The AGM may also amend the financial statements.

ACCOUNTING POLICY APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting policy

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force as at 31 December 2023. In the Finnish Accounting Act and the provisions laid down pursuant to the Act, International Financial Reporting Standards refer to the standards approved for use in the EU in accordance with the procedures laid down in IAS Regulation (EC) 1606/2002 of the European Parliament, and the interpretations of these standards. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation which complements IFRS regulations.

Financial statement information is presented in thousands of euros.

Sources of uncertainty related to accounting estimates

When preparing consolidated financial statement in accordance with the International Financial Reporting Standards (IFRS), the company's management must make estimates and assumptions about the future, which include uncertainty.

The company's management must evaluate the recording of deferred tax assets, as their realization requires taxable income in the coming years. In addition, there is uncertainty related to the assessment of the useful life of fixed assets and the execution or non-execution of lease contract extension options. There is also uncertainty related to the valuation of inventory and credit losses on trade receivables. Uncertainty in inventory is related to situations where the stock moves slowly. For credit losses on trade receivables, the uncertainty is related to the assessment of credit losses based on the historical data and information available at the time of the review.

The estimates and assumptions included in the consolidated financial statements are based on the best knowledge of the management as at the closing of the books. The actual figures may deviate from these estimates.

Decisions based on the management judgement

Decisions based on the management judgement are related to the return accrual and its calculation. In some cases, the customer has the right to return the product. The estimate on the number of products potentially returned is calculated based on the historical data.

Principles of consolidation

Marimekko's consolidated financial statements include the accounts of the parent company Marimekko Corporation and its subsidiaries.

Subsidiaries are all entities over which the Group has control. The Group controls an entity where it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Translation of items denominated in foreign currency

The results and the financial position of the Group units are measured in the currency used in the primary business environment of the unit in question (functional currency). The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company.

Transactions in foreign currencies are recognized in the functional currency at the exchange rate on the date of transaction. The foreign-currency-denominated receivables and liabilities of the parent company and its Finnish subsidiary have been converted to euro amounts using the exchange rates quoted by the European Central Bank on the closing date. The foreign-currency-denominated receivables and liabilities of foreign subsidiaries have been converted at the exchange rate of the country in question on the closing date. Foreign exchange differences in business operations are booked in the corresponding income statement accounts above operating profit and foreign exchange differences on financial items in financial income and expenses.

The foreign-currency-denominated income statements of subsidiaries are converted to euro amounts using the average exchange rate for the financial year and the balance sheets at the exchange rate on the closing date. Differences arising from translation and translation differences in shareholders' equity are recorded as a separate item in shareholders' equity.

Revenue recognition and net sales

The Group sells products in Marimekko's retail stores and online store, and through wholesale channels in Finland and abroad. Most of the Group's income is comprised of wholesale and retail sales of products plus licensing income.

The goods are handed over to the customer one item or several items at a time in the stores or by a carrier. The customer can utilize each sold product separately and the utilization of a single product is not dependent on other products sold by Marimekko. Revenue is recognized when the buyer obtains control of the product – that is when the significant risks and rewards of ownership have been transferred to the buyer. In wholesale, this is mainly the moment when the goods are handed over to the customer as set forth in the agreed delivery clause. In wholesale and export trade, the terms of delivery determine the point of time when the customer obtains control of the goods. In retail where cash, credit card or gift card is used as means of payment, the income is recognized at the time of sale.

Sales revenues are recognized at the amount to which Marimekko expects to be entitled in exchange for transferring the promised goods to the customer, except for amounts collected on behalf of third parties, such as indirect taxes. Discounts granted are taken into account when determining the revenue to be recognized. The fulfillment of performance obligations is verifiable from payment receipts or transportation documents. In compliance with IFRS 15, customer contributions are allocated to distinct goods and recognized as revenue by the Group when the goods are handed over to the customer in the store or when a wholesale customer obtains control of the goods according to the terms of delivery. In some cases, the customer has the right to return the product. The estimate on the number of products potentially returned is calculated based on the historical data.

Licensing income is recognized in accordance with the clauses of the agreement between Marimekko and the licensee when the later of the following events occurs:
(a) the subsequent sale or usage occurs, and
(b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been fully or partially satisfied.

The clauses in the licensing agreements provide for licensing income payable to Marimekko for sales of products covered by the agreement as percentage-based licensing income or lump sum payments based on the fulfillment of performance-based obligations. Some licensees paying percentage-based licensing income are according to the agreement obligated to pay at least an annual minimum licensing income.

The Group also engages in commission trading, where it records the revenue as gross amount to which it expects to be entitled of in exchange for specified goods or services delivered.

Other operating income

Other operating income includes, for example, rental income from lease agreements classified as other lease agreements, insurance payouts and sales proceeds of fixed assets.

Operating profit

IAS 1 Presentation of Financial Statements does not contain a definition of operating profit. The Group has defined this concept as follows: operating profit is the net amount of net sales and other operating income less purchase expenses adjusted with change in inventories of finished goods and work in progress and the expenses incurred due to production for own use, less employee benefit expenses, depreciation, possible impairment loss and other operating expenses. Any income statement items other than the above are presented below the operating profit. Foreign exchange differences are included in the operating profit, provided they are attributable to items related to business operations. Otherwise, they are recognized in financial items.

Employee benefits

Pension commitments

The pension security of the personnel of the Group's Finnish companies has been arranged under the Finnish statutory employee pension plan (TyEL) through an external pension insurance company. Foreign subsidiaries have arranged pensions for their personnel in accordance with local legislation. The Group's pension cover is arranged wholly under defined contribution schemes. Under a defined contribution arrangement, the Group pays contributions to publicly or privately managed pension insurances. These contributions are either compulsory, based on an agreement or voluntary. The Group does not have any payment obligations other than these contributions. The contributions are recognized as employee benefit expenses at the time when they become due. Any contributions paid in advance are included in the assets on the balance sheet, insofar as they are recoverable as future refunds or future reductions of contributions.

Share-based payments

The long-term incentive system running from 2018 to 2022 granted to the Management Group by the Board of Directors was valued at fair value at each closing date and the change in fair value was recorded as an employee benefit expense in the income statement to the extent the share-based payments had been vested.

The Board of Directors of Marimekko Corporation decided in 2022 to continue the share-based long-term incentives for the company's management. Estimate of the fair value of share-based payments is recorded evenly over the duration of the new program to the employee benefit expenses.

The incentive systems are described in greater detail in note 4 to the consolidated financial statements.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

Dividend income

Dividend income is recognized as income when the right to dividends is established.

Income taxes

Taxes on the Group companies' financial results for the period, taxes from previous periods and the change in deferred taxes are recorded as the Group's taxes. Taxes on the taxable income for the period are calculated on taxable income in accordance with the tax rate in force in the country in question. Deferred taxes are calculated on all temporary differences between the book value and the taxable value. However, a deferred tax liability is not accounted for if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable income. Deferred tax is not recognized for distributable earnings of subsidiaries where it is probable that the difference will not reverse in the foreseeable future. Deferred taxes are calculated using the tax rates set by the closing date. Deferred tax assets are recognized to the extent that it is probable that future taxable profit, against which the temporary difference can be utilized, will be available.

Earnings per share

The basic earnings per share are calculated by dividing the result for the period attributable to equity holders of the parent company by the weighted average of shares outstanding. The weighted average number of shares used to calculate the diluted earnings per share takes into account the diluting effect of the conversion of potential common shares into actual shares during the period. There are no potential shares outstanding at the moment.

Intangible assets

Intangible assets with finite useful lives are recognized in the balance sheet at original cost less depreciation. Depreciation of intangible assets is carried out on a straight-line basis over their estimated useful life.

The estimated useful lives are as follows:

- intangible rights 5 years
- computer software 3–5 years.

The major intangible assets are computer software. In addition, intangible rights include trademarks.

The accounting for cloud computing arrangements depends on whether the cloud-based software classifies as a software intangible asset or a service contract. Those arrangements where the company does not have control over the underlying software are accounted for as service contracts providing the company with the right to access the cloud provider's application software over the contract period. The ongoing fees to obtain access to the application software, together with related configuration or customization costs incurred, are recognized as other operating expenses when the services are received.

Tangible assets

Tangible assets consist of leased fixed assets and owned fixed assets which mainly comprise buildings, machinery and equipment. Tangible assets also include expenditures on conversions and renovations of leased premises comprising, for example, completion work on business interiors in rented premises. Tangible assets are recorded in the balance sheet at original cost less depreciation. Depreciation of tangible assets is carried out on a straight-line basis over their estimated useful life.

The estimated useful lives are as follows:

- buildings and structures 3–30 years
- machinery and equipment 3–15 years.

The residual value and useful life of tangible assets are reviewed at the end of each financial year and if necessary, adjusted to reflect changes in the expectation of economic benefit.

If a tangible asset consists of several parts with different useful lives, each part is treated as a separate asset. Significant cost of replacing a part is capitalized when the company will derive economic benefit from the asset. Other expenses such as regular maintenance, repair and servicing costs are entered as expenses in the income statement when they are incurred.

Borrowing costs

Borrowing costs are recognized as expenses during the financial year in which they were incurred. Borrowing costs have not been recognized as part of the acquisition cost of assets.

Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

A restructuring provision is recognized when the Group has compiled a detailed restructuring plan, launched its implementation or informed the parties concerned.

Impairment

On each closing date, asset items are assessed for indications of impairment. If there are such indications, the recoverable amount of said asset item is estimated. The impairment recognized is the amount by which the book value of the asset item exceeds its recoverable amount, which is the higher of its net selling price or value in use. Value in use is based on discounted future net cash flows as a rule.

Lease agreements

In accordance with IFRS 16, the Group assesses at the inception of a contract whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has elected to separate non-lease components from lease components at the inception of a contract.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, incentives received, initial direct costs incurred and an estimate of costs to restore the underlying asset. The right-of-use asset is depreciated over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise the following: fixed payments and variable lease payments that depend on an index or a rate. An option to extend the lease term is included in the lease term if it is reasonably certain that the option will be exercised.

The lease term for renewable leases is determined based on non-cancelable lease term of the contract. Further periods are included in the lease term to the extent that the management considers that it is reasonably certain that the option to terminate the contract is not exercised.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (max. 12 months) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Marimekko is a lessee. Lease contracts include headquarter and printing facilities in Helsinki, retail stores in Finland and other countries where Marimekko operates as well as company housing and leasing cars. In general, lease contracts vary from 1 year to 15 years.

In the financial year 2022, Marimekko has applied an amendment to IFRS 16, published by the IASB in 2020, regarding the treatment of rent concessions and the amendment to IFRS 16 published in 2021, which extended the period of application of the relief. The Group has applied the practical expedient stipulated by the amendment to not treat rent concessions granted due to the coronavirus pandemic as changes in leases under IFRS 16 until the period of application ended on 30 June 2022. Leases that only involved a rent exemption were treated as negative variable rents in the income statement.

Inventories

Inventories are presented at the acquisition cost or at the lower probable net realization value. The acquisition cost of manufactured inventories includes not only purchase expenditure on materials, direct labor and other direct costs, but also a share of the fixed and variable general costs of production. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated direct costs for completion and selling expenses.

Financial assets

Financial assets are classified based on the Group's financial asset management business model and their contractual cash flow characteristics into the following categories: measured at amortized cost and measured at fair value through profit or loss.

Financial assets measured at amortized cost consist of other financial assets, trade receivables, other receivables, prepaid expenses and accrued income, as well as cash and cash equivalents. They are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

For the estimation of expected credit losses on trade receivables, the so-called simplified approach permitted by IFRS 9 is used, according to which credit losses are recorded at an amount equal to lifetime expected credit losses. Expected credit losses are estimated based on historical credit losses, and the model also takes into account the information available on future financial conditions at the time of review. Expected credit losses are recognized in other operating expenses in the income statement.

A final impairment of trade receivables is recognized when there is objective evidence that the Group will not receive all of the benefits on the original terms. Indications of the impairment of trade receivables include significant financial difficulties of the debtor, the likelihood of bankruptcy, failure to make payments, or a delay of over 90 days in paying. Impairment loss is recognized under other operating expenses in the income statement.

Financial assets measured at fair value through profit or loss comprise shares and they are included in noncurrent assets, unless it is intended that they will be held for less than 12 months from the closing date, in which case they are included in current assets. The other financial assets comprise listed shares. In addition, the Group has derivatives, which are not subordinated to hedge accounting. These derivatives are recorded at fair value through profit or loss. Financial assets which are recorded at fair value are valued based on fair value hierarchies presented below.

The fair value of financial assets and liabilities classified as level 1 is based on unadjusted quoted prices in active markets at the closing date. Level 1 includes listed shares.

The fair value of financial assets and liabilities classified as level 2 is based on observable input parameters, which are other than quoted prices. Level 2 includes currency derivatives.

In accordance with the Group's hedging policy, Marimekko has derivatives against changes in the exchange rate of purchases.

Cash and cash equivalents

The Group's cash and cash equivalents include cash on hand and at banks. The Group does not have any other items classified as cash and cash equivalents.

Dividends, shareholders' equity and treasury shares

The Board of Directors' proposal for dividend distribution has not been recognized in the financial statements; dividends are only recognized on the basis of the AGM's approval.

Outstanding common shares are presented as share capital. Costs related to the granting or acquisition of the company's own equity instruments are presented as equity allowance. If the company purchases its own shares, the price including direct costs is recognized as decrease in equity.

Financial liabilities

Financial liabilities are initially recognized at fair value excluding transaction costs and subsequently at amortized cost using the effective interest method. Financial liabilities are non-current, unless they are repayable on demand or the Group intends to repay them within the next 12 months.

The Group's derivatives are recorded at fair value through profit or loss. The Group does not use hedge accounting.

New standards and interpretations and change in accounting principles

These consolidated financial statements have been prepared using the same accounting principles as were applied in the 2022. The new and amended standards which were implemented during 2023, do not have a significant impact on the company's consolidated financial statements. Regarding note 14, the presentation of deferred taxes related to lease agreements has been changed.

Adoption of new and amended standards in future financial years

The new and amended standards to be applied in future financial years do not, according to the company's estimate, have a significant impact on the company's consolidated financial statements.

1. SEGMENT INFORMATION AND DISTRIBUTION OF SALES

The Group's business segment is the Marimekko business. The segment information presented by the Group is based on internal reporting to the chief operational decision-maker. The President and CEO of the company acts as the chief operational decision-maker.

The total amount of assets in Finland was EUR 106,872 thousand (99,261), of which the amount of non-current assets excluding financial instruments and deferred tax assets was EUR 29,797 thousand (30,224). The amount of assets in other countries was EUR 16,386 thousand (15,326), of which non-current assets accounted for EUR 6,352 thousand (5,136).

Marimekko has no individual customers representing 10 percent or more of the Group's total income.

Net sales by market area

(EUR 1,000)	**2023**	**2022**
Finland		
Retail sales	66,627	64,559
Wholesale sales	32,133	33,491
Licencing income	154	187
Total	98,914	98,237
Scandinavia		
Retail sales	4,386	4,157
Wholesale sales	11,096	9,799
Licencing income	75	-
Total	15,557	13,956
EMEA		
Retail sales	3,008	2,492
Wholesale sales	10,802	11,603
Licencing income	834	1,919
Total	14,645	16,014
North America		
Retail sales	4,523	4,621
Wholesale sales	4,688	2,761
Licencing income	365	617
Total	9,575	7,999
Asia-Pacific		
Retail sales	6,775	6,619
Wholesale sales	26,883	23,455
Licencing income	1,758	234
Total	35,415	30,309
International sales (total)		
Retail sales	18,691	17,890
Wholesale sales	53,469	47,618
Licencing income	3,031	2,770
Total	75,191	68,278
Retail sales	85,318	82,448
Wholesale sales	85,602	81,109
Licencing income	3,186	2,957
Total	174,105	166,515

Net sales by product line

(EUR 1,000)	**2023**	**2022**
Fashion	55,171	50,525
Home	77,475	78,273
Bags and accessories	41,460	37,717
Total	174,105	166,515

Investments (excluding the impact of IFRS 16)

(EUR 1,000)	**2023**	**2022**
Finland	1,191	873
Other countries	842	126
Total	2,033	999

2. OTHER OPERATING INCOME

(EUR 1,000)	2023	2022
Rental income	54	54
Other income	37	54
Total	91	108

3. RAW MATERIALS AND CONSUMABLES

(EUR 1,000)	2023	2022
Materials and supplies		
Purchases during the financial year	40,232	47,310
Increase (-) / decrease (+) in inventories	-71	-88
Total	40,161	47,223
External services	23,029	24,892
Total	63,190	72,115

Exchange rate differences included in raw materials and consumables

Exchange rate gains (-) / losses (+) on purchases	-41	141

4. EMPLOYEE BENEFIT EXPENSES

(EUR 1,000)	2023	2022
Salaries, wages and bonuses	26,245	24,155
Share-based payments	417	98
Pension expenses – defined contribution plans	3,745	3,621
Other indirect social expenditure	3,105	2,972
Total	33,512	30,846

Average number of employees

	2023	2022
Salaried employees	443	413
Production personnel	19	21
Total	462	434

Share-based payments

The Board of Directors of Marimekko Corporation decided at 15th of February 2022 to continue the share-based long-term incentives for the company's management. The share-based incentive system for years 2022–2026 is targeted to the Management Group of Marimekko and at the end of financial period, it encompasses 10 people including the President and CEO.

The Performance share plan 2022–2026 is composed of two earnings periods: 1 January 2022–30 June 2025 and 1 January 2023–30 June 2026. The potential reward from each earnings period is based on total shareholder return (TSR) i.e. the total yield on Marimekko Corporation's shares, including dividends, at the end of the period. The achievement of the required TSR levels will determine the proportion out of the maximum reward that will be paid to a participant. The potential rewards are primarily planned to be paid half in company shares and half in cash after each earnings period. The cash part of the reward is intended to cover the taxes and tax-like payments incurred by the participant. The arrangement is treated entirely as equity paid. Earning the reward requires that the person is still working for the company at the time of the payment. The reward amounts earned through the system will be capped if the maximum limit set by the Board for the payable reward is reached. The shares received as part of the reward are subject to a two-year transfer restriction. An estimate of the fair value of possible rewards is recorded evenly over the entire duration of the program as employee benefits expenses

The Board of Directors of Marimekko has decided that if the targets set for the first earnings period are met in full, the rewards to be paid on the basis of it correspond to the value of an approximate maximum total of 172,706 Marimekko shares including also the cash portion of the reward. The potential rewards from the first earnings period are estimated to be paid in early autumn 2025.

The Board of Directors has decided that if the targets set for the second earnings period of 1 January 2023–30 June 2026 are met in full, the rewards to be paid on the basis of the period correspond to the value of an approximate maximum total of 290,148 Marimekko shares including also the cash portion of the reward. The potential rewards from the second earnings period are estimated to be paid at the latest by the end of September 2026.

For the fiscal year 2023, a total of EUR 417 thousand (179) has been recorded from the incentive system for the years 2022–2026 in the employee benefits expenses in the Marimekko Group's 2023 consolidated income statement.

In the comparable year 2022, the Group had two long-term incentive schemes for the management, one of which ended during the year. The long-term incentive system which ended during the financial period 2022, was established based on the Board of Directors' decision on 14 February 2018. The system was composed of two earnings periods, which were 1 April 2018–30 September 2021 and 1 April 2018–31 January 2022. The possible reward for each earnings period was based on the total yield on Marimekko Corporation's shares, including dividends. The net reward was paid half in company shares and half in cash. The shares received as part of the reward are subject to a two-year transfer restriction. Earning the reward required that the person was still working for the company at the time of the payment. The annual maximum value of the reward paid to a member of the Management Group under the incentive system equaled the approximate value of annual gross salary. The system encompassed nine Management Group members, including the President and CEO. The Group had the option of paying the reward entirely in cash by a decision of the Board of Directors.

The Board of directors decided on the payment of the second earnings period on 15 February 2022. In accordance with the terms of the incentive system, on 17 February 2022, a total of 7,802 of Marimekko's own shares held by the company were transferred over to the members of the Marimekko Management Group.

The fair value of granted share-based payments was determined using the binary cash-or-nothing call option valuation model. The significant measurement parameters in the model were an initial share value of EUR 14.21, i.e. EUR 12.92, which is the weighted average share price between 1 and 31 March 2018, plus 10 percent, and a volatility of 27 percent. The grant date of the share-based payments was the date of the Board resolution. The fair value of the payments at the end of the grant month was EUR 1.76/option, so the total fair value of the plan amounted to EUR 813 thousand. Granted share-based payments were subsequently valued at fair value at each closing date and the change in fair value was recorded in the income statement to the extent the payments are vested. The reward payable for an earnings period was an amount equivalent to 1.5 months' gross salary for each one (1) euro, with which the closing share price (inclusive of dividends) exceeds the initial share value of EUR 14.21. Gross salary is defined for the purposes of the system as the fixed monthly salary, inclusive of fringe benefits, paid at the beginning of the earnings period. The installments related to the last earning period was paid during February 2022.

For the comparable year 2022, a total of EUR -81 thousand was recorded from this incentive system to the employee benefits expenses in the Marimekko Group's 2022 income statement.

5. DEPRECIATION AND IMPAIRMENTS

(EUR 1,000)	**2023**	**2022**
Intangible assets		
Intangible rights	44	34
Computer software	139	224
Total	183	258
Tangible assets		
Buildings and structures	263	228
Machinery and equipment	505	473
Right-of-use assets, buildings and structures	8,159	8,623
Right-of-use assets, machinery and equipment	70	68
Total	8,998	9,393
Total	9,180	9,651

6. OTHER OPERATING EXPENSES

(EUR 1,000)	**2023**	**2022**
Leases	1,850	1,070
Marketing	9,483	9,245
Management and maintenance of business premises	1,634	1,598
Administration	11,200	11,391
Other expenses	8,258	8,192
Total	32,425	31,497

Exchange rate differences included in other operating expenses

Exchange rate gains (-) / losses (+) on sales	101	405

Rents

(EUR 1,000)	**2023**	**2022**
Low-value rents	484	429
Variable rents[1]	1,366	641
Total	1,850	1,070

Auditor's fee

(EUR 1,000)	**2023**	**2022**
KPMG		
Audit	124	128
Tax advice	2	16
Other services	3	29
Total	129	173
Others		
Audit	9	6
Total	9	6

Remuneration to KPMG Oy Ab on other services to Marimekko Group companies: EUR 3 thousand (29)

[1] During 2022, the Group applied the practical expedient stipulated by an amendment to IFRS 16 to not treat rent concessions granted due to the coronavirus pandemic as changes in leases under IFRS 16. Hence in 2022, variable rents include EUR 373 thousand in rent relief recognized directly in the income statement in accordance with the amendment to IFRS 16. Practical expedient ended on 30 June 2022.

7. FINANCIAL INCOME

(EUR 1,000)	2023	2022
Interest income on loans and other receivables	193	28
Exchange rate gains, realized	71	141
Exchange rate gains, unrealized	45	1,072
Change in fair value of shares	85	-
Total	393	1,241

8. FINANCIAL EXPENSES

(EUR 1,000)	2023	2022
Interest expenses on financial liabilities measured at amortized cost	173	232
Interest expenses on lease liabities	1,020	720
Exchange rate losses, realized	200	143
Exchange rate losses, unrealized	542	1,145
Other financial expenses	123	99
Total	2,056	2,339

9. INCOME TAXES

(EUR 1,000)	2023	2022
Taxes on taxable earnings for the financial year	6,380	5,988
Taxes from previous financial years	136	246
Deferred taxes	-379	196
Total	6,137	6,430

Reconciliation statement of taxes calculated on the basis of tax expenses in the income statement and the Group's Finnish tax rate (20 percent both in 2023 and 2022)

Result before taxes	29,737	29,139

Taxes calculated at the Finnish tax rate	5,947	5,828
Different tax rates of foreign subsidiaries	-7	-12
Non-recognized deferred tax assets on taxable losses	69	120
Taxes from previous financial years	136	246
Acquisition cost of shares transferred	-	123
Non-deductible items	5	-20
Others	-14	146
Taxes in the income statement	6,137	6,430

10. EARNINGS PER SHARE

	2023	2022
Net result for the period, EUR 1,000	23,601	22,708
Weighted average number of shares, 1,000	40,571	40,624
Basic and diluted earnings per share, EUR	0.58	0.56

11. NON-CURRENT ASSETS

11.1 Intangible assets

2023

(EUR 1,000)	Intangible rights	Computer software	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2023	2,551	7,336		9,887
Translation differences	-1	2		1
Increases	77	36	1,029	1,142
Decreases		-269		-269
Transfers between categories			-794	-794
Acquisition cost, 31 Dec. 2023	2,627	7,105	235	9,968
Accumulated depreciation, 1 Jan. 2023	2,427	7,173		9,600
Translation differences	-1	2		1
Accumulated depreciation of decreases		-269		-269
Depreciation during the financial year	44	139		183
Accumulated depreciation, 31 Dec. 2023	2,469	7,045		9,515
Book value, 31 Dec. 2023	158	60	235	453

2022

(EUR 1,000)	Intangible rights	Computer software	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2022	2,495	8,051		10,547
Translation differences	2	-115		-114
Increases	54	5	657	715
Decreases		-604		-604
Transfers between categories			-657	-657
Acquisition cost, 31 Dec. 2022	2,551	7,336		9,887
Accumulated depreciation, 1 Jan. 2022	2,391	7,669		10,060
Translation differences	2	-115		-114
Accumulated depreciation of decreases		-604		-604
Depreciation during the financial year	34	224		258
Accumulated depreciation, 31 Dec. 2022	2,427	7,173		9,600
Book value, 31 Dec. 2022	124	163		288

11.2 Tangible assets

2023

(EUR 1,000)	Land	Buildings and structures	Machinery and equipment	Right-of-use assets, buildings and structures	Right-of-use assets, machinery and equipment	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2023	55	6,106	20,170	71,624	470	81	98,507
Translation differences		-46	-165	-587			-798
Increases		719	548	7,772	221	417	9,677
Decreases		-915	-465	-18			-1,398
Transfers between categories		92	337			-429	
Acquisition cost, 31 Dec. 2023	55	5,957	20,425	78,791	691	69	105,988
Accumulated depreciation, 1 Jan. 2023		4,171	18,296	41,067	412		63,946
Translation differences		-49	-165	-453			-666
Accumulated depreciation of decreases		-915	-465	-10			-1,390
Depreciation during the financial year		263	505	8,159	70		8,998
Accumulated depreciation, 31 Dec. 2023		3,471	18,171	48,763	482		70,888
Book value, 31 Dec. 2023	55	2,486	2,254	30,028	209	69	35,100

11.2 Tangible assets

2022

(EUR 1,000)	Land	Buildings and structures	Machinery and equipment	Right-of-use assets, buildings and structures	Right-of-use assets, machinery and equipment	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2022	55	6,945	22,360	61,693	448		91,501
Translation differences		16	169	68			253
Increases		330	408	9,863	22	202	10,825
Decreases		-1,185	-2,888				-4,073
Transfers between categories			121			-121	
Acquisition cost, 31 Dec. 2022	55	6,106	20,170	71,624	470	81	98,507
Accumulated depreciation, 1 Jan. 2022		5,113	20,537	32,320	344		58,314
Translation differences		16	173	123			312
Accumulated depreciation of decreases		-1,185	-2,888				-4,073
Depreciation during the financial year		228	473	8,623	68		9,393
Accumulated depreciation, 31 Dec. 2022		4,171	18,296	41,067	412		63,946
Book value, 31 Dec. 2022	55	1,935	1,874	30,557	59	81	34,560

11.3 Other financial assets

(EUR 1,000)	2023	2022
Other financial assets	595	512

Other financial assets comprise listed shares and bonds.

12. CURRENT ASSETS

12.1 Inventories

(EUR 1,000)	**2023**	**2022**
Raw materials and consumables	5,211	5,174
Finished products/goods	24,057	28,610
Total	29,268	33,784
Impairment of inventories	-458	-415

12.2 Trade and other receivables

(EUR 1,000)	**2023**	**2022**
Trade receivables	16,643	10,101
Prepayments for inventory purchases	-	10
Other receivables	877	735
Prepaid expenses and accrued income	2,168	1,137
Total	19,688	11,983
Prepaid expenses and accrued income		
Royalty receivables	277	224
Employee benefits	5	3
Other prepaid expenses and accrued income	1,886	910
Total	2,168	1,137

Analysis of trade receivables by age

(EUR 1,000)	**2023**	**2022**
Trade receivables not past due	12,775	7,448
Past due		
less than 30 days	2,760	2,093
30–60 days	595	372
more than 60 days	513	188
Total	16,643	10,101

The amount of credit loss provisions recognized on trade receivables, EUR 155 (43) thousand, reduces receivables in the balance sheet. The expected credit loss risk is not material due to the Group's effective credit management policy, where the credit history of wholesale customers is monitored regularly and prepayments, guarantees and letters of credit are used when needed.

13. SHARES AND OTHER EQUITY

	Number of shares outstanding	Share capital, EUR	Reserve for invested non-restricted equity, EUR	Number of treasury shares	Treasury shares, EUR
1 Jan. 2022	40,582,370	8,040,000	1,227,957	66,800	-210,233
Share-based payments	39,010	-	-	-39,010	122,772
Acquisition of own shares	-50,000	-	-	50,000	-453,644
31 Dec. 2022	40,571,380	8,040,000	1,227,957	77,790	-541,105
1 Jan. 2023	40,571,380	8,040,000	1,227,957	77,790	-541,105
31 Dec. 2023	40,571,380	8,040,000	1,227,957	77,790	-541,105

Marimekko Corporation’s Articles of Association do not specify maximum share capital. Marimekko Corporation has one series of shares; the shares do not have a nominal value. All shares in issue have been paid in full. As at 31 December 2023, Marimekko Corporation held 77,790 treasury shares. The Group does not have any share option schemes.

The Board of Directors of Marimekko proposed on 14 February 2024 to the AGM on 16 April 2024 that a dividend of EUR 0.37 per share is paid for 2023.

The reserve for invested non-restricted equity contains other equity-like investments and the share subscription price to the extent that this is not entered in share capital under a specific decision.

14. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are offset against each other where the Group has a legally enforceable right to offset deferred tax assets and liabilities based on taxable earnings for the period against each other and where they relate to income taxes levied by the same taxation authority on the same taxpayer or different taxpayers and the intention is to settle on a net basis. The amounts offset against each other are as follows:

Changes in deferred taxes in 2023

(EUR 1,000)	1 Jan. 2023	Recognized in the income statement	31 Dec. 2023
Deferred tax assets			
Internal margin of inventories	371	45	416
Lease agreements	6,354	105	6,459
Intangible assets	587	139	726
Total	7,312	289	7,601
Deferred tax liabilities			
Accumulated depreciation difference	-225	-35	-259
Lease agreements	-6,133	79	-6,054
Fixed costs included in inventories	-206	29	-177
Total	-6,564	73	-6,491
Deferred tax asset, net	748		1110

Changes in deferred taxes in 2022

(EUR 1,000)	1 Jan. 2022	Recognized in the income statement	31 Dec. 2022
Deferred tax assets			
Internal margin of inventories	323	48	371
Employee benefits	450	-450	-
Lease agreements	6,086	268	6,354
Intangible assets	321	266	587
Total	7,180	132	7,312
Deferred tax liabilities			
Accumulated depreciation difference	-182	-43	-225
Lease agreements	-5,905	-228	-6,133
Fixed costs included in inventories	-151	-55	-206
Total	-6,239	-325	-6,564
Deferred tax asset, net	942		748

Deferred tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. Deferred tax assets amounting to EUR 69 thousand (120) have not been recognized.

15. INTEREST-BEARING LIABILITIES

15.1 Non-current liabilities

(EUR 1,000)	2023	2022
Lease liabilities	24,984	25,277
Total	24,984	25,277

15.2 Current liabilities

(EUR 1,000)	2023	2022
Lease liabilities	7,309	6,547
Financial liabilities	615	2,169
Total	7,925	8,716

16. OTHER CURRENT LIABILITIES

(EUR 1,000)	2023	2022
Trade payables and other current liabilities		
Trade payables	9,808	9,831
Other payables	5,618	5,096
Accrued liabilities and deferred income	7,359	7,914
Advances received	1,815	1,912
Total	24,599	24,752
Accrued liabilities and deferred income		
Employee benefits	5,104	4,739
Unpaid designer and agent provisions	772	661
Return accruals	655	1,360
Other accrued liabilities and deferred income	828	1,155
Total	7,359	7,914

17. FINANCIAL ASSETS AND LIABILITIES

Financial assets measured at fair value through profit or loss

(EUR 1,000)	2023	2022
Other financial assets	271	189
Other financial liabilities	-	42

Financial assets measured at fair value through profit or loss comprise listed shares, bonds and currency derivatives. Below is the information about currency derivatives recognized at fair value through profit and loss.

Nominal value		
Currency derivatives	-	1,417
Fair value		
Negative fair values	-	-42
Total	-	-42
Age distribution - Nominal value		
Currency derivatives		
Less than a year	-	1,417
Total	-	1,417

Financial assets measured at amortized cost

(EUR 1,000)	2023	2022
Other financial assets	324	324
Trade receivables	16,643	10,101
Other receivables, prepaid expenses and accrued income	3,045	1,873
Cash and cash equivalents	37,044	32,711

Financial liabilities measured at amortized cost

Trade payables	9,808	9,831
Credit facilities drawn down	615	2,127
Other liabilities	14,791	14,921

The fair value of financial assets and financial liabilities measured at amortized cost equals their book value.

18. GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(EUR 1,000)	2023	2022
Other own liabilities and commitments		
Lease liabilities for machinery and equipment	739	846

Lease liabilities relate to low-value and short-term leases not recorded in the balance sheet.

(EUR 1,000)	2023	2022
Guarantees	4,880	6,492

Guarantees are related to letter of credits, rental and customs guarantees.

19. RELATED PARTY TRANSACTIONS

The group's related parties include the members of the board of directors and the management team, as well as their close family members and controlling entities, the group's parent company and its subsidiaries.

The relationships of the Group's parent company and subsidiaries are as follows:

Parent company

Marimekko Corporation, Helsinki, Finland[1]

Subsidiaries

Company and domicile	Group's holding, %	Share of voting rights, %
Marimekko Services Oy, Helsinki, Finland	100	100
Marimekko AB, Stockholm, Sweden[2]	100	100
Marimekko Australia PTY Ltd, Victoria, Australia	100	100
Marimekko GmbH, Frankfurt am Main, Germany	100	100
Marimekko North America LLC, Delaware, United States	100	100
Marimekko North America Retail LLC, Delaware, United States	100	100
Marimekko North America Holding Co, Delaware, United States	100	100
Marimekko Trading (Shanghai) Co., Ltd, Shanghai, China	100	100
Marimekko UK Ltd, London, United Kingdom	100	100
Marimekko Denmark ApS	100	100
Marimekko Japan Godo Kaisha	100	100
Marimekko Singapore Pte. Ltd.	100	100

The following transactions were carried out with related parties:

Management's employee benefits

Paid remuneration of the President and CEO and other members of the Management Group

(EUR 1,000)	2023	2022
Mika Ihamuotila, Chairman of the Board[3]	53	53
Tiina Alahuhta-Kasko, President and CEO	453	493
Other members of the Management Group	2,294	1,788
Total	2,799	2,334

Share-based incentive system

(EUR 1,000)	2023	2022
Tiina Alahuhta-Kasko, President and CEO	-	552
Other members of the Management Group	-	1,621
Total	-	2,173

[1] Marimekko Corporation has branch in France.
[2] Marimekko AB has branches in Norway and Denmark.
[3] Fee paid to Mika Ihamuotila for half-time duty pursuant to a separate service agreement.

Remuneration to the Board of Directors

(EUR 1,000)	2023	2022
Elina Björklund	-	2
Carol Chen	26	26
Mika Ihamuotila	48	48
Mikko-Heikki Inkeroinen	31	31
Catharina Stackelberg-Hammarén	-	1
Tomoki Takebayashi	26	26
Marianne Vikkula	31	30
Teemu Kangas-Kärki	45	43
Total	207	207

Management's employee benefits, total	3,006	4,714

Pension benefits include only statutory pension payments. The management does not have additional pension benefits.

Related parties are among beneficiaries of a share-based incentive system. The management's long-term incentive system is presented in greater detail under note 4 to the financial statements.

20. FINANCIAL RISK MANAGEMENT

During the normal course of its business operations, the Marimekko Group is exposed to financial risks. The principal financial risks are liquidity risk, credit risk, foreign currency risk and interest rate risk.

The company's Board of Directors has confirmed the principles, responsibilities and organization of risk management for the Group. The Board of Directors also monitors the success of risk management. According to its risk management principles, Marimekko classifies its risks as strategic, operational, economic and accident risks. Economic risks include financial risks. Responsibility for the implementation of risk management measures concerning financial risks lies with the Group's CFO. The main objective of financial risk management is to ensure reasonably-priced financing in all circumstances, and thereby minimize the unfavorable effects, if any, on the Group's financial performance. In accordance with the Group's hedging policy, Marimekko has derivatives against changes in the exchange rate of purchases.

Liquidity risk
The Group continuously seeks to assess and monitor the amount of funding required for business operations to ensure that sufficient liquid funds are available for daily business and repayment of maturing debts. The assessment is based on monthly cash flow and liquidity forecasts. The Group aims to maintain a high liquidity level at all times in order to eliminate liquidity risk. In order to minimize liquidity risk, the Group's near-term and next few years' financing needs can be covered by liquid funds as well as committed long-term or short-term credit facilities or credit facilities valid until further notice. At the end of the financial year, the Group credit facilities and revolving credit facilities totaled EUR 32,547 thousand (16,718). The amount of credit facilities drawn down at the end of the year was EUR 615 thousand (2,127). Revolving facilities remained unused during 2023. As the general uncertainty of the economy continues, in January 2023, Marimekko acquired additional security for financing. In addition to the previous credit facilities, short-term revolving credit facilities worth EUR 16,000 thousand are available for use. These revolving credit facilities include covenants. Revolving credit facilities have renewed one year onwards.

Maturity analysis for the Group's financial liabilities; the figures are not discounted, and they include both interest payments and capital repayments:

31 Dec. 2023

(EUR 1,000)	Less than 1 year	1–2 years	3–5 years	Over 5 years
Lease liabilities	7,309	12,218	6,250	6,516
Credit facilities drawn down	615	-	-	-
Trade and other payables	24,599	-	-	-
Total	32,523	12,218	6,250	6,516

31 Dec. 2022

(EUR 1,000)	Less than 1 year	1–2 years	3–5 years	Over 5 years
Lease liabilities	6,547	5,044	11,230	9,003
Credit facilities drawn down	2,127	-	-	-
Trade and other payables	24,752	-	-	-
Derivatives	42			
Total	33,426	5,044	11,230	9,003

Credit risk

The trade receivables generated in the Group's wholesale operations are associated with a credit risk, which is reduced by the Group's broad and geographically diverse clientele. Marimekko continuously monitors the credit limits, credit history and financial situation of its customers. The Group has a centralized process in place for this purpose. Responsibility for the credit monitoring process lies with the Group's CFO. The credit risk related to the wholesale business is also reduced by means of credit insurance, advance payments, bank guarantees and letters of credit.

Retail customers pay for their purchases using cash or the most common debit/credit cards.

Note 12.2 (Trade and other receivables) to the consolidated financial statements includes an analysis of trade receivables by age.

Foreign currency risk
The Group's currency risk consists of sales and purchases made in foreign currency as well as balance sheet items and foreign-currency-denominated net investments in units abroad.

Transaction risk
The Group's transaction risk derives from currency flows connected with wholesale and retail sales as well as purchases and operating expenses of the Group's business units, and from loans and receivables denominated in foreign currency. The Group's principal sales currency is the euro. The other significant sales and invoicing currencies are the US dollar, Swedish krona, Danish krone, Norwegian krone, Australian dollar and Canadian dollar. The principal currencies used for purchases are the Euro and, to a lesser extent, the US dollar. In 2023, foreign-currency-denominated sales accounted for approximately 21 percent (19) of the Group's total sales and foreign-currency-denominated purchases made up about 19 percent (17) of the Group's purchases.

Marimekko protects itself against the transaction risk of sales by taking account of the estimated exchange rate changes at the time of sale when carrying out wholesale and retail pricing of products. Foreign subsidiaries are financed primarily in local currency, so they do not incur significant transaction risk.

The Group's transaction exposure
Foreign-currency-denominated assets and liabilities (cash and cash equivalents, trade receivables and trade payables) converted to euro amounts using the exchange rates quoted on the closing date

(EUR 1,000)			**2023**			**2022**
	USD	SEK	AUD	USD	SEK	AUD
Current assets	3,416	4,580	4,653	8,339	4,818	4,528
Current liabilities	-722	-138	-90	-1,074	-461	-241
Foreign currency exposure in the balance sheet	2,694	4,442	4,563	7,265	4,356	4,288
Foreign curency exposure before hedging	2,694	4,442	4,563	7,265	4,356	4,288
Currency hedging	-	-	-	-1,417	-	-
Foreign currency exposure after hedging	2,694	4,442	4,563	5,848	4,356	4,288

Sensitivity analysis, effect on net result for the period

The strengthening or weakening of the euro against the US dollar, the Swedish krona or the Australian dollar would, given that all other factors remain unchanged, impact the Group's net result for the period as follows. The impact portrays the Group's transaction risk.

			2023			**2022**
	USD	SEK	AUD	USD	SEK	AUD
Strengthening of the euro by 10 percent						
Effect on net result for the period, EUR 1,000	281	-1,086	-470	411	-1,030	-614

Translation risk
The Marimekko Group incurs translation risk when the financial statements of foreign subsidiaries are translated into euro amounts in the consolidated financial statements. For foreign-currency-denominated net investments, the effects of changes in foreign exchange rates appear as translation differences in the Group's equity. Marimekko has so far not hedged against translation risk for equity, as the subsidiary sales and net investments are small from the Group's perspective.

Interest rate risk
The Group's interest rate risk primarily results from changes in interest rates on cash and cash equivalents and on current and noncurrent interest-bearing liabilities due to changes in market rates. Changes in the interest rates of these assets and liabilities have an impact on the Group's profit. On balance sheet date the average interest rate of interest-bearing liabilities without lease liabitilies was 3,97% (4,07%). The change in the interest rate does not have a significant effect on the financial year's result.

(EUR 1,000)	**2023**	**2022**
Cash and cash equivalents	37,044	32,711
Credit facilities drawn down	615	2,127

21. CAPITAL MANAGEMENT

The purpose of capital management is to maintain a capital structure that optimally supports the Group's strategic objectives. Efficient capital management measures ensure normal operating conditions for the business and increase the shareholder value in the long term. The principal factors affecting the capital structure are profitability, dividend distribution and investments. The capital managed equals the shareholders' equity shown on the consolidated balance sheet. No external capital requirements are applied to the Group.

The Group continuously monitors its capital structure. The Group's strategic objective is to keep the ratio of net debt to EBITDA at or below 2 (one of the company's long-term financial goals). At the end of 2023, the ratio of net debt to EBITDA was -0.10 (0.03), i.e. well below the long-term goal level.

Net debt / EBITDA

(EUR 1,000)	**2023**	**2022**
Interest-bearing liabilities		
Non-current lease liabilities	24,984	25,277
Current lease liabilities	7,309	6,547
Other current interest-bearing liabilities	615	2,169
Total	32,909	33,993
Cash and cash equivalents	37,044	32,711
Net debt	-4,135	1,282
EBITDA	40,580	39,887
Net debt / EBITDA	-0.10	0.03

22. EVENTS AFTER THE CLOSING DATE

The management of the company is not aware of any significant events after the closing date.

Parent company financial statements, FAS

PARENT COMPANY INCOME STATEMENT

(€)	Note	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
NET SALES	1.	**168,742,808.88**	**160,601,405.90**
Other operating income	2.	86,355.88	102,306.81
Change in inventories of finished goods and work in progress		-4,735,944.43	7,099,917.90
Materials and services	3.	-62,082,858.54	-71,610,777.87
Personnel expenses	4.	-26,039,583.87	-24,658,905.29
Depreciation and impairments	5.	-1,677,494.37	-1,425,586.83
Other operating expenses	6.	-42,430,207.49	-41,272,819.79
OPERATING PROFIT		**31,863,076.06**	**28,835,540.83**
Financial income and expenses	7.	-91,439.55	84,806.78
RESULT BEFORE APPROPRIATIONS AND TAXES		**31,771,636.51**	**28,920,347.61**
Appropriations	8.	-172,809.00	-213,470.86
Income taxes	9.	-6,239,355.46	-5,856,825.98
NET RESULT FOR THE PERIOD		**25,359,472.05**	**22,850,050.77**

PARENT COMPANY BALANCE SHEET

(€)	Note		31 Dec. 2023		31 Dec. 2022
ASSETS					
FIXED ASSETS					
Intangible assets	10.1		5,943,073.44		5,001,939.84
Tangible assets	10.2		2,091,294.81		1,955,619.63
Investments	10.3				
Participations in Group companies		1,939,748.32		1,905,837.91	
Other shares and participations		271,425.58		188,531.38	
Other receivables		323,854.00	2,535,027.90	323,854.00	2,418,223.29
FIXED ASSETS, TOTAL			**10,569,396.15**		**9,375,782.76**
CURRENT ASSETS					
Inventories	11.		26,342,614.37		31,017,549.13
Current receivables	12.		32,485,912.66		22,199,051.61
Cash in hand and at banks			32,348,915.99		26,616,403.29
CURRENT ASSETS, TOTAL			**91,177,443.02**		**79,833,004.03**
ASSETS, TOTAL			**101,746,839.17**		**89,208,786.79**

(€)	Note	31 Dec. 2023	31 Dec. 2022
SHAREHOLDERS’ EQUITY AND LIABILITIES			
SHAREHOLDERS’ EQUITY	13.		
Share capital		8,040,000.00	8,040,000.00
Reserve for invested non-restricted equity		1,227,957.00	1,227,957.00
Retained earnings		34,017,429.14	24,961,647.57
Net result for the period		25,359,472.05	22,850,050.77
SHAREHOLDERS’ EQUITY, TOTAL		**68,644,858.19**	**57,079,655.34**
ACCUMULATED APPROPRIATIONS	14.	1,296,453.29	1,123,644.29
LIABILITIES	15.		
Current liabilities		31,805,527.69	31,005,487.16
LIABILITIES, TOTAL		**31,805,527.69**	**31,005,487.16**
SHAREHOLDERS’ EQUITY AND LIABILITIES, TOTAL		**101,746,839.17**	**89,208,786.79**

PARENT COMPANY CASH FLOW STATEMENT

(€)	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
CASH FLOW FROM OPERATIONS		
Net result for the period	25,359,472.05	22,850,050.77
Depreciation and impairments	1,677,494.37	1,425,586.83
Change in depreciation difference	172,809.00	213,470.86
Financial income and expenses	91,439.55	-84,806.78
Taxes	6,239,355.46	5,856,825.98
Cash flow before change in working capital	33,540,570.43	30,261,127.66
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-10,025,658.64	-56,970.47
Increase (-) / decrease (+) in inventories	4,674,934.76	-7,197,519.24
Increase (+) / decrease (-) in current non-interest-bearing liabilities	1,206,888.05	-2,613,094.07
Cash flow from operations before financial items and taxes	29,396,734.60	20,393,543.88
Paid interest and payments on other financial expenses	-328,254.85	-275,737.04
Interest received and payments on other financial income	612,175.94	485,016.94
Taxes paid	-6,659,352.23	-7,878,413.93
CASH FLOW FROM OPERATIONS	**23,021,303.46**	**12,724,409.85**

(€)	1 Jan.–31 Dec. 2023	1 Jan.–31 Dec. 2022
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-2,754,303.15	-2,753,188.59
Purchase of subsidiary shares	-33,910.41	-
Change in loan receivables	-407,112.71	-
CASH FLOW FROM INVESTMENTS	**-3,195,326.27**	**-2,753,188.59**
CASH FLOW FROM FINANCING		
Acquisition of treasury shares	-	-453,644.41
Dividends paid	-13,794,269.20	-37,372,208.03
CASH FLOW FROM FINANCING	**-13,794,269.20**	**-37,825,852.44**
Change in cash and cash equivalents	6,031,707.99	-27,854,631.18
Cash and cash equivalents at the beginning of the financial year	26,616,403.29	54,676,657.68
Effects of exchange rate fluctuations	-299,195.29	-205,623.21
Cash and cash equivalents at the end of the financial year	32,348,915.99	26,616,403.29

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICY

Marimekko Corporation's financial statements have been prepared in accordance with the legislation and regulations that are in force in Finland. The financial year of the company is the calendar year.

Valuation of fixed assets
Fixed assets are recorded in the balance sheet at the original acquisition cost less depreciation according to plan. Depreciation according to plan has been calculated using straight-line depreciation on the estimated useful life of the fixed assets.

Periods of depreciation:
- intangible rights 5 years
- computer software 3–5 years
- other capitalized expenditure 3–15 years
- buildings 30 years
- machinery and equipment 5–15 years.

Shares have been valuated at fair value in accordance with IFRS 9 standard.

More information on valuation can be found in the notes to the consolidated financial statements.

Derivatives
The company has derivatives that are valued in fair value through profit and loss in accordance with IFRS, KILA's (Finnish accounting board's) statement and Finnish Accounting law 5:2a. Hedge accounting is not applied to derivatives. According to the fair value hierarchy, currency derivatives are valued according to level 2, where the fair values are based on observable inputs on the balance sheet date, which are other than quoted prices.

Inventories
Inventories are presented at the acquisition cost or at the lower probable net realisation value. The value of inventories does not include any share of fixed purchasing and manufacturing costs.

Pension commitments
The pension security of the company's personnel has been arranged under the statutory employee pension plan (TyEL) through a pension insurance company.

Items denominated in foreign currency
The foreign-currency-denominated receivables and liabilities of the company have been converted to euro amounts using the exchange rate quoted by the European Central Bank on the closing date.

Revenue recognition
Revenue is recognized when the buyer obtains control of the product – that is when the significant risks and rewards of ownership have been transferred to the buyer. In wholesale, this is mainly the moment when the goods are handed over to the customer as set forth in the agreed delivery clause. In wholesale and export trade, the terms of delivery determine the point of time when the customer obtains control of the goods. In retail where cash or a credit card is used as means of payment, the income is recognized at the time of sale.

More information on revenue recognition can be found in the notes to the consolidated financial statements.

Leasing
Leasing payments are treated as rental expenditures.

Appropriations
Appropriations consist of depreciation differences due to differences between accounting and tax depreciation of tangible and intangible assets.

Taxes
Income taxes include income taxes calculated on the result for the financial year and taxes paid or refunded in previous financial years. Deferred taxes are not recognized in the parent company's income statement and balance sheet.

Branches
Branches are consolidated into Marimekko Corporation's accounts and intercompany items have been eliminated. Marimekko Corporation has branch in France.

NOTES TO THE INCOME STATEMENT

1. NET SALES BY MARKET AREA

(€)	2023	2022
Finland	98,913,993.58	105,589,161.67
Other countries	69,828,815.30	55,012,244.23
Total	168,742,808.88	160,601,405.90

2. OTHER OPERATING INCOME

(€)	2023	2022
Rental income	54,000.00	54,000.00
Other income	32,355.88	48,306.81
Total	86,355.88	102,306.81

3. MATERIALS AND SERVICES

(€)	2023	2022
Materials and supplies		
Purchases during the financial year	40,007,296.95	47,300,768.51
Increase (-) / decrease (+) in inventories	-70,930.00	-87,681.00
Total	39,936,366.95	47,213,087.51

External services	22,146,491.59	24,397,690.36
Total	62,082,858.54	71,610,777.87

4. PERSONNEL EXPENSES

(€)	2023	2022
Salaries, wages and bonuses	21,669,677.04	20,691,881.20
Pension and pension insurance payments	3,591,466.59	3,358,159.77
Other indirect social expenditure	778,440.24	608,864.32
Total	26,039,583.87	24,658,905.29

Salaries and bonuses for management		
Members of the Board of Directors and the President and CEO	712,595.00	1,305,240.00

Itemised in the note 19 to the consolidated financial statements.

Average number of employees

	2023	2022
Average number of employees		
Salaried employees	365	343
Production personnel	19	21
Total	384	364

5. DEPRECIATION AND IMPAIRMENTS

(€)	2023	2022
Intangible assets		
Intangible rights	43,750.08	33,945.83
Computer softwares	970,356.86	811,173.13
Other capitalised expenditure	195,780.96	170,237.25
Total	1,209,887.90	1,015,356.21

Tangible assets		
Buildings and structures	5,038.88	5,038.88
Machinery and equipment	462,567.59	405,191.74
Total	467,606.47	410,230.62

Total	1,677,494.37	1,425,586.83

6. OTHER OPERATING EXPENSES

(€)	2023	2022
Leases	7,660,106.78	7,221,906.12
Marketing	13,478,116.53	12,658,208.09
Other costs	21,291,984.18	21,392,705.58
Total	42,430,207.49	41,272,819.79

Auditor's fee

(€)	2023	2022
KPMG		
Audit	81,057.73	82,108.98
Other services	3,360.00	29,275.00
Total	84,417.73	111,383.98

7. FINANCIAL INCOME AND EXPENSES

(€)	2023	2022
Other interest and financial income		
From Group companies	391,887.32	325,301.04
From others	306,257.55	1,235,501.68
Changes in value of investments	82,894.18	-
Change in fair value of derivatives	1,788.00	-
Total	782,827.05	1,560,802.72
Interest and other financial expenses		
Change in fair value of shares	-	20,655.41
Change in fair value of derivatives	-	42,009.00
To others	874,266.60	1,413,331.53
Total	874,266.60	1,475,995.94
Financial income and expenses, total	-91,439.55	84,806.78
Financial income and expenses include exchange rate differences (net)		
Realised	-26,852.50	44,128.33
Unrealised	-501,271.82	-74,836.03
Total	-528,124.32	-30,707.70

8. APPROPRIATIONS

(€)	2023	2022
Change in depreciation difference	-172,809.00	-213,470.86

9. INCOME TAXES

(€)	2023	2022
Income taxes on operations	6,239,355.46	5,856,825.98
Total	6,239,355.46	5,856,825.98

NOTES TO THE BALANCE SHEET

10. FIXED ASSETS

10.1 Intangible assets

2023

(€)	Intangible rights	Computer software	Other capitalized expenditure	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2023	1,866,392.00	10,100,423.40	7,463,121.77	1,076,696.26	20,506,633.43
Increases	77,370.08	46,944.16	147,459.92	1,787,361.23	2,059,135.39
Transfers between categories		764,211.37	91,886.11	-764,211.37	91,886.11
Decreases		-268,965.22	-684,401.33		-953,366.55
Acquisition cost, 31 Dec. 2023	1,943,762.08	10,642,613.71	7,018,066.47	2,099,846.12	21,704,288.38
Accumulated depreciation, 1 Jan. 2023	1,744,760.14	8,117,803.42	5,642,130.03		15,504,693.59
Depreciation during the financial year	43,750.08	970,356.86	195,780.96		1,209,887.90
Accumalated depreciaton of decreases		-268,965.22	-684,401.33		-953,366.55
Accumulated depreciation, 31 Dec. 2023	1,788,510.22	8,819,195.06	5,153,509.66		15,761,214.94
Book value, 31 Dec. 2023	155,251.86	1,823,418.65	1,864,556.81	2,099,846.12	5,943,073.44

2022

(€)	Intangible rights	Computer software	Other capitalized expenditure	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2022	1,814,663.85	8,945,180.57	8,233,131.62	519,191.49	19,512,167.53
Increases	54,043.88	223,317.87	283,817.69	1,661,780.34	2,222,959.78
Transfers between categories		1,104,275.57		-1,104,275.57	
Decreases		-172,350.61	-1,053,827.54		-1,226,178.15
Re-classification	-2,315.73				-2,315.73
Acquisition cost, 31 Dec. 2022	1,866,392.00	10,100,423.40	7,179,304.08	1,076,696.26	20,506,633.43
Accumulated depreciation, 1 Jan. 2022	1,710,814.31	7,478,980.93	6,525,720.29		15,715,515.53
Depreciation during the financial year	33,945.83	811,173.10	170,237.28		1,015,356.21
Accumalated depreciaton of decreases		-172,350.61	-1,053,827.54		-1,226,178.15
Accumulated depreciation, 31 Dec. 2022	1,744,760.14	8,117,803.42	5,642,130.03		15,504,693.59
Book value, 31 Dec. 2022	121,631.86	1,982,619.98	1,820,991.74	1,076,696.26	5,001,939.84

10.2 Tangible assets

2023

(€)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible tangible assets	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2023	38,165.97	285,816.33	13,465,156.30	28,033.93	81,244.40	13,898,416.93
Increases			278,532.43		416,635.33	695,167.76
Transfers between categories			337,393.62		-429,279.73	-91,886.11
Decreases		-230,182.45	-461,580.56			-691,763.01
Acquisition cost, 31 Dec. 2023	38,165.97	55,633.88	13,619,501.79	28,033.93	68,600.00	13,809,935.57
Accumulated depreciation, 1 Jan. 2023		215,692.04	11,727,105.26			11,942,797.30
Depreciation during the financial year		5,038.88	462,567.59			467,606.47
Cumulative depreciation of decreases		-230,182.45	-461,580.56			-691,763.01
Accumulated depreciation, 31 Dec. 2023		-9,451.53	11,728,092.29			11,718,640.76
Book value, 31 Dec. 2023	38,165.97	65,085.41	1,891,409.50	28,033.93	68,600.00	2,091,294.81

2022

(€)	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible tangible assets	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2022	38,165.97	417,400.00	15,878,233.74	28,033.93		16,361,833.64
Increases			328,325.25		201,905.35	530,230.60
Transfers between categories			120,660.95		-120,660.95	
Decreases		-131,583.67	-2,862,063.64			-2,993,647.31
Acquisition cost, 31 Dec. 2022	38,165.97	285,816.33	13,465,156.30	28,033.93	81,244.40	13,898,416.93
Accumulated depreciation, 1 Jan. 2022		342,236.83	14,183,977.16			14,526,235.65
Depreciation during the financial year		5,038.88	405,191.74			410,230.62
Cumulative depreciation of decreases		-131,583.67	-2,862,063.64			-2,993,647.31
Accumulated depreciation, 31 Dec. 2022		215,692.04	11,727,105.26			11,942,797.30
Book value, 31 Dec. 2022	38,165.97	70,124.29	1,738,051.04	28,033.93	81,244.40	1,955,619.63

10.3 Investments

2023

(€)	Shares in Group companies	Other shares and participations	Other receivables	Total
Acquisition cost, 1 Jan. 2023	1,905,837.91	188,531.38	323,854.00	2,418,223.29
Increases	33,910.41			33,910.41
Changes in value		82,894.20		82,894.20
Acquisition cost, 31 Dec. 2023	1,939,748.32	271,425.58	323,854.00	2,535,027.90
Book value, 31 Dec. 2023	1,939,748.32	271,425.58	323,854.00	2,535,027.90

2022

(€)	Shares in Group companies	Other shares and participations	Other receivables	Total
Acquisition cost, 1 Jan. 2022	2,196,000.00	209,186.80	323,854.00	2,729,040.80
Changes in value		-20,655.42		-20,655.42
Transfers between groups	-290,162.09			-290,162.09
Acquisition cost, 31 Dec. 2022	1,905,837.91	188,531.38	323,854.00	2,418,223.29
Book value, 31 Dec. 2022	1,905,837.91	188,531.38	323,854.00	2,418,223.29

Detailed information of Group holdings are presented in note 19 to the consolidated financial statements.

11. INVENTORIES

(€)	2023	2022
Raw materials and consumables	5,064,766.00	4,993,836.00
Finished products/goods	21,277,848.37	26,013,792.80
Advance payments	-	9,920.33
Total	26,342,614.37	31,017,549.13

12. CURRENT RECEIVABLES

(€)	2023	2022
Trade receivables	16,316,711.23	9,945,871.70
Receivables from Group companies		
Trade receivables	8,480,148.81	5,498,626.54
Loan receivables	5,722,305.73	5,517,269.55
Prepaid expenses and accrued income	1,498.16	228,072.56
Total	14,203,952.70	11,243,968.65
Other receivables	17,912.88	2,096.00
Prepaid expenses and accrued income	1,947,335.85	1,007,115.26
Total	32,485,912.66	22,199,051.61

The grouping of other receivables, prepaid expenses and accrued income has been specified during the financial year. Comparative figures have been amended accordingly.

Prepaid expenses and accrued income		
Royalty receivables	227,268.03	224,290.91
Occupational health care reimbursement	130,000.00	96,000.00
Other prepaid expenses and accrued income	1,590,067.82	686,824.35
Total	1,947,335.85	1,007,115.26

13. SHAREHOLDERS' EQUITY

Restricted Shareholders' equity

(€)	2023	2022
Share capital, 1 Jan.	8,040,000.00	8,040,000.00
Share capital, 31 Dec.	8,040,000.00	8,040,000.00
Restricted Shareholders' equity, total	8,040,000.00	8,040,000.00

Non-restricted Shareholders' equity

Reserve for invested non-restricted equity, 1 Jan.	1,227,957.00	1,227,957.00
Reserve for invested non-restricted equity, 31 Dec.	1,227,957.00	1,227,957.00
Treasury shares, 1 Jan.	-541,105.08	-210,232.94
Transfer of own shares	-	122,772.27
Acquisition of own shares	-	-453,644.41
Treasury shares 31. Dec	-541,105.08	-541,105.08
Retained earnings, 1 Jan.	48,352,803.42	62,997,194.52
Dividends paid	-13,794,269.20	-37,371,669.60
Shares transferred as share reward	-	-122,772.27
Retained earnings, 31 Dec.	34,558,534.22	25,502,752.65
Net result for the period	25,359,472.05	22,850,050.77
Non-restricted Shareholders' equity, total	60,604,858.19	49,039,655.34
Shareholders' equity, total	68,644,858.19	57,079,655.34

Calculation of distributable funds, 31 Dec.

(€)	2023	2022
Retained earnings	34,558,534.22	25,502,752.65
Net result for the period	25,359,472.05	22,850,050.77
Treasury shares	-541,105.08	-541,105.08
Reserve for invested non-restricted equity	1,227,957.00	1,227,957.00
Total	60,604,858.19	49,039,655.34

14. ACCUMULATED APPROPRIATIONS

(€)	2023	2022
Accumulated depreciation difference		
Intangible rights	24,310.85	19,326.55
Other capitalised expenditure	771,333.76	616,123.19
Machinery and equipment	372,866.54	356,439.29
Buildings and structures	127,942.14	131,755.26
Total	1,296,453.29	1,123,644.29

15. LIABILITIES

(€)	2023	2022
Advances received	1,760,847.64	1,850,285.73
Trade payables	9,250,777.88	9,293,361.94
Debts to Group companies		
Trade payables	2,609,605.63	1,660,183.74
Accrued liabilities and deferred income	6,587,405.43	6,206,536.14
Other current liabilities	4,376,503.65	4,234,251.72
Accrued liabilities and deferred income	7,220,387.46	7,760,867.89
Total	31,805,527.69	31,005,487.16

Accrued liabilities and deferred income		
Wages and salaries with social security contributions	4,932,486.19	4,617,985.49
Unpaid designer provisions and agent fees	771,665.77	660,538.53
Return accruals	655,062.04	1,359,890.76
Other accrued liabilities and deferred income	861,173.46	1,122,453.11
Total	7,220,387.46	7,760,867.89

The grouping of other current liabilities, accrued liabilities and deferred income has been specified during the financial year. Comparative figures have been amended accordingly.

16. GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(€)	2023	2022
Leasing liabilities		
Payments due in the following financial year	526,478.65	493,725.09
Payments due later	433,175.79	413,748.94
Total	959,654.44	907,474.03
Liabilities relating to lease agreements		
Payments due in the following financial year	5,342,003.39	4,918,934.71
Payments due later	23,967,539.81	24,487,671.69
Total	29,309,543.20	29,406,606.40
Guarantees on behalt of subsidiaries	803,852.81	2,402,853.86
Indirect liability for rent and other guarantees	4,076,274.64	4,089,138.02

17. DERIVATIVES

(€)	2023	2022
Nominal value		
Currency derivatives	-	1,417,155.00
Fair value		
Negative fair values	-	-42,009.00
Total	-	-42,009.00

Age distribution - Nominal value

Currency derivatives		
Less than a year	-	1,417,155.00
Total	-	1,417,155.00

Signatures to the financial statements and the report of the Board of Directors

Helsinki, 14 February 2024

Mika Ihamuotila
Chair of the Board

Teemu Kangas-Kärki
Vice Chair of the Board

Carol Chen
Member of the Board

Tomoki Takebayashi
Member of the Board

Marianne Vikkula
Member of the Board

Tiina Alahuhta-Kasko
President and CEO

THE AUDITOR’S NOTE

A report on the audit performed has been issued today.

Helsinki, 14 February 2024

KPMG Oy Ab

Heli Tuuri
Authorized Public Accountant, KHT

Auditor’s Report

TO THE ANNUAL GENERAL MEETING OF MARIMEKKO CORPORATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Marimekko Corporation (business identity code 0111316-2) for the year ended 31 December 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit and Remuneration Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition (”Revenue recognition and net sales” in the consolidated accounting principles and note 1)	
Marimekko Group’s revenue is generated from wholesale and retail sales of clothes, bags and accessories, and interior decoration products as well as licensing income. Group’s net sales, EUR 174 million, is a significant item in the financial statements consisting of a large number of transactions from different revenue streams as well as diverse sales contracts and terms with customers. Wholesale contracts include several different delivery terms and might contain right of return, which determine when the ownership of the product is transferred to the customer. Retail sales mainly consists of small transactions paid by cash or payment cards and the revenue is recognized when the product is sold to the customer. Revenue from licensing is recognized in accordance with the terms of the contract. Revenue recognition is a key audit matter due to a large number of transactions as well as for a risk that revenue is recognized in an incorrect period.	In our audit of different revenue streams, we have tested company’s key controls related to sales and performed substantive audit procedures, among others with data-analytics methods. • We have formed an understanding of accounting principles and practices in different revenue streams and evaluated the appropriateness of the revenue recognition principles in relation to IFRS. • We have tested revenue, discounts, campaign discounts and margins in both wholesale and retail sales with data-analytics methods. • For wholesale we have selected a sample of sales transactions comparing them to sales invoices, contracts, delivery notes and payments received. • For retail sales we have reviewed cash and sales routines in selected retail stores. • We have tested that the revenue has been recognized in the right financial period by comparing sales transactions, invoices and delivery terms to actual deliveries as well as by testing possible return provisions and a sample of credit invoices made at the beginning of 2024. • We have also compared selected accounts receivables to the confirmations received from counterparties. • We have reviewed the most significant licensing contracts and that the revenue has been recognized in accordance with the contract terms. • In addition, we considered the appropriateness of the disclosure regarding net sales.
Valuation and existence of inventory (“Inventories” in the consolidated accounting principles and note 12.1)	
Marimekko purchases, manufactures and sells consumer goods and is subject to changing consumer demands. Inventory consists of fabrics and other raw materials as well as half-finished and finished goods including clothes, bags, accessories and interior decoration products. Inventories are valued at the lower of acquisition cost or probable net realizable value. Manufactured inventories include a share of directly attributable general costs of production. Inventory value EUR 29 million is a significant item in Marimekko’s balance sheet and inventories are in several locations. Inventory accounting includes manual processes in valuation and compiling the inventory balances and it increases, therefore the risk for human errors. In addition, inventory include management’s judgement on probable net realizable value.	In our audit of valuation and existence of inventories we have tested the company’s key controls and performed substantive audit procedures, among others with data-analytics methods. • We have attended physical stock takings in selected inventory locations. We have analyzed company’s own results of stocktaking differences and how they have been resolved. • We have compared the value of selected inventory items to the latest purchase prices. • We have tested slow-moving inventory items as well as exceptional values in inventory accounting with data analytics methods. • We have compared the unit prices of selected inventory items to their sales prices. • In addition, we considered the appropriateness of the disclosure regarding inventory.

Responsibilities of the Board of Directors and the President and CEO for the Financial Statements

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the President and CEO are responsible for assessing the parent company’s and the group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company’s or the group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ and the President and CEO’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Information on our audit engagement
We were first appointed as auditors by the Annual General Meeting on 12 April 2018, and our appointment represents a total period of uninterrupted engagement of 6 years.

Other Information
The Board of Directors and the President and CEO are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor’s report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor’s report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

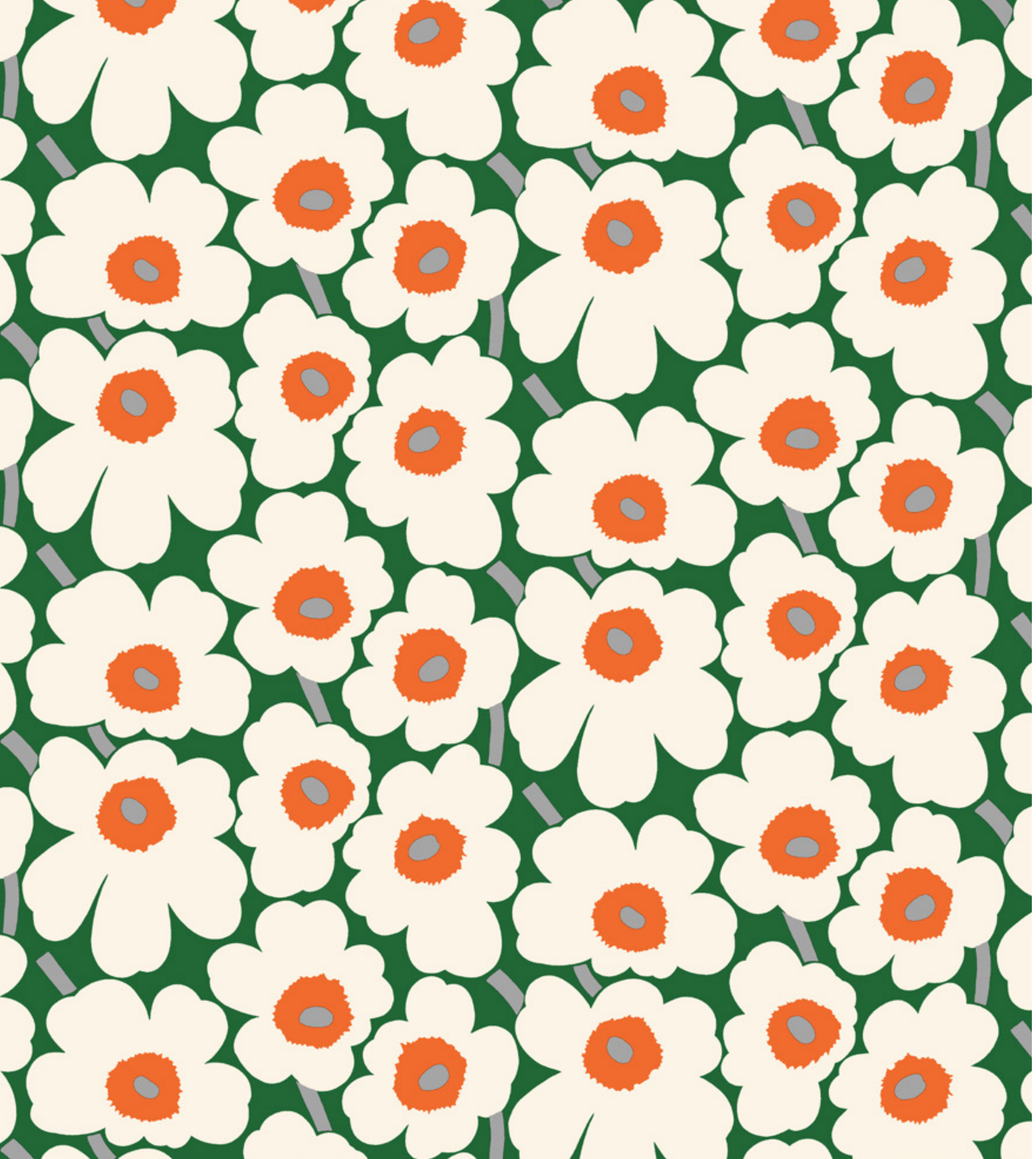
In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 14 February 2024

KPMG OY AB

HELI TUURI
Authorised Public Accountant, KHT



Statement of non-financial information 2023

MARIMEKKO'S BUSINESS MODEL AND APPROACH TO SUSTAINABILITY

Marimekko is a Finnish lifestyle design company renowned for its original prints and colors. The company designs, produces, sources, markets and sells clothing, bags and accessories, as well as home décor items ranging from textiles to tableware. Marimekko's business model is based on a variety of distribution channels including company-owned Marimekko stores, outlet stores and e-commerce (retail), partner-owned Marimekko stores, shop-in-shops and e-commerce, wholesale customers such as department stores and multi-brand stores, e-tailers (wholesale), and licensing as well as various creative retail concepts such as pop-up stores that are constantly increasing in importance. The company's key markets are Northern Europe, the Asia-Pacific region and North America. The design, product development, merchandising, marketing, omnichannel sales, and supply chain-related activities are led globally from the headquarters in Helsinki. A large part of Marimekko's printed fabrics, used across its product lines, is produced in Helsinki in the company's own textile printing factory. The printing factory also acts as an innovation hub for Marimekko's key differentiator, its art of printmaking, and enables active participation in research and development projects related to Marimekko's products and operations. Marimekko products are manufactured by suppliers, for example, in the Baltic countries, Portugal, China and Thailand. Good and competent suppliers play a major role in Marimekko's competitiveness, and the company strives to build long-term partnerships with its suppliers.

Marimekko's core values and Code of Conduct guide the daily work. The requirements for suppliers are included in the Marimekko Supplier Code of Conduct, which is based on the International Labour Organization (ILO) conventions and the amfori BSCI Code of Conduct. Marimekko is a participant of the UN Global Compact and is committed to promoting its ten principles in its own operations as well as in the value chain. Marimekko's sustainability work is guided by the company's sustainability strategy and related roadmap. In addition, Marimekko has more specific policies and instructions guiding its operations in the areas of environmental matters, social matters, human rights as well as topics related to ethical business including anti-corruption and anti-bribery. The most important guidelines are described in the respective sections of this statement.

Marimekko's operations and design philosophy have always been based on a sustainable approach: Marimekko wants to offer its customers timeless, functional and high-quality products that bring them long-lasting joy and that they will not want to throw away. Determined sustainability efforts support the company's long-term success, and sustainability has been defined as one of the five strategic success factors during the strategy period of 2023–2027.

Sustainability is an increasingly important factor guiding consumers' choices and has an impact on attracting and retaining talent as well as investors. Marimekko continuously develops its products and practices, for instance, by striving to extend the lifespan of the products in different ways, e.g., through use of renewable energy and through material, energy and water efficiency in the in-house printing factory and wider in the company's value chain, for example, through materials used, transportation mode choices and route optimization. In addition, Marimekko engages with various industry networks (Better Cotton, amfori BSCI, Responsible Sourcing Network, The Ellen MacArthur Foundation, local industry associations, among others), as the company believes that the collaboration between different actors is the most effective way to promote the best practices in the industry.

The focus areas for Marimekko's sustainability strategy and work have been determined based on the Marimekko brand, vision and values, paired with analyses looking at megatrends affecting the fashion and textile industry, consumer trends and insight, studies on sustainability factors in the whole value chain and benchmarking of industry best practices, stakeholder dialogue and input from employees. In 2023, Marimekko conducted a double materiality analysis to comply with the upcoming Corporate Sustainability Reporting Directive. This analysis will further define the focus areas of the sustainability work in the coming years. The material sustainability aspects related to Marimekko's operations are included in the sustainability strategy's three guiding principles and related goals. Marimekko's sustainability actions cover the entire product life cycle from materials to end use.

Marimekko's sustainability strategy for 2021–2025 is founded on three guiding principles with defined goals and initiatives. The three principles deployed throughout Marimekko's value chain are:
- Timeless design brings joy for generations to come.
- The products of tomorrow leave no trace.
- Positive change through fairness and equality.

The sustainability strategy is presented in more detail on page 11 of Marimekko's year 2023 and on the company website at company.marimekko.com/sustainability.

Governance model and business principles
Marimekko has defined a governance model for developing and managing non-financial matters:
- The Board of Directors approves the Marimekko Code of Conduct and the sustainability strategy, including related key targets, and monitors annual sustainability reporting. Marimekko's ethics and compliance program is also approved and monitored by the Board of Directors. The Board of Directors sets the annual targets for the President & CEO and the members of the Management Group. For all members of the top management, these also include sustainability-related metrics. For more on management remuneration, see pages 96–102 of Marimekko's year 2023.
- The Management Group sets annual targets for the sustainability work and follows the progress on an at least bi-annual basis.
- Risks related to non-financial matters including environmental, social, human rights and anti-bribery and anti-corruption are addressed as part of the consolidated risk management and presented quarterly in the Interim Reports as well as part of the Report of the Board of Directors, on pages 18–21 of Marimekko's year 2023.
- Each business unit and function is responsible for the actions relating to their own areas in order to reach the shared targets.

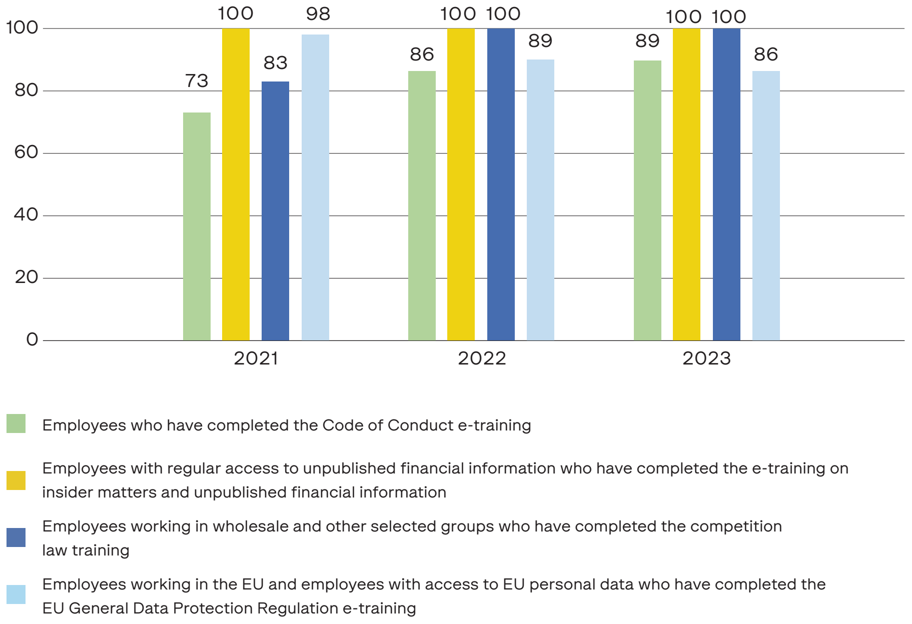
- The Business Development & Transformation team is responsible for ensuring the execution of Marimekko's Sustainability Transformation Program both for the company's own operations and its value chain.
- The internal innovation team Marimekko Innovation Works is responsible for the development, promotion and piloting of innovative materials, dyes and technologies, as well as new business models and services related to sustainability and the circular economy.

Marimekko is committed to operating according to the same principles around the world, complying with international and local laws and regulations, the Marimekko values and following ethical business practices. The key principles for ethical business practices are included in the Marimekko Code of Conduct and the Supplier Code of Conduct. The Marimekko Code of Conduct details, e.g., the company's commitment to sustainable development and sustainability in Marimekko's operations, including environmental and social aspects, respect for human rights as well as Marimekko's anti-corruption and anti-bribery stance. The Marimekko Code of Conduct was revised in 2022. More specific instructions are given in, for example, HR guidelines and the policies on competition law, industry associations, insider regulations and data protection. In 2023, Marimekko also launched new guidelines for gifts and hospitality. Anti-corruption and anti-bribery matters are further addressed in contracts with partners, such as suppliers and distributors. Audits at partner suppliers also cover ethical business practices, in accordance with the amfori BSCI Code of Conduct. Marimekko has not been involved in any legal cases or rulings related to corruption, bribery, or any other unethical business in the reporting period.

Marimekko has instructions and pre-determined processes in place to address suspicions of violations of laws or the company's Code of Conduct or other policies. Possible misconduct can be reported personally or anonymously via a whistleblowing channel maintained by an independent third-party service provider. The channel is also available to external parties. In 2023, a total of nine incidents were reported, and they were all handled according to the pre-determined processes.

To ensure that Marimekko employees are familiar with the Code of Conduct and follow it in their daily work, all employees are required to complete an e-training. The Marimekko Code of Conduct e-training was renewed in 2022. At the end of 2023, 89 percent of all employees (86) had completed the training. All employees working in the EU or processing the personal data of persons living in the EU must also complete an e-training on the EU General Data Protection Regulation. The e-training was updated in 2023. In addition, Marimekko regularly organizes customized trainings and communication about insider regulations, competition law as well as anti-corruption and anti-bribery, among others.

SHARE OF EMPLOYEES WHO HAVE COMPLETED TRAINING IN ETHICAL BUSINESS PRACTICES



Timeless design brings joy for generations to come

Marimekko's design philosophy is based on timeless, functional and high-quality products that give people long-lasting joy. Marimekko wants to create timeless design and future classics and, in the coming years, to offer even more comprehensive services to lengthen the product lifetime and support its community to resell and recycle used Marimekko products. A long-lasting product is a key component in improving sustainability in the fashion industry, as, for example, wearing items twice as long can reduce the industry's emissions by up to 44 percent.[1]

To ensure timeless design, Marimekko teams, starting from design and product development, are considering in their daily work the quality and environmental impacts of materials, the ability to care for and recycle products, as well as designing for combinability within and across seasons. In 2023, Marimekko became a member of the Ellen MacArthur Foundation, the world's leading network on circularity, documented its own Framework for Circular Design to support the Marimekko teams, and launched,

[1] Ellen MacArthur Foundation, A new textiles economy: Redesigning fashion's future (2017, http://www.ellenmacarthurfoundation.org/publications).

for example, products made of monomaterial where already in the product design the recyclability at the end of the life cycle is better considered. In summer 2023, the first products were launched from a closed-loop pilot project, where the cutting waste and other leftover materials generated in the manufacturing of Marimekko's jersey products in Portugal were partly used as raw material for new Marimekko products. Towards the end of the year, similar products utilizing textile waste collected from our own printing factory, in cooperation with a Finnish Rester Oy, were launched. The new circular design principles will be more visible in collections from 2024 onward.

Rigorous quality management processes – such as anticipatory quality assurance through material and product testing, both for Marimekko's own printing factory and partner suppliers – ensure the durability and high-quality of Marimekko products and materials. In line with its material strategy, Marimekko continued in 2023 to increase the share of, for instance, organic and recycled materials in its products. To ensure the longevity of its products, Marimekko implemented to newly adopted materials the same high quality and durability criteria used for conventional materials. During the year, over 5,000 tests were carried out by Marimekko's own quality laboratory to ensure compliance with the company's quality criteria. In addition, a small share of the tests was carried out in external quality laboratories. Due to higher production volumes, an elevated product offering following the sharpened creative vision, as well as introducing new material qualities, Marimekko onboarded 19 new suppliers during 2022 and an additional 11 in 2023. Despite the large number of new suppliers, the share of products subject to claims in 2023 was 0.4 percent of the products sold (0.5), i.e. below the set target of a maximum of 0.5 percent by the end of 2025.

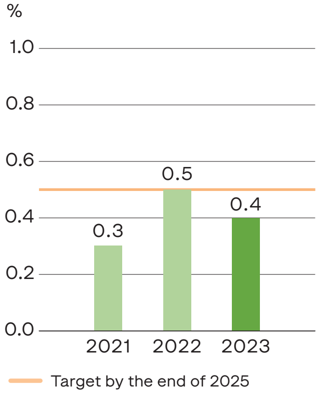
Marimekko's long-term objective is that, during their lifetime, Marimekko items will bring joy to many different consumers, even generations, after which they are finally recycled into new products. To lengthen the product life cycle, Marimekko introduced care products for clothing and increased its product care communication in 2023. Marimekko Pre-loved, the marketplace for second-hand and vintage products in Finland, extended the drop-off and pick-up of products to selected stores in Finland, and in addition to the online market place, several pop-up stores in Finland and Sweden sold pre-loved products.

OUR GOALS FOR TIMELESS DESIGN BY THE END OF 2025

- We make designs that stand the test of time.
- We offer durable, high quality and functional products.
- We actively work to prolong product lifetime.
- We contribute to the circular economy through new processes and services.

KEY FIGURES AND ACTIONS

Share of sold products subject to claims, target not more than 0.5% of products sold



Key actions in 2023

- Documenting Marimekko's Framework for Circular Design
- Marimekko's in-house quality laboratory conducting over 5,000 tests to ensure compliance with the company's quality standards
- Omnichannel development of Marimekko Pre-loved marketplace for second-hand and vintage goods in Finland
- Launching of Marimekko products from raw material partly made of textile waste generated in the manufacturing of Marimekko's products.

The products of tomorrow leave no trace

Marimekko's long term ambition is to leave no burden for the coming generations. The company believes that, in the future, timeless and high-quality products will be made in balance with the environment, in line with the principles of the circular economy. Marimekko is committed to continuously driving innovation in technologies, materials and business models through collaborations to lead the entire industry forward by its example and to reach its ambitious vision of leaving no trace. The work is guided by Marimekko's sustainability strategy and roadmap.

Marimekko has launched several initiatives to significantly reduce greenhouse gas emissions intensity throughout its value chain. In 2022, Marimekko committed to the Science Based Targets initiative (SBTi) to set science-based, even more ambitious targets for emissions reductions throughout its value chain in line with the UN Paris Climate Agreement. Marimekko will set the new science-based emissions reduction targets in accordance with the schedule of the SBTi within two years of the commitment i.e. during 2024. The targets will be published as soon as SBTi has validated them. In order to measure progress against its sustainability targets, Marimekko calculates greenhouse gas emissions from the entire value chain (Scopes 1–3) annually. Significant emissions occur both in the upstream and downstream of Marimekko's value chain, such as during the production of materials, during logistics as well as when the products are used.

Marimekko achieved already in 2022 its target to reduce emissions from its own operations (Scope 1 and 2) by 40 percent by the end of 2025. In 2023, Marimekko's Scope 1 and 2 emissions were 71 percent lower compared to 2019. The most significant action contributing to the achievement of the target has been the transition to renewable district heating at Marimekko's headquarters and printing factory, located in Helsinki in 2022. In 2023, the share of renewable energy of all energy purchased and produced by Marimekko was 92 percent (91). To further reduce emissions from its own operations, Marimekko continues its transition to renewable energy.

In 2023, Marimekko focused especially on reducing emissions from its value chain by increasing more heavily than before the share of organic and recycled materials of all sourced textile materials. These materials are in general less emission-intensive than conventional materials[2]. Respectively, Marimekko reduced its financing for climate protection projects beyond Marimekko's value chain. However, as in previous years, in 2023 Marimekko acquired carbon credits corresponding to the emissions caused by e-commerce deliveries to Finland and Europe, partly directly and partly through its partner DHL Express.

[2] Based on Higg MSI 3.7 data at Higg.org

In 2023, Marimekko headquarters had the WWF Green Office certificate and a related environmental program, focusing especially on emissions reductions and increasing employee awareness of environmental matters. The actions in 2023 were related mostly to improving the sorting of waste.

Material choices play an important role in decreasing a product's environmental impact. The objective of Marimekko's material strategy is to shift the material portfolio towards, for example, organic, recycled, and bio-based materials as well as new material innovations, by the end of 2025. In 2023, Marimekko increased the share of recycled materials to 21 percent (10) and the share of organic materials to 20 percent (6) of all sourced textiles.

Marimekko's goal is to reduce the emissions of textile materials per kg of sourced textiles by 20 percent by the end of 2025 compared to baseline year 2019. In 2023, the greenhouse gas emissions of textile materials per kilogram of sourced textiles[3] were 9 percent lower compared to 2019. Reductions in the emission factors of several materials[4] and the increased share of recycled and organic textiles in the collections contributed to the decreased emission intensity. On the other hand, increased share of emission-intensive animal derived materials, such as leather and wool, slowed the positive development in emission intensity of textile materials. The more versatile material selection better corresponds to customer needs but makes it more difficult to reach the target set in 2020.

In 2023, 57 percent of the cotton sourced was Better Cotton (81), 29 percent organic cotton (10) and 9 percent recycled cotton (6), while the share of conventional cotton was 5 percent (18). Marimekko is committed to phasing out the use of conventional cotton and is thus sourcing only organic cotton, Better Cotton[5], recycled cotton or other traceable cotton as of 2024.

Marimekko strives to increase the share of certified materials of all sourced materials. In 2023, 67 percent of the wool sourced had a responsibility certificate (57) and 14 percent was certified, recycled wool (2). The company is also committed to sourcing cellulose-based fibers made only from FSC or PEFC certified raw materials as of 2024.

Material choices have a direct impact on the use of water and increasing the share of organic and recycled materials and new material innovations help Marimekko to reduce the water use intensity in Marimekko's upstream value chain. In 2023, the water scarcity score[6] of textile materials per kilogram of sourced textiles decreased by 33 percent compared to 2019, mostly due to the increased share of organic and recycled cotton as well as the decreased overall share of cotton in Marimekko's material base.

Marimekko monitors the water consumption of its printing factory and headquarters as well as the wastewater quality of the printing factory, in line with the environmental permit requirements of the factory. In 2023, water consumption in the printing factory and the headquarters totaled 28.7 liters per meter of fabric printed (23.8). Water consumption in the printing factory varies depending on the types of fabrics printed and the number of dyes used in printing. Some fabrics need to be washed twice after printing, which increases water consumption. The water consumption includes also water used at the headquarters and lunch restaurant. In 2023, there were more visitors at the office and the restaurant compared to previous year, which increased the water consumption.

For partner suppliers' environmental practices, such as management of emissions, effluents, and waste as well as handling of chemicals, the requirements are set in Marimekko's Supplier Code of Conduct, which was updated in 2022. Requirements related to environmental protection were specified in the update of the Supplier Code of Conduct. The company's sourcing teams regularly gather and assess information about environmental impacts in

[3] Greenhouse gas emissions of textile materials per kilogram of sourced textiles is calculated as the cradle-to-gate greenhouse gas emissions of purchased textiles (based on Higg MSI 3.7 data at Higg.org) divided by the total amount (kg) of purchased textiles.

[4] Emission factors obtained from the Higg MSI 3.7 database at Higg.org.

[5] Marimekko is a member of Better Cotton. Better Cotton's mission is to help cotton communities survive and thrive while protecting and restoring the environment.

[6] Water scarcity score takes into account the blue water consumption in the cradle-to-gate production of textiles and the water scarcity of the region where water is consumed. The score is based on Higg MSI 3.7 data at Higg.org.

OUR GOALS FOR LEAVING NO TRACE BY THE END OF 2025

- We work to reduce our greenhouse gas emissions intensity throughout the value chain.
- We work to reduce the amount of chemicals used in our supply chain.
- We work to reduce the water use intensity in our supply chain.
- We minimize the waste and maximize recycling and upcycling of materials in our operations.

the supply chain in order to plan future actions.

Marimekko's goal is to reduce the emissions from its logistics per kg of transported product by 50 percent by the end of 2025 compared to baseline year 2018. The main means of reducing emissions from logistics are optimizing transportation routes and favoring lower-emission modes of transport. In 2023, Marimekko clearly increased direct deliveries from suppliers to wholesale customers in Asia, which shortened the transport routes and thus contributed to the positive emission development of logistics. On the other hand, emissions increased in 2023 as the share of sea freight, which is less emission intensive compared to air freight, decreased: In the comparison year, Marimekko prepared for the demand of the continuous collection in the event of possible supply chain disruptions, and as a result of good inventory levels, clearly fewer heavy ceramics and glassware, typically transported by sea from Asia, were imported in 2023 than in the comparison year. Early commitment to product orders from supplier partners is typical of the textile industry. Russia's attack against Ukraine in spring 2022 mostly ended the sea-train transport, which is faster than sea transport. In order to avoid over production, Marimekko aims to continuously optimize its orders, which in 2023 necessitated some increase in faster but more emission-intensive air freight. For these reasons, the greenhouse gas emissions of logistics per kilogram of transported product[7] increased slightly from the previous year, but were still 33 percent lower compared to 2018, which is the base year for the target.

A significant share of greenhouse gas emissions emitted during the lifetime of a long-lasting garment relate to its care, including machine washing, drying and ironing. Marimekko recommends to care for its products in ways that save energy and provides several practical ways to lower emissions from product care in its comprehensive care guide available on its website. Customers are also regularly informed about product care methods and the importance of product care on social media channels.

In addition to reducing greenhouse gas emissions and water use intensity, Marimekko aims to continuously reduce the amount of chemicals used in its supply chain, as it is estimated that a significant share of global chemical output originates from the textile industry. Marimekko's printing factory has its own environmental and chemicals management processes in place. 80 percent (70) of the fabrics printed at the factory are certified according to the STANDARD 100 by OEKO-TEX®. The certificate guarantees that the materials contain no substances harmful to people or the environment, as detailed in the standard criteria. To further reduce the use of chemicals, Marimekko has increased the share of unbleached materials used in its printing factory to 40 percent (29) of all sourced materials. For its partner suppliers, Marimekko has implemented chemical management principles, detailed in contracts and the company's Restricted Substances List (RSL). Compliance with the RSL is monitored by random testing based on risk assessment.

Marimekko's own printing factory offers unique possibilities for testing new, innovative dyestuffs and other printing chemicals in the printing process. In 2023, Marimekko tested and piloted, together with Origin by Ocean, the use of alginate-based thickener for printing paste and continued the use and testing of plant-based dyestuffs.

Marimekko aims to continue reducing fabric, plastic and other waste and move towards recycled and reusable packaging. Cutting waste is reduced through decisions made in the design phase, e.g. by considering the size and positioning of prints and designing products of different sizes from the same fabric. In 2023, a capsule collection called Icons Revived was launched consisting of dresses made from surplus fabrics of previous collections using the iconic silhouettes from the 1960s and 1970s. In addition, the home collection included a number of products using repurposed materials.

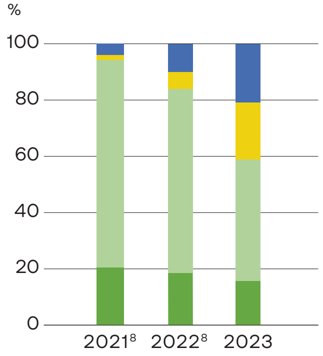
Marimekko aims to reduce the waste from its own operations and to sort the waste as efficiently as possible for further use. In 2023, 57 percent of the waste generated at the headquarters and printing factory was recycled as material (48) and the rest of the waste was utilized in energy production. The recycling rate increased for example thanks to separate sorting of plastic waste, which started in fall 2022. The collaboration with Rester Oy to recycle the textile waste from the printing factory and sewing shop into new fiber continued in 2023.

All packaging materials used by Marimekko are recyclable, and in the future the company intends, for example, to reduce the use of plastic and increase the use of recycled materials in packaging.

[7] The greenhouse gas emissions associated with logistics are calculated as Scope 3, Category 4 emissions divided by the total amount (kg) of ordered products with delivery date in the reporting year.

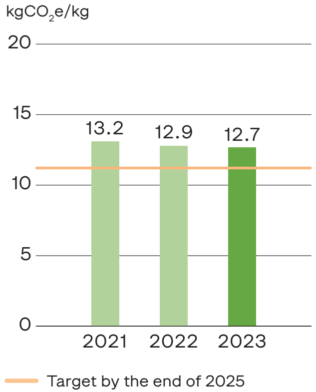
KEY FIGURES AND ACTIONS

Textile material composition
shares

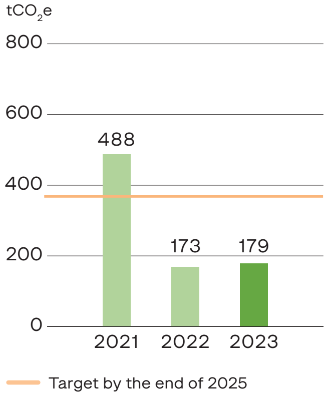


- Conventional
  Includes conventional cotton, linen, hemp, viscose, lyocell, cupro, acetate, modal, silk, leather, wool, down, polyester, polyamide, elastane and polyurethane
- Conventional enhanced
  Includes Better Cotton, other traceable cotton, EUROPEAN FLAX® linen, LENZING™ ECOVERO™ viscose, LENZING™ TENCEL™ lyocell, traceable leather as well as certified wool and down
- Organic
- Recycled

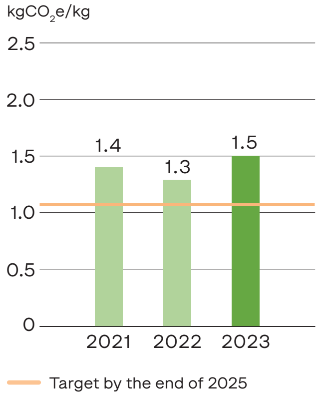
Greenhouse gas emissions of textile materials per kg of sourced textiles[9]
Target to reduce by 20% from the 2019 baseline of 13.9 kgCO_2e/kg



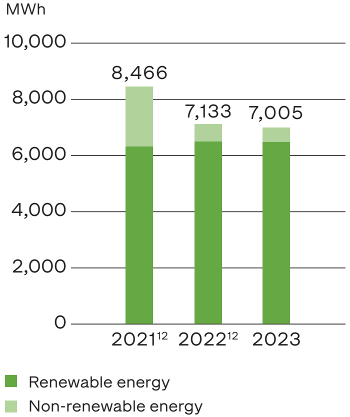
Greenhouse gas emissions
Scope 1 and 2
Target to reduce by 40% from the 2019 baseline of 617 tCO_2e



Greenhouse gas emissions of logistics per kg of transported product[10]
Target to reduce by 50% from the 2018 baseline of 2.2 kgCO_2e/kg



Total energy consumption[11]



[8] The shares of conventional and conventional enhanced materials of years 2021 and 2022 have been corrected so that conventional lyocell is moved from conventional enhanced materials to conventional materials.

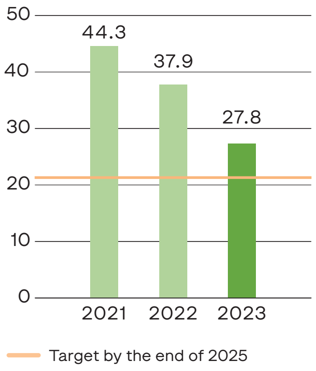
[9] Greenhouse gas emissions of textile materials per kilogram of sourced textiles are calculated as the cradle-to-gate greenhouse gas emissions of purchased textiles (based on Higg MSI 3.7 data at Higg.org) divided by the total amount (kg) of purchased textiles. The figure for 2021 is not fully comparable with those for 2022 and 2023, as Marimekko updated its method of calculating the emissions of textile materials in 2022 to better take into account the dyeing and printing practices of different product types, which reduced emissions.

[10] The greenhouse gas emissions associated with logistics are calculated as the Scope 3, Category 4 emissions divided by the total amount (kg) of ordered products with delivery date in the reporting year.

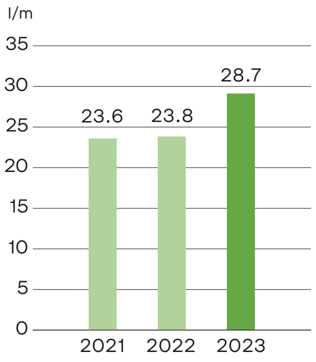
[11] Includes consumption of fuels, electricity and heating purchased by Marimekko and solar electricity produced by Marimekko.

[12] The renewable energy consumption and total energy consumption figures for years 2021 and 2022 have been restated because of a correction in the calculation of energy consumptions.

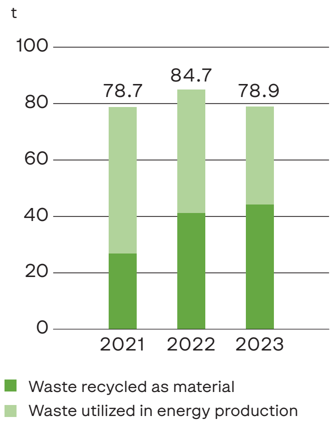
Water scarcity score of textile materials per kg of sourced textiles[13]
Target to reduce by 50% from the 2019 baseline of 41.4



Water consumption per meter of fabric printed
Helsinki printing factory and headquarters



Total amount of waste
Helsinki printing factory and headquarters



Key actions in 2023

- Clearly increasing the share of recycled and organic materials in the collections, in line with the material strategy, which decreases the greenhouse gas emissions and water scarcity score per kilogram of sourced textiles
- Icons Revived capsule collection from surplus fabrics and closed-loop pilot projects in Portugal and Finland
- Increasing direct deliveries from suppliers to wholesale customers in Asia to reduce greenhouse gas emissions of logistics
- Piloting alginate-based thickener for printing paste together with Origin by Ocean and testing new plant-based dyes in the printing factory.

[13] The water scarcity score takes into account the blue water consumption in the cradle-to-gate production of textiles and the water scarcity of the region where water is consumed. The score is based on Higg MSI 3.7 data at Higg.org.

Positive change through fairness and equality

Marimekko promotes equality and fairness in its entire value chain and fosters diversity, equality and inclusion both through internal and external initiatives. Marimekko strives to continuously improve the transparency of its value chain and is committed to driving positive change through supplier engagement and industry networks. Marimekko's commitment to respecting human rights, including freedom of association and the right to collective bargaining, is part of the company's Code of Conduct and Supplier Code of Conduct, which also include Marimekko's zero-tolerance for discrimination and other aspects of managing social matters.

Marimekko's wide range of products are manufactured by a global network of around 150 partner suppliers. The company's objective is to always find the best manufacturing place for each product category. Marimekko has strong values. One of those is 'fairness to everyone and everything', which extends to its personnel, customers, and partners around the world. Marimekko is committed to promoting human rights, living wages, worker empowerment and safe working conditions in the company's supply chain and in all its operations. The company's approach to human rights is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Marimekko's sourcing is guided by principles of responsible sourcing and its Supplier Code of Conduct. The Supplier Code of Conduct is part of the contracts between Marimekko and its partner suppliers, and by signing the document, suppliers commit to endorsing both the principles of the Code as well as the ILO conventions. The suppliers also commit to complying with Marimekko's Product Policy related to responsible material sourcing. According to its Product Policy, Marimekko does not accept materials from very high-risk countries. This applies, for example, to the sourcing of cotton from Uzbekistan, Turkmenistan, and the Xinjiang Uyghur Autonomous Region in China. The Supplier Code of Conduct and Product Policy were last updated in 2022, when Marimekko also offered training for its partner suppliers regarding the content and most significant changes in the Supplier Code of Conduct and Product Policy.

Marimekko's due diligence approach for human rights is based on careful supplier assessment and selection as well as contractual obligations imposed on partner suppliers. The company is a member of the European amfori BSCI initiative, which provides tools for monitoring and improving working conditions in global supply chains. Monitoring of suppliers is conducted through independent third-party audits performed mainly in factories located outside Europe, in countries considered higher risk, factory visits by Marimekko employees both in Europe and in Asia as well as questionnaires to suppliers regarding topics such as the origin of materials used.

Corrective actions identified through monitoring are followed-up regularly with suppliers. Marimekko's sourcing personnel receive training on responsible sourcing practices and human rights topics. The due diligence process is assessed and developed continuously. Furthermore, Marimekko has a tool to check the background of partner suppliers and other significant business partners, including possible trade sanctions and risk of corruption.

During 2023, 27 amfori BSCI audits (26) were conducted at Marimekko's partner suppliers' facilities. Most of the findings in the audits concerned occupational health and safety (2023: 35 percent; 2022: 38), management systems (23 percent; 23) and worker involvement and protection (13 percent; 14). In 2022–2023, amfori BSCI renewed their auditing system to correspond to the new amfori Code of Conduct introduced at the beginning of 2022. Audits according to the new amfori Code of Conduct began in September 2023, but the factories have a transition period of one year to fully implement the needed changes.

Supply chains in the textile industry are complex and involve many players – thus, enhancing transparency in the supply chain from raw materials to the stores demands long-term work. In 2023, 44 percent of sold Marimekko products were made in EU countries (52) and the rest mostly in other European countries or Asia. Marimekko publishes a list of its partner suppliers on the company website and at the Open Supply Hub platform. The content of the list is aligned with the requirements of The Apparel and Footwear Supply Chain Transparency Pledge. As part of its material strategy, Marimekko has increased sourcing of more traceable materials, including organic cotton and certified wool. In the spring of 2023, Marimekko joined the Leather Working Group initiative that is committed to building a more sustainable supply chain for leather. In addition, Marimekko began using traceable leather in its Imprint bag series. At the end of 2023, Marimekko obtained the Responsible Animal Fiber certificate. This certification covers wool from sheep and alpaca as well as mohair, and it ensures animal welfare, responsible use of farmland, workers' rights at the farms and the traceability of the certified material in the supply chain. Transparency is enhanced also by providing customers continuously with more information about the materials and production techniques used in Marimekko products.

Marimekko believes in fairness, courage and cooperation, and fosters an open, low-hierarchical corporate culture that is based on creativity and entrepreneurship. The company supports its employees in reaching their full potential in terms of e.g. the utilization of their skills and creativity. People processes and leadership culture are developed continuously as they have an important role in building employee experience. Marimekko's way of working is based on the company's values and Code of Conduct. Marimekko has guidelines and processes in place to support providing an inspiring, responsible, and caring workplace. They include topics such as occupational health and safety, well-being at work, onboarding as well as employee engagement, performance and development. In addition, the company has an annual plan for diversity, equity and inclusion.

At Marimekko, personnel well-being is enhanced by promoting employees' health, work ability and functional capacity, as well as by ensuring an empowering working atmosphere. Marimekko uses its own early support model, aimed at improving work ability and workplace well-being. The objective is to increase dialogue between the managers and employees, particularly in matters related to the work and work ability, to improve the working conditions, and to prevent prolonged absenteeism and early disability retirements. As preemptive measures of occupational safety, hazards and risks involved in the work are recognized and evaluated. In addition, Marimekko trains its employees in occupational safety matters.

In Finland, the employees use a joint notification system to report their safety observations. The reported observations and occupational accidents are monitored regularly, and the necessary corrective actions are taken based on them. In 2023, there were 12 (19) occupational accidents. In 2023, two thirds of the occupational accidents did not result in absence from work.

Marimekko supports and promotes its employees' personal and professional development. The Group-wide performance management model for individuals, Maripeople, is applicable to all Marimekko employees and covers objectives related to work tasks, ways of working and competence development. The objective of the annually implemented Maripeople process is to ensure clarity of expectations, to encourage systemic two-way feedback between employees and people managers, and to increase dialogue about each employee's work, skills, development areas, and career aspirations. A well-structured and implemented process supports employee well-being as well as ensures that the individuals' work contribution is aligned with the company's strategy. Employee and leadership surveys provide feedback and development ideas. In 2023, Marimekko developed managerial work by providing training on, e.g., change management, coaching and providing feedback.

Marimekko's culture and working environment are founded on equality, valuing diversity, and inclusion. Discrimination in any form is prohibited at Marimekko. The company wants to provide a safe, caring, communal and respectful working environment for all its employees. Any potential cases related to actions that are against the legislation or unethical are taken seriously and investigated according to set processes. The company promotes equality based on an equality plan, provides training for its managers, and measures success with the results of employee engagement surveys, among other things. In 2023, Marimekko continued to train its managers, for example, on taking diversity, equity and inclusion (DEI) perspectives into consideration in the implementation of people processes in addition to the other themes related to the development of managers. Information on the DEI themes was provided also for the personnel at large.

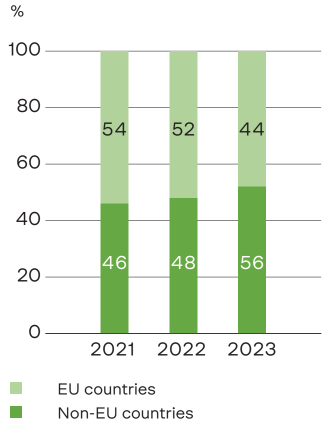
Equality and authenticity have been important values for Marimekko since its early days, and the company wants to actively promote diversity, equity and inclusion in its communities. Supporting inclusion through, for example, its choices in imagery and representation is a constant and consistent part of Marimekko's marketing activities. In 2023, the activities around DEI matters included, for instance, continuing the official partnership with Helsinki Pride and supporting the LGBTQIA+ community through omnichannel content and collaborations. Marimekko worked with a wide range of models, influencers and creatives to make sure that the company fosters diversity, for example, in age, size, gender and ethnic background.

OUR GOALS FOR FAIRNESS AND EQUALITY BY THE END OF 2025

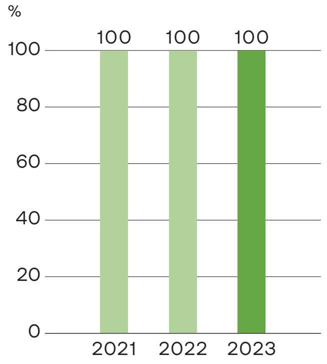
- We promote human rights, living wages, worker empowerment, and safe working conditions in our supply chain.
- We aim at full product transparency in the long term.
- We provide an inspiring, responsible, and caring workplace.
- Our culture is founded on equality, diversity, and inclusion and we promote and foster these in our entire value chain.

KEY FIGURES AND ACTIONS

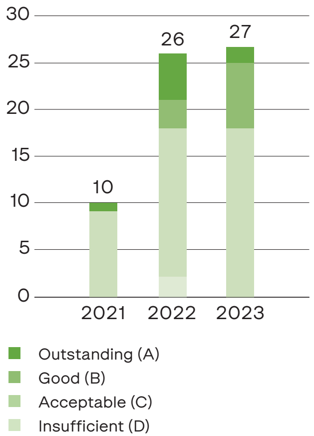
Origin of products, share of sales[14]



Share of purchases from audited suppliers in non-EU countries



Number of audits and audit results[15]



[14] More detailed information about the countries of origin is presented on the company's website.

[15] The number of audits varies year by year, based on the frequency of audits (the audit cycle is one or two years depending on the result) and changes in the supplier base (for example, a new factory may have an audit other than amfori BSCI).

eNPS (Employee Net Promoter Score)
measures the commitment of employees and their willingness to recommend the company

2023

30

2022

41

Results between -100 and 100

Leadership
One of the KPIs regarding leadership and managerial work is the statement of Leadership KPI feedback survey: ”My manager was interested in my well-being”

2023

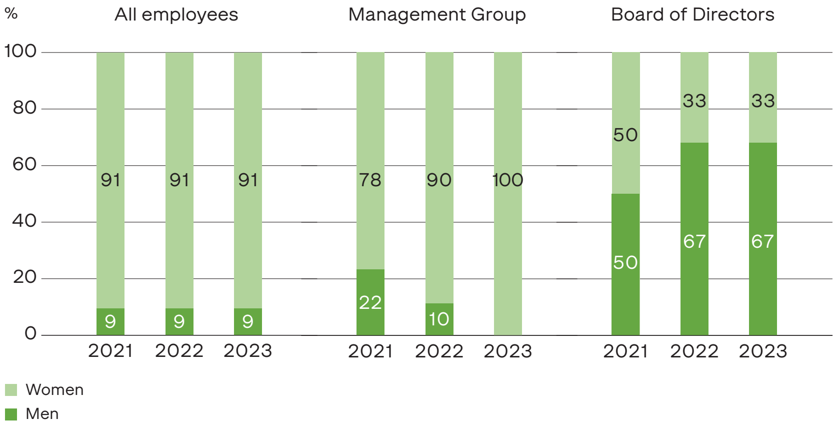
4.4

2022

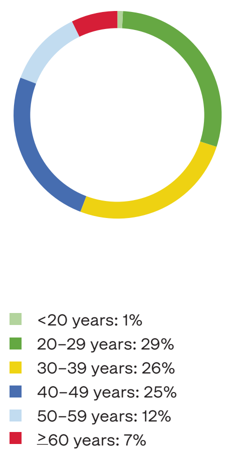
4.5

Scale of 1–5 (Strongly disagree; Strongly agree)

Gender distribution at Marimekko[16]

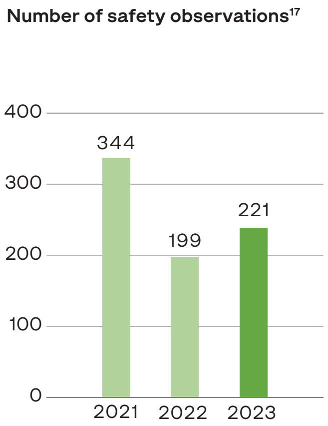


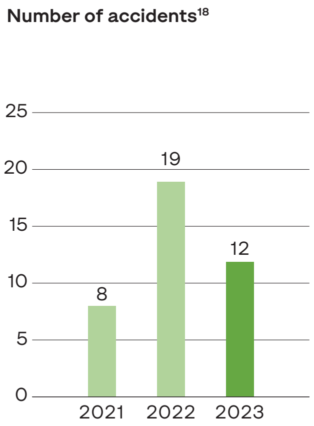
Employee age distribution

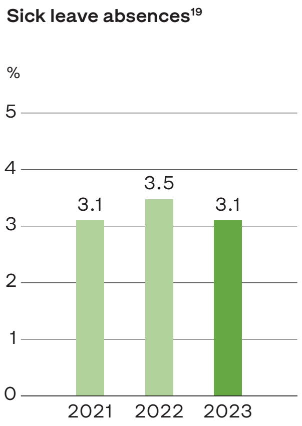


[16] For more on Board composition and diversity, please see Corporate Governance Statement on p. 87–95.

Employee figures are presented as of 31 December 2023.







Key actions in 2023

- Increasing the transparency of the supply chain especially on animal-derived materials through Responsible Animal Fiber certification, membership in the Leather Working Group and using traceable leather
- Developing managerial work with a focus on, e.g., change management, coaching and on providing feedback
- Even better incorporation of diversity, equity and inclusion perspectives into Marimekko's people processes, among others
- Continuing official partnership with Helsinki Pride, creation of omnichannel content and collaborations to support the LGBTQIA+ community as well as working with a wide range of models, influencers and creatives.

[17] Covers Finland.

[18] Covers employees in Finland, where 80 percent of Marimekko personnel is located. The change in comparison to 2021 is partly explained by the more accurate recording of accidents. Two thirds of the recorded occupational accidents in 2023 did not lead to absence from work.

[19] Covers employees in Finland, where 80 percent of Marimekko personnel is located.

Employee figures are presented as of 31 December 2023.

EU Taxonomy

Marimekko's reporting on EU Taxonomy complies with Regulation (EU) 2020/852 of the European Parliament and of the Council. The EU Taxonomy is a classification system for sustainable financing, designed to help companies and investors assess whether an economic activity can be considered environmentally sustainable. The Taxonomy defines a set of criteria for a business activity that enables companies to assess to what extent the company's activities support the attainment of environmental objectives. The objectives are:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

The reporting obligations defined in the EU Taxonomy have entered into force in a phased approach and require reporting of both eligible and aligned economic activities for climate change mitigation and adaptation and reporting of eligible economic activities for other environmental objectives for 2023. The technical screening criteria for climate change mitigation were published in 2021 while the technical screening criteria for other environmental objectives were published in 2023.

The following indicators are presented for Taxonomy-eligible, and Taxonomy-aligned activities: the share of turnover, operating expenditure and capital expenditure. Marimekko presents the indicators according to the tables defined in the Taxonomy regulation for non-financial undertakings. In addition, a table is presented for nuclear and fossil gas-related activities in accordance with the regulation, although the company has no business activities related to these activities.

Marimekko has identified as Taxonomy-eligible economic activities the operations of Marimekko Pre-loved (the marketplace for vintage and second-hand products), the sale of vintage and second-hand products in various channels and the Care & Repair service. These economic activities are Taxonomy-eligible under the 'Transition to a circular economy' objective. Marimekko will conduct the Taxonomy alignment assessment for these activities at a later stage. In addition, the installation of electric car charging stations at Marimekko's Herttoniemi property in Helsinki has been identified as Taxonomy-eligible operating expenditure, and an energy efficiency investment in the same property has been identified as Taxonomy-eligible capital expenditure for 2023. Both are Taxonomy-eligible for the 'Climate change mitigation' objective. However, both the operating expenditure and the capital expenditure are insignificant in the context of Marimekko's overall business. Therefore, Marimekko has not conducted the Taxonomy alignment assessment for the installation of charging stations and energy efficiency investment and reports them as Taxonomy-eligible but not Taxonomy-aligned activities. If similar operating and capital expenditures occur in the future, Marimekko will also assess their Taxonomy alignment.

TURNOVER

EUR million

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria (DNSH: Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0%**														**0.0%**		
Of which enabling		0.0	0.0%														0.0%	E	
Of which transitional		0.0	0.0%														0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Sale of second-hand goods	CE 5.4	0.1	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Marketplace for the trade of second-hand goods for reuse	CE 5.6	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.2**	**0.1%**	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%								**0.0%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**0.2**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**								**0.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**173.9**	**99.9%**																
TOTAL (A+B)		**174.1**	**100.0%**																

CAPEX

EUR million

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria (DNSH: Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0%**														**0.0%**		
Of which enabling		0.0	0.0%														0.0%	E	
Of which transitional		0.0	0.0%														0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.1	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.1**	**1.4%**	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%								**0.0%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**0.1**	**1.4%**	**1.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**10.7**	**98.6%**																
TOTAL (A+B)		**10.8**	**100.0%**																

OPEX

EUR million

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria (DNSH: Does Not Significantly Harm)									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0%**														**0.0%**		
Of which enabling		0.0	0.0%														0.0%	E	
Of which transitional		0.0	0.0%														0.0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	0.0	1.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Marketplace for the trade of second-hand goods for reuse	CE 5.6	0.1	7.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.0	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.1**	**9.2%**	0.7%	0.0%	0.0%	0.0%	8.5%	0.0%								**0.0%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**0.1**	**9.2%**	**0.7%**	**0.0%**	**0.0%**	**0.0%**	**8.5%**	**0.0%**								**0.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**1.0**	**90.8%**																
TOTAL (A+B)		**1.1**	**100%**																

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

PERFORMANCE INDICATOR ACCOUNTING POLICY

Revenue

Marimekko applies the same accounting principles in the calculation of the Taxonomy revenue performance indicator as in the consolidated financial statements, which are prepared in accordance with the IFRS standard. The accounting principles for revenue are presented in the notes of the consolidated financial statements. The total revenue presented in the previous tables corresponds to the revenue of the Marimekko Group in 2023.

Taxonomy-eligible revenue includes the part of the Group's total revenue that belongs to Taxonomy-eligible activities. Marimekko has identified as Taxonomy-eligible economic activities revenue of the operations of the Marimekko Pre-loved marketplace for vintage and second-hand products, revenue of the sale of vintage and second-hand products in various channels and revenue of the Care & Repair service.

Capital Expenditure (CapEx)

According to the Taxonomy definition, capital expenditure includes the additions of tangible and intangible assets during the accounting period before depreciation, amortization and re-measurements. Capital expenditures also takes into account revaluations and impairments, but not changes in fair value. Capital expenditures also covers increases in tangible and intangible assets resulting from business combinations. Based on definition, leases that do not lead to the recognition of a right-of-use over the asset are not counted as capital expenditures.

Marimekko includes increases in tangible and intangible assets as well as increases in right-of-use assets during the financial year in capital expenditures. Additions to fixed assets and right-of-use assets are presented in note 11 of the consolidated financial statements.

The definition of the Taxonomy regulation differs from Marimekko's reported gross investments indicator, which does not include right-of-use assets according to the IFRS 16 standard. In the fiscal year 2023, the Group's gross investments were EUR 2.0 million. The breakdown of capital expenditure according to the taxonomy is presented below:

Specification of capital expenditures (CapEx)

EUR million	**2023**
Intangible assets additions (note 11.1)	1.1
Tangible assets additions (note 11.2)	9.7
Total	10.8

As Taxonomy-eligible capital expenditure has been identified the energy efficient investment related to the Herttoniemi property in Helsinki.

Operating expenditure (OpEx)

Operating expenditure (OpEx) as defined in the Taxonomy Regulation include direct non-capitalized costs that relate to research and development, building renovation measures, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Marimekko includes costs included in service, maintenance and repair in operating expenditure. In addition, operating expenditure includes salary costs related to development and research, as well as external services. In the income statement, these expenses are included in other operating expenses, which are presented in note 6 of the consolidated financial statements, and in employee benefits expenses, which are presented in note 4 of the consolidated financial statements.

Taxonomy-eligible operating expenditures includes operating expenditures related to the following activities, that are based on the definition: the operations of the Marimekko Pre-loved marketplace for vintage and second-hand products, the sale of vintage and second-hand products in various channels and the Care & Repair service. In addition, Taxonomy-eligible operating expenditures include the operating expenditure of electric car charging stations installed at the Herttoniemi property in Helsinki.

About the statement

Marimekko publishes this statement voluntarily. This statement has been prepared in accordance with the Finnish Accounting Act, Chapter 3 a, and Regulation (EU) 2014/95 of the European Parliament and of the Council. The statement covers the financial year from 1 January to 31 December 2023 and the whole Marimekko Group, except where otherwise mentioned. In addition, Marimekko annually prepares a more detailed Sustainability Review, published on the company website during the second quarter of the year.

Marimekko supports the ten principles of the United Nations Global Compact. The company respects and promotes these principles throughout its operations and reports on the progress according to Global Compact's reporting requirements on a separate reporting platform.

Helsinki, 14 February 2024

Marimekko Corporation

Board of Directors   President and CEO

Corporate governance statement 2023

INTRODUCTION

Marimekko Corporation applies the Finnish Companies Act, other regulations concerning public listed companies, Marimekko Corporation's Articles of Association as well as the rules and regulations of Nasdaq Helsinki Ltd. Marimekko also complies with the recommendations of the Finnish Corporate Governance Code, effective as of 1 January 2020, according to the comply-or-explain principle without deviating from individual recommendations.

This corporate governance statement has been drawn up in accordance with the Corporate Governance Code effective as of 1 January 2020. The statement has been issued as a separate report and the Audit and Remuneration Committee of Marimekko Corporation has reviewed it. The statement has been published on the company's website at company.marimekko.com. The Finnish Corporate Governance Code is publicly available on the website of the Securities Market Association at www.cgfinland.fi/en/.

KPMG Oy Ab, Authorized Public Accountants, as the company's auditor has checked that the statement has been issued and that the description of the main features of the internal control and risk management systems related to the financial reporting process is consistent with the financial statements.

DESCRIPTIONS CONCERNING CORPORATE GOVERNANCE

Marimekko Corporation's administrative bodies and officers with the greatest decision-making power are the General Meeting of Shareholders, the Board of Directors and the President and CEO. Marimekko Corporation does not have a Supervisory Board. At the Annual General Meeting (AGM), the shareholders approve the financial statements, decide on the distribution of profits, elect the members of the Board of Directors and the auditor and determine their remuneration, as well as decide on amendments to the Articles of Association if necessary.

Marimekko Corporation's General Meeting is convened by the Board of Directors. According to the Articles of Association, the AGM shall be held within six months of the close of the financial year on a date decided by the Board of Directors. The AGM of Marimekko Corporation was held on Thursday, 13 April 2023 at 2.00 p.m. (EEST) at Little Finlandia, at the address Karamzininranta 4, 00100 Helsinki.

Marimekko shares are quoted on Nasdaq Helsinki Ltd.

Composition of the Board of Directors and principles on diversity

The members of the Board of Directors are elected at the AGM. The proposal for the composition of the Board is prepared by the major shareholders of the company. The AGM has not established a shareholders' nomination board.

When preparing the proposal for the composition of the Board of Directors, the major shareholders take account of the company's business requirements and development as well as the strategy of the company. The main objective is to ensure that the composition of the Board supports the company's business operations, strategy and customer-orientated approach in an optimal manner. Diversity in the Board of Directors helps to ensure that this objective is achieved. The diversity of the Board is reviewed from different perspectives. The most important factors for the company are the directors' mutually complementary know-how, education and experience in different fields and different geographic areas significant for the company's business as well as their personal attributes. The diversity of the Board is promoted in particular by the gender and age diversity of the directors. Marimekko aims to have both genders equally represented in the Board, and to have directors with experience from different geographical areas. A director elected to the Board shall have the required competence for the position, and a sufficient amount of time for attending to the duties of the position. Also taken into account in the composition of the Board are the long-term objectives of the company as well as succession planning. There is no particular order governing the appointment of Board members. The progress in achieving the objectives is reviewed regularly.

In 2023, the Board of Directors consisted of 6 members of which 2 were women. All members of the Board of Directors have international work experience in geographic areas significant to the company's business, such as the Finnish and Asian markets. The Board members' diverse experiences in sectors such as fashion, clothing, technology, and retail sales complement each other. All members of the Board of Directors have a university degree, and one has obtained a doctorate. Degrees are in various fields with an emphasis on business studies. The ages of the Board members are divided between 31 and 59 years of age.

Board of Directors 2023

The AGM on 13 April 2023 elected the following members to Marimekko Corporation's Board of Directors:

Mika Ihamuotila
Chair of the Board

- Born 1964
- Ph.D. (Econ.)
- Principal occupation: Chair of the Board of Marimekko, 2016– (Chair of the Board and CEO of Marimekko, 2015–2016)
- Primary work experience and key positions of trust: President and CEO and Vice Chair of the Board of Marimekko, 2008–2015; President and CEO of Sampo Bank, 2001–2007; President and CEO of Mandatum Bank, 2000–2001; Executive Director of Mandatum Bank, 1998–2000; Partner of Mandatum & Co, 1994–1998; visiting scholar of Yale University (USA), 1992–1993; Member of the Board of Rovio Entertainment, 2013–2020; Chair of the Board of Rovio Entertainment, 2017–2020; Member of the Board of Sanoma, 2013–; Chair of the Board of the Mannerheim Foundation, 2017–
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 0. Shares and share-based rights in the company owned by a corporation over which the director exercises control, PowerBank Ventures Ltd, at the end of the financial year 2023: 5,088,500 shares. Shares or share-based rights in Group companies at the end of the financial year 2023: 0.

Teemu Kangas-Kärki
Vice Chair of the Board

- Born 1966
- M.Sc. (Econ.)
- Primary work experience and key positions of trust: Chief Financial Officer of Nokian Tyres, 2018–2023; Deputy to CEO and COO of Fiskars, 2017–2018; President & CEO (Interim) and COO of Fiskars, 2017; Deputy to CEO and COO &

CFO of Fiskars, 2014–2017; President of Home Business Area and CEO of Iittala Group, Fiskars, 2012–2014; Chief Financial Officer of Fiskars, 2008–2012; Chief Financial Officer of Alma Media, 2003–2008; Vice President, Corporate Controller of Kesko, 2002–2003; Corporate Business Controller of Kesko, 2000–2001; Finance Director, Finland & part of the Nestlé Nordic, Nestlé, 1998–2000; Finance Manager, Finland of Smith & Nephew, 1996–1998; finance management positions, Finland & Germany, Unilever, 1992–1996; Member of the Board of Directors and its Audit Committee of Lassila & Tikanoja plc 2016–
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 2,638 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Carol Chen
- Born 1967
- Master's degree in Marketing
- Principal occupation: Senior Vice President and General Manager of Crocs, APAC, 2023–
- Primary work experience and key positions of trust: Co-CEO of Semir, 2019–2023; General Manager of Alibaba's Tmall Sports Business, 2018–2019; Vice President and General Manager (Converse, Asia Pacific) of Nike, 2015–2018; Vice President and General Manager (Territories and Sales, Greater China) of Nike, 2014; Vice President (Global sales, Global Basketball / USA) of Nike, 2012–2014; Category General Manager (Sportswear, Greater China) of Nike; 2009–2012, Different positions in marketing as well as business and strategic planning in Nike, 1996–2009; Marketing Manager of McDonald's, 1994–1996; Account Manager of DDB Needham Worldwide, 1992–1994
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 2,700 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Mikko-Heikki Inkeroinen
- Born 1987
- M.Soc.Sc.
- Principal occupation: Chief Digital Growth Officer of Reima, 2022–2024
- Primary work experience and key positions of trust: Chief Digital Officer of Kamux, 2018–2022; Head of Digital Commerce of POWER International, 2015–2018; Marketing & E-commerce manager, member of company steering group of Expert ASA, 2010–2015; Member of the Board of OIKIO Digital Performance Agency, 2018–
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 26,650 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Tomoki Takebayashi
- Born 1976
- MBA
- Principal occupation: President, Christian Dior Couture in Japan, 2021–
- Primary work experience and key positions of trust: CEO of Bottega Veneta Japan & Guam, 2015–2021; Executive Vice President, COO of Kate Spade Japan, 2012–2015; Engagement Manager of McKinsey & Company, 2008–2012; different positions in auditing and financial management at General Electric Company, 2003–2006; transaction services at PWC, 2000–2003
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 2,700 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Marianne Vikkula
- Born 1992
- B.Sc. (IEM)
- Principal occupation: Chief Operating Officer of Wolt, 2023–
- Primary work experience and key positions of trust: Vice President, New Markets of Wolt, 2019–2023; Director of New Markets of Wolt, 2018–2019; CEO of Slush, 2016–2017; President of Slush, 2015–2016; Chief Financial Officer of Slush, 2013–2014
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 1,960 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

The Board evaluates the independence of its members annually in accordance with the Finnish Corporate Governance Code recommendations. Among the members of Marimekko's Board of Directors, Carol Chen, Mikko-Heikki Inkeroinen, Teemu Kangas-Kärki, Tomoki Takebayashi and Marianne Vikkula are independent of the company and its significant shareholders. Mika Ihamuotila is not independent of the company nor its significant shareholders (indirect shareholding through PowerBank Ventures Ltd, 12.5 percent of the shares and votes in the company).

Mika Ihamuotila has acted as half-time Chair of Marimekko Corporation's Board of Directors since 17 April 2019 pursuant to a separate service agreement governing his half-time Board of Directors chairship (from 11 April 2016 to 16 April 2019, he acted as full-time Chair of the Board). The Audit and Remuneration Committee of the company handles and prepares matters related to the service agreement's terms and Mika Ihamuotila's remuneration. These roles as well as his previous position as the President and CEO of the company have been taken into account in the evaluation of Ihamuotila's independence.

Marimekko announced on 2 November 2023 that Mikko-Heikki Inkeroinen, a member of Marimekko's Board of Directors and Audit and Remuneration Committee, has been appointed as the company's Chief Technology Officer (CTO) and member of the Management Group starting from 29 January 2024. Inkeroinen resigned from his position as a member of the Board of Directors and the Audit and Remuneration Committee of Marimekko on the same date, 29 January 2024.

Description of the operations of the Board of Directors

The Finnish Companies Act sets the ground for the duties of the Board of Directors. According to the Act, the Board is responsible for the proper organization of the company's administration and operations.

The President and CEO is responsible for the day-to-day management of the company in accordance with the instructions and orders of the Board of Directors.

The principal duties of Marimekko Corporation's Board of Directors are defined in the written rules of procedure confirmed by the Board. The rules of procedure are reviewed and confirmed annually at the Board's constitutive meeting, held following the AGM. The Board reviews all matters that are significant to or have long-term effects on Marimekko's business operations.

According to the rules of procedure, the Board addresses matters such as the following

- approving the Group's strategy and monitoring the implementation of the strategy
- approving operating plans and budgets and investments for the Group and the various areas of business
- approving interim reports, financial statements and consolidated financial statements, the report of the Board of Directors, corporate governance statement and remuneration report
- deciding on expanding and scaling back business operations
- deciding on mergers, acquisitions/divestitures and restructuring arrangements
- approving financial policy and contingent liabilities related to financing arrangements
- monitoring and assessing how related party transactions are part of the Group's ordinary course of business and according to market terms
- approving the Group's key management policies including the Group reporting, risk management and annual remuneration
- appointing the company's President and CEO and the members of the Management Group and deciding on their remuneration
- setting annually personal goals for the President and CEO and assessing how they are achieved as well as approving the targets for the members of the Management Group and assessing how those are achieved
- reviewing and deciding on the remuneration and the terms of the executive service agreement of the Chair of the Board according to the proposal of the Audit and Remuneration Committee. The Chair does not participate in the decision-making regarding their compensation.
- approving corporate social responsibility principles for the Group and monitoring of corporate sustainability reporting
- successor policy.

In 2023, the Board focused, among other things, on the following subjects

- development of Marimekko's strategy as well as confirming and following strategic objectives for the various business areas
- managing the growth strategies in market areas
- strengthening the production and procurement strategy
- approving the strategy for digitizing the value chain
- development of Marimekko's sustainability strategy
- strategic development of the product portfolio
- following the design strategy
- developing customer loyalty
- reviewing and confirming operating plans and budgets
- reviewing Marimekko's capital structure
- managing Marimekko's investor relations strategy.

In 2023, the Board of Directors held seven meetings. The Board members' attendance rate at meetings was 93 percent. The Board evaluated its operations and working methods in 2023 through internal self-evaluation.

The company has ensured that all directors have received sufficient information on the company's business operations, operating environment and financial position and that any new directors have been properly introduced to the operations of the company.

THE BOARD OF DIRECTORS ON 31 DECEMBER 2023

	Position	Board member since	Independent of the company and its significant shareholders	Attendance
Mika Ihamuotila	Chair since 2015	2008	No	7/7
Teemu Kangas-Kärki	Vice Chair since 2022	2022	Yes	7/7
Carol Chen	Member	2021	Yes	5/7
Mikko-Heikki Inkeroinen	Member	2015	Yes	6/7
Tomoki Takebayashi	Member	2021	Yes	7/7
Marianne Vikkula	Member	2022	Yes	7/7

AUDIT AND REMUNERATION COMMITTEE ON 31 DECEMBER 2023

	Position	Committee member since	Independent of the company and its significant shareholders	Attendance
Teemu Kangas-Kärki	Chair since 2022	2022	Yes	5/5
Mikko-Heikki Inkeroinen	Member	2017	Yes	5/5
Marianne Vikkula	Member	2022	Yes	5/5

Board committees

The Board of Directors elected by the AGM on 13 April 2023 appointed an Audit and Remuneration Committee from among its members. Teemu Kangas-Kärki was elected as Chair and Mikko-Heikki Inkeroinen and Marianne Vikkula as members of the Audit and Remuneration Committee. The Board of Directors or the AGM has not established any other committees.

According to the rules of procedure confirmed by the Board of Directors, the Audit and Remuneration Committee handles and prepares matters related to the terms and remuneration of the company's executive management as well as other tasks and supervision typically assigned to audit and remuneration committees. These include, for example, the following

- monitoring the reporting process of financial statements
- supervising the financial reporting process
- monitoring the efficiency of the company's internal control and internal audit, if applicable, and risk management systems
- reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate governance statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- evaluating the independence of the statutory auditor or audit firm and especially the additional services offered to the company as well as preparing the proposal for resolution on the election of the auditor
- monitoring and assessing how related party transactions are part of the company's ordinary course of business and according to market terms
- reviewing, overseeing and verifying outcomes of management compensation plans and programs.

The Chair of the Audit and Remuneration Committee approves a budget for travel and entertainment expenses of the Chair of the Board and monitors the expenses.

In 2023, the Audit and Remuneration Committee held five meetings. The Committee members' attendance rate at meetings was 100 percent.

President and CEO

The Board of Directors elects the President and CEO and decides on the terms of the President and CEO's employment. The terms are specified in a written contract which is approved by the Board of Directors. The President and CEO is responsible for the day-to-day management and development of the company in accordance with the instructions and orders of the Board of Directors. The President and CEO is also responsible for keeping the Board up to date with regard to the development of the company's business operations and financial situation.

Tiina Alahuhta-Kasko, President since 9 April 2015, President and CEO since 11 April 2016

- Born 1981
- M.Sc. (Econ.), CEMS MIM
- Primary work experience and key positions of trust: Chief Operating Officer and Member of Management Group of Marimekko, 2014–2015; Chief Marketing Officer and Member of Management Group of Marimekko, 2012–2015; Head of PR, PR Manager of Marimekko, 2005–2012; Member of the Foundation Board, IMD Business School, 2018–; Member of the Board and People and Remuneration Committee of Finnair, 2019–; Member of the Board of Climate Leadership Coalition, 2022–
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 162,845 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

The Board of Directors has not appointed a deputy to the President and CEO.

Management Group

The company's business operations have been divided into different responsibility areas. The directors of the different areas form the company's Management Group which is chaired by the President and CEO. The Management Group has no authority based on law or the Articles of Association. The Management Group reviews business operational matters and procedures affecting the entire Group. The Management Group also reviews the operating plans of the different business areas and the development of business operations.

Elina Anckar, Chief Financial Officer

- Born 1968
- M.Sc. (Econ.)
- Member of the Management Group since 11 December 2015
- Primary work experience and key positions of trust: Director of Finance and HR of A-lehdet, 2013–2015; Vice President, Head of Business Control, Broadband Services Finland of TeliaSonera Finland, 2012–2013; Chief Financial Officer of Sodexo, 2007–2012; Country Controller of H&M Hennes & Mauritz, 2002–2007
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 14,925 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Rebekka Bay, Chief Creative Officer, Creative Director

- Born 1969
- BA (Hons) in Fashion
- Member of the Management Group since 1 September 2020
- Primary work experience and key positions of trust: Creative Director of Uniqlo Global Innovation Center, 2017–2020; Head of Design and Product of Everlane (New York), 2015–2017; Creative Director EVP of Gap Global Design, Gap (New York), 2012–2015; Creative Director of Bruuns Bazaar (Copenhagen), 2011–2012; Creative Director of COS (London), 2006–2011
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 17,695 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Tina Broman, Chief Supply Chain and Product Officer

- Born 1969
- Degree in women's tailoring and textile art
- Member of the Management Group since 2 October 2017
- Primary work experience and key positions of trust: Product Director and Member of the Executive Management Team of Tiger of Sweden, 2013–2017;

Production and Sourcing Director Global and Member of the Executive Management Team of Tiger of Sweden, 2008–2013; Production and Sourcing Manager of Tiger of Sweden, 2003–2008; Buyer of Filippa K, 1999–2003
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 10,925 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Natacha Defrance, Senior Vice President, Sales, Region East
- Born 1974
- MS (Marketing & Sales)
- Member of the Management Group since 16 February 2023
- Primary work experience and key positions of trust: Interim Senior Vice President, Sales, Region East, Marimekko, 2022–2023; Head of Market Area, Greater China, South Korea and South East Asia, Marimekko, 2020–2022; Vice President Retail (Greater China), Lacoste, 2016–2020; Head of Retail Operations (Hong Kong), Christian Dior Couture, 2013–2015; Regional Retail Performance Director (Asia Pacific), Van Cleef & Arpels, 2011–2013; Head of International Marketing and Strategic Studies, Chanel, 2006–2011
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 0 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Kari Härkönen, Chief Digital Officer
- Born 1981
- M.Sc., MBA
- Member of the Management Group until 2 November 2023
- Primary work experience and key positions of trust: Director of Ecommerce of Sanoma Digital, 2014–2016; Country Manager Finland of Zalando (Berlin), 2013–2014; Consultant of McKinsey & Company, 2011–2012
- Ownership of shares and share-based rights in the company on 2 November 2023: 7,690 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies on 2 November 2023: 0.

Noora Laurila, Senior Vice President, Sales, Region West
- Born 1982
- M. Sc. (International Business)
- Member of the Management Group since 14 September 2022
- Primary work experience and key positions of trust: Nordic Business Development Director of L'Oréal Nordics, 2021–2022; Market Director & Country Lead of L'Oréal Finland, 2019–2021; various positions in sales, marketing, and product management in L'Oréal Finland, L'Oréal Nordics & L'Oréal Denmark, 2008–2019
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 0 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Sanna-Kaisa Niikko, Chief Marketing Officer
- Born 1986
- BA (English)
- Member of the Management Group since 8 October 2020
- Primary work experience and key positions of trust: Global Creative Brand Marketing Director of Marimekko, 2018–2020; PR and Communications Senior Manager of Fiskars, 2018; Head of Community Management of Marimekko, 2018; Sales Manager, Ready-to-wear, bags and accessories of Marimekko, 2017; Marketing Manager, North America of Marimekko, 2016–2017; PR Manager of Marimekko, 2015–2017; various positions in sales and marketing in Marimekko, 2005–2015; Member of the Board of Finnish Textile & Fashion 2022–
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 2,570 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Tanya Strohmayer, Chief People Officer
- Born 1970
- BBA (Political Science, International Business)
- Member of the Management Group since 10 February 2017
- Primary work experience and key positions of trust: Human Resources Director of Huurre Group, 2016–2017; Human Resources Director of Paulig Group, 2009–2016; Director, Human Resources and Communications of Starcut, 2008–2009; various development and project management positions in Nokia, 2000–2008
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 11,620 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Essi Weseri, General Counsel
- Born 1984
- LLM
- Member of the Management Group since 16 February 2023
- Primary work experience and key positions of trust: Lead Counsel, Packaging Materials Division, Stora Enso, 2021; Senior Legal Counsel, Paper Division, Stora Enso, 2018–2021; Legal Counsel, Altia, 2013–2018; Associate, Roschier Attorneys, 2008–2013; Member of the Legal Committee, Finland Chamber of Commerce, 2023–
- Ownership of shares and share-based rights in the company at the end of the financial year 2023: 100 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

Riika Wikberg, Chief Business Development Officer
- Born 1981
- M.Sc. (Econ.), CEMS MIM
- Member of the Management Group since 15 February 2018
- Primary work experience and key positions of trust: Various business development positions in Outotec 2013–2017 and Fiskars 2009–2013; Consultant of The Boston Consulting Group, 2005–2009
- Ownership of shares and share-based rights in

the company at the end of the financial year 2023: 8,665 shares. Shares and share-based rights in the company owned by a corporation over which the director exercises control, and ownership of shares and share-based rights in Group companies at the end of the financial year 2023: 0.

INTERNAL CONTROL AND RISK MANAGEMENT IN THE MARIMEKKO GROUP

Internal control

Marimekko applies internal control principles and an operating plan to support the execution and monitoring of internal control. In the Marimekko Group, internal control is a process, for which the Board of Directors and the President and CEO are responsible. The objective of internal control is to provide reasonable assurance that:

- operations are effective and aligned with strategy
- financial and operational reporting is reliable
- the Group is in compliance with applicable laws and regulations
- the Marimekko Code of Conduct and core values are established.

The Board of Directors focuses on increasing shareholder value and, in accordance with good corporate governance, ensures that principles of internal control and risk management exist within the company. The Audit and Remuneration Committee is responsible for monitoring the efficiency of internal control and risk management.

Marimekko is committed to operating according to the same principles around the world, complying with international and local laws and regulations, the Marimekko values and following ethical business practices. Marimekko's key principles for ethical business practices are included in the Marimekko Code of Conduct and the Supplier Code of Conduct. All Marimekko employees, directors, suppliers and other personnel working under Marimekko Group's direction must comply with the said Codes of Conduct.

The system of internal control of Marimekko is based on the Committee of Sponsoring Organizations' (COSO) framework, which consists of five key components: control environment, risk assessment, control activities, information and communication, and monitoring. The components and their relation to control over financial reporting are presented in more detail later in this statement.

Risk management

Marimekko's risk management is guided by the risk management policy approved by the Board of Directors, which defines the company's risk management principles, objectives and responsibilities as well as the organization and monitoring of the risk management process.

Marimekko's risk management aims to safeguard the smooth continuity of business operations and ensure stable profit development of the company. Comprehensive risk management is an ongoing, systematic process which involves identifying and evaluating key risks associated with the company's operations and operating environment. The key risks comprise risks which could prevent the company from exploiting business opportunities or jeopardize or prevent the achievement of the strategic objectives of the Group or a Group company, or the continuity of operations or would otherwise have significant consequences for the company, its personnel or stakeholders. Risk management is an integral element of the company's management and decision-making process, covering all of the Group's functions.

Risk reporting is an integral element of Marimekko's annual business planning and strategy process. Internal risk reporting is part of regular, continuous business reporting, short-term business planning and decision-making process. The company reports its key risks and risk management measures annually in the report of the Board of Directors and quarterly in interim reports, and in compliance with corporate governance principles, laws and regulations. Individual reports may also be published whenever necessary.

Roles and responsibilities

The Board of Directors is ultimately responsible for the administration of the company and the appropriate organization of its operations. The Board approves the internal control, risk management and corporate governance policies.

The Audit and Remuneration Committee is responsible for the appropriate arrangement of the control of the company accounts and finances and monitors the efficiency of internal control and risk management systems and evaluates risk reports and prepares risk management matters for the Board of Directors.

The President and CEO sets the basis for the internal control environment by instructing the management and following how the company's business is monitored. The President and CEO is responsible for the day-to-day management of the company in accordance with the instructions and orders given by the Board of Directors. The President and CEO ensures that the accounts of the company are in compliance with laws and regulations and that its finances are arranged in a reliable manner. The President and CEO further ensures the execution of appropriate risk management in the Group.

The members of the Management Board are responsible for identifying and assessing risks in their respective areas of responsibility, appropriate risk management activities, and communication of risks and measures to staff. The General Counsel is responsible for supporting the risk assessment process, development and harmonization of risk management, risk management training and guidance, and uniformity of reporting templates and systems used in risk management.

The Group's financial function, on the other hand, supports the development of functions' controls, monitors the adequacy and functionality of controls, and is responsible for the correctness, timeliness and compliance with laws and regulations related to reporting.

In addition, every employee is responsible for identifying and assessing risks related to their work or otherwise discovered and for reporting these risks to their manager.

Internal control and risk management related to the financial reporting process

Internal control related to the financial reporting process is part of Marimekko's overall internal control and risk management framework. The objective of internal control and risk management related to the financial reporting process is to ensure

- reliable financial reporting that supports internal decision-making and serves the needs of the shareholders
- compliance with laws and regulations
- compliance with the company's internal policies.

The consolidated financial statements of the Group are prepared in accordance with the International Financial Reporting Standards (IFRS). The notes to the consolidated financial statements also comply with the Finnish Accounting Act and Companies Act.

The development of the company's business and achievement of financial goals are monitored through a Group-wide financial reporting process. Sales reports are prepared daily, weekly or monthly, as applicable. Consolidated profit and loss and balance sheet reports are prepared monthly. The President and CEO reports monthly, quarterly and annual financial statements as well as other items specified in the Board's rules of procedure to the Board of Directors.

The Group discloses information on its business development and financial situation in quarterly interim reports, the half-year financial report and the financial statements bulletin.

Control environment

An internal control environment is the foundation of Marimekko's internal control. It influences the control consciousness of the organization and forms the basis for other internal control components.

The internal control environment encompasses the ethical values, competence and development of the company's personnel, the management's operating style and way of assigning authority and responsibility, as well as the guidelines and approval policy set by the Board of Directors.

The internal control environment of Marimekko's financial reporting process encompasses the instructions and controls that the company has prepared in order to harmonize processes and procedures. To ensure consistency of accounting practices of subsidiaries, a common chart of accounts is in use in the Group. Moreover, Group-wide accounting principles are applied in the financial statements, and the Board of Directors approves the accounting principles to be applied.

Risk assessment

At Marimekko, risks are identified as part of the annual business planning and strategy process. Risk management actions, responsible persons and an implementation schedule are determined for the identified and monetized risks. Risk identification is updated biannually.

Marimekko's strategic and operational objectives form the basis for risk identification. The aim is to identify risks threatening the achievement of the company's objectives. Risk analyses and assessments are conducted as self-assessments.

Control objectives and common control points have been defined for the identified risks associated with the Group's financial reporting process. Examples of control points are internal policies and authorization practices, reconciliations, verifications and segregation of duties.

Control activities

Control activities are the policies, systems and other procedures that help Marimekko's management to ensure the effectiveness, efficiency and reliability of the company's operations. Controls also help to ensure that the risks threatening the achievement of the company's objectives are managed appropriately.

The control points defined in the risk assessment for the financial reporting process are in place at all levels of the Group to ensure that applicable laws, internal procedures and ethical values are adhered to. Directors of the various functions are responsible for following developments in legislation in their respective areas and communicating changes to the organization. The directors are also responsible for setting up adequate compliance controls and organizing related training in their functions. Moreover, process controls have been defined for the most significant business and reporting processes.

Marimekko's consolidated financial statements include the accounts of the parent company Marimekko Corporation and its subsidiaries. Marimekko Corporation's subsidiaries report to the parent company monthly and quarterly and during the preparation of the consolidated financial statements. The financial statements of the subsidiaries are prepared in accordance with local accounting standards; the subsidiaries do not apply IFRS in their financial statements. The adjustments required under IFRS are made at the Group level.

The company's financial function is responsible for preparing the monthly consolidated financial statements based on the financial statements of the subsidiaries. The Chief Financial Officer and the business control function review the figures of the parent company and the subsidiaries and analyze the reasons for any deviations in order to assure the reliability of financial reporting. In addition, the company's financial function consolidates and reviews the income statement and the balance sheet monthly and also before submitting them to the Board of Directors.

The Board of Directors approves the interim reports, the half-year financial report, the financial statements bulletin, and the financial statements.

Information and communication

The communication of controls and control procedures is an essential part of internal control related to the financial reporting process at Marimekko. The people responsible for financial reporting in subsidiaries and the parent company are involved in the assessment of risks associated with financial reporting and the defining of controls. The Group's common control points have been communicated to all involved in the reporting process. The parent company's financial function supports the implementation of the controls in the subsidiaries through regular guidance and monitoring.

The Group has instructions for financial reporting and the instructions are updated regularly. Accounting principles and reporting instructions are communicated to all people involved.

Monitoring

Monitoring of controls is a way to assess the efficiency of control activities on an ongoing basis. Monitoring can be done continuously as part of day-to-day work or as separate evaluations.

The company's Audit and Remuneration Committee carries out its supervisory duties by monitoring the reporting process of interim reports and financial statements and by evaluating the adequacy and appropriateness of internal control and risk management related to the financial reporting process. Managers are responsible for continuously monitoring the internal control system for the financial reporting process as part of operational monitoring. Monitoring can also be conducted by the parent company's financial function. Ongoing monitoring includes regular management activities and other tasks carried out by the personnel while performing their duties.

The scope and frequency of separate evaluations depend primarily on risk assessments and the effectiveness of ongoing monitoring procedures. The detected deficiencies in internal control of financial reporting process are reported upwards; the most serious deficiencies are reported to the top management and the Board of Directors.

Other Group monitoring activities include administrative and legal guidance and trainings, defining responsibilities and authorities as well as monitoring and analyzing the achievement of the organization's objectives. Moreover, the effectiveness of the risk management system is controlled as part of Group monitoring activities.

OTHER INFORMATION TO BE PROVIDED IN THE CORPORATE GOVERNANCE STATEMENT

Internal audit

Considering the nature and extent of the company's business, Marimekko has not found it necessary to establish a separate internal audit function. The Audit and Remuneration Committee monitors and evaluates the level of internal control and reports this to the Board of Directors at least once a year. The Board confirms the level of the company's internal control. Where necessary, the Board may purchase internal audit services from an external service provider.

Related party transactions

The company adheres to the responsibilities set out in the Finnish Companies Act and the Corporate Governance Code when monitoring and evaluating related party transactions. The rules of procedure for the Board of Directors and the Audit and Remuneration Committee of the company describe the duties and responsibilities connected with related party transactions. The Board of Directors evaluates and monitors transactions concluded between the company and its related parties and ensures that any conflicts of interest are taken into account appropriately in the decision-making of the company. The company keeps a list of the related parties. Related party transactions that are not concluded in the ordinary course of business or on customary commercial terms are subject to approval by the Board of Directors. The company's financial function monitors related party transactions as part of the normal quarterly control and reporting procedure and reports related party transactions to the company's Audit and Remuneration Committee. Related party transactions are disclosed as required annually in the notes to the company's financial statements. Material related party transactions are disclosed in accordance with the Securities Market Act.

Insider administration

Marimekko Corporation's insider policy, based on the Guidelines for Insiders of Nasdaq Helsinki Ltd and the Market Abuse Regulation, describes the main obligations of insiders in the company as well as the trade reporting of managers and their closely associated persons, and other related regulations and guidance under the Market Abuse Regulation. The Board of Directors confirms the insider policy.

The company draws up and maintains a list of all persons who have access to inside information and who work for the company under a contract of employment, or otherwise perform tasks through which they have access to inside information. Marimekko has decided not to maintain a list of permanent insiders. Consequently, all persons having inside information are entered in a project-specific insider list established and maintained for all projects that involve inside information. The decision to establish a project-specific insider list is taken simultaneously with the decision to delay disclosure of inside information. Project-specific insider lists are not public. The company's insider administration is responsible for maintaining the insider lists. Persons entered in a project-specific insider list of Marimekko are not allowed to trade in the company's financial instruments during the term of the project.

Preparation of periodic disclosure (interim reports, half-year financial report, financial statements bulletin) or regular access to unpublished financial information is not regarded as an insider project, nor does the company resolve to delay disclosure of information in relation thereto. However, due to the sensitive nature of unpublished information on the company's financial results, the company maintains a list of persons who have authorized access to unpublished financial information and are covered by the prohibition of trading during a closed window period.

Marimekko applies a closed period of 30 days before the publishing of annual and interim results. During the closed period, the members of the Board of Directors and Management Group are prohibited from trading in Marimekko shares or other financial instruments linked to the company. The closed period also applies to persons participating in the preparation of interim reports and financial statements and to persons determined by the company to have, based on their position or access rights, regular access to unpublished financial information. Trading in the company's financial instruments is always prohibited when a person holds inside information.

The members of the Board of Directors and the Management Group of Marimekko are required to notify the company and the Finnish Financial Supervisory Authority of every transaction conducted on their own account relating to the financial instruments of Marimekko. The company publishes the information it has received in a stock exchange release promptly after receipt of the notification. Each manager shall identify the persons closely associated with them and notify the company in writing of the names of such persons and other required information. The respective obligations also apply to persons closely associated with the managers.

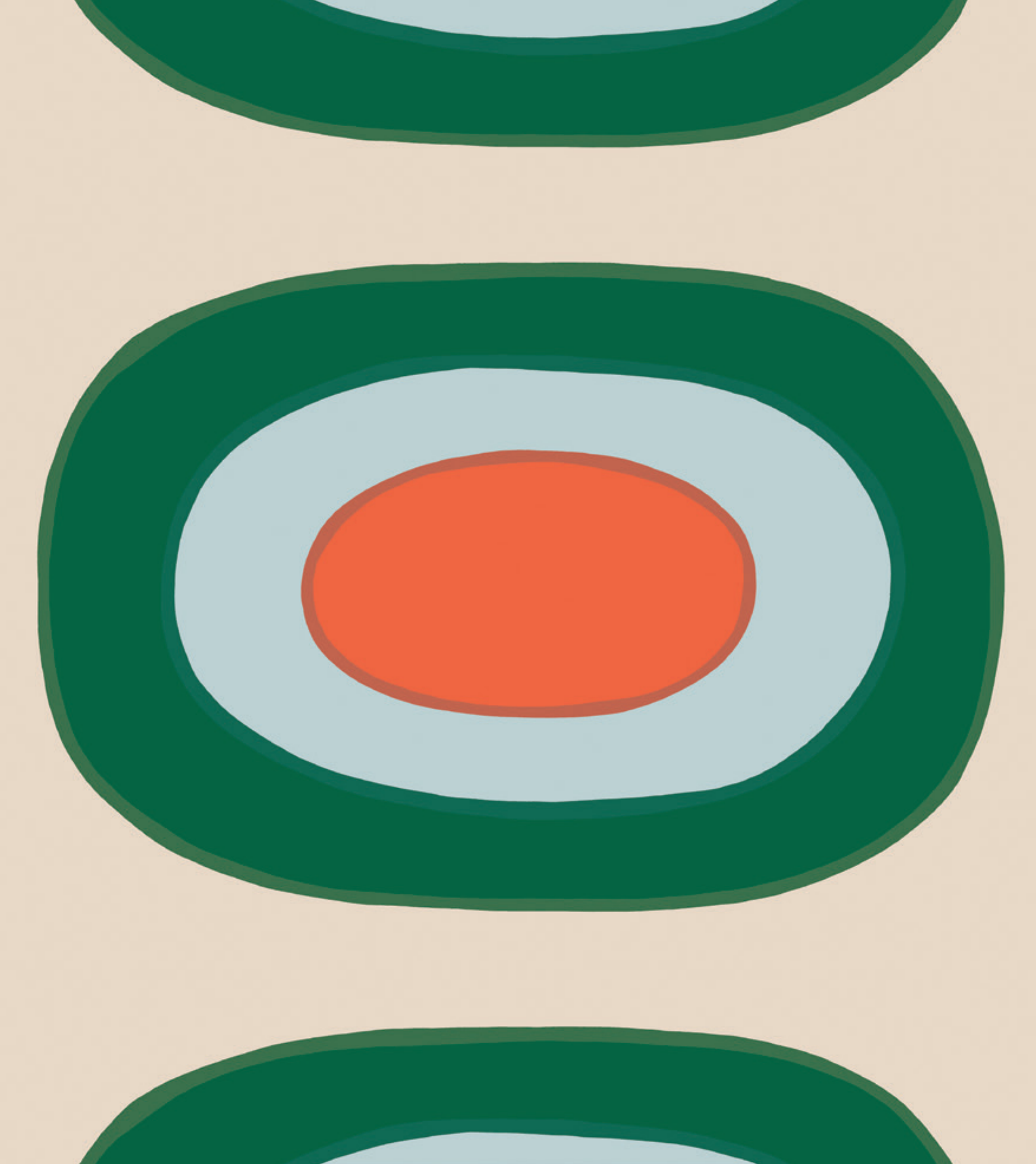
The General Counsel of the company is responsible for insider administration. Marimekko's employees and other stakeholders may report potential infringements of the insider policy or financial market regulation via Marimekko's whistleblowing channel.

Auditing

KPMG Oy Ab, Authorized Public Accountants, has acted as the company's auditor since 2018, with Heli Tuuri, Authorized Public Accountant, as the auditor with principal responsibility, since 12 April 2022. In 2023, the remuneration paid for audit services amounted to EUR 124 thousand. The remuneration paid to the auditor for non-audit services in 2023 totaled EUR 5 thousand.

Helsinki, 14 February 2024

Marimekko Corporation
Board of Directors



Remuneration report 2023

This remuneration report 2023 states how Marimekko has implemented its remuneration policy in the financial year 2023. The report includes information concerning remuneration of the Board of Directors and the President and CEO of Marimekko between 1 January 2023 and 31 December 2023. The remuneration report has been prepared in accordance with the Finnish Corporate Governance Code 2020 and applicable laws and regulations.

The remuneration report has been prepared for review by the company's Audit and Remuneration Committee, and the Board has approved it for submission to the General Meeting. The shareholders will make an advisory decision on the approval of the remuneration report at the 2024 Annual General Meeting.

INTRODUCTION

Overview of remuneration in the financial year 2023
Marimekko's remuneration policy is the basis for the remuneration of Marimekko's Board of Directors and the President and CEO. The aim of the policy is to promote the company's long-term financial performance and the success of the company, contribute to the favorable development of the shareholder value, and increase the commitment to the company. The remuneration policy is available on the company's website at https://company.marimekko.com/investors/management/corporate-governance/remuneration/. The remuneration policy will be applied until the 2024 Annual General Meeting. The company's Audit and Remuneration Committee has prepared updates to the remuneration policy adopted in 2020. The Board of Directors proposes to the 2024 Annual General Meeting that the Annual General Meeting adopt the updated remuneration policy.

In accordance with the remuneration policy, the company's remuneration practices support Marimekko's financial and strategy-based targets and goals as well as the sustainability strategy and the company values. The remuneration has established a strong link between the interests of the President and CEO and shareholders by tying a significant portion of the President and CEO's total earning opportunity to performance-based incentives derived from the company's financial targets and operational metrics. The President and CEO's earning opportunities are largely based on long-term incentive plans.

In the financial year 2023, the remuneration followed these principles of the remuneration policy. The company's decision-making regarding remuneration was compliant with the processes defined in the policy. There were no deviations from the policy, and the Board has not identified a need to apply clawback provisions to variable remuneration paid.

Development of Marimekko's financial performance and remuneration
In 2023, Marimekko's net sales grew by 5 percent and amounted to EUR 174,105 thousand (166,515). Net sales were boosted in particular by the growth of international wholesale sales. In addition, the good development in Finnish retail sales increased net sales. Net sales in Finland increased by 1 percent and international sales increased by 10 percent. Marimekko's omnichannel retail sales grew globally by 3 percent with nearly all market areas contributing to growth. Wholesale sales increased in the Asia-Pacific region, North America and Scandinavia and, in total, the Group's wholesale sales grew globally by 6 percent. In the EMEA region, actions to control gray exports weakened wholesale sales. Licensing income increased by 8 percent from the record-high level of the comparable year.

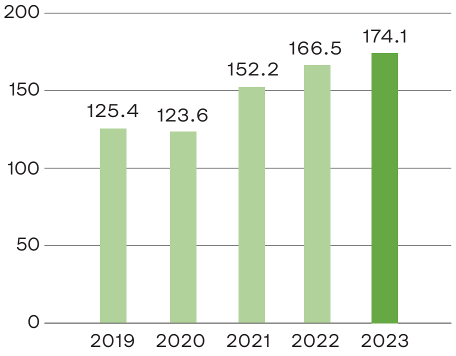
Marimekko's operating profit totaled EUR 31,400 thousand (30,236). Operating profit included EUR 631 thousand (146) from items affecting comparability. Comparable operating profit was EUR 32,031 thousand (30,382) equaling to 18.4 percent of net sales (18.2). Operating profit was improved especially by increased net sales. On the other hand, higher fixed costs decreased operating profit. Improved relative sales margin had a positive effect on the operating profit.

In 2023, Marimekko continued its determined work to scale up the company's profitable growth. Marimekko strengthened its position in the international markets, particularly in Asia and Scandinavia. During the year, 19 new Marimekko stores or shop-in-shops were opened, with 17 of them in Asia. In Copenhagen, a new flagship store was opened and the Stockholm flagship store was completely redesigned. Five of the stores were on markets, that were new to Marimekko: Singapore, Malaysia and Vietnam. Limited-edition brand collaboration collections with leading brands in their respective industries, such as with adidas and IKEA in 2023, also play an important role in increasing Marimekko's international brand awareness.

In accordance with Marimekko's remuneration policy, the remuneration of the President and CEO is largely based on performance, i.e., a significant part of the remuneration consists of short- and long-term incentives. As the targets of the short- and long-term incentives relate to the development of Marimekko's business operations, the company's financial performance is reflected in the development of the President and CEO's realized remuneration, particularly the short- and long-term incentives. The graphs below show Marimekko's financial performance and the realized remuneration of the President and CEO. The impact of the company's financial performance on the President and CEO's realized remuneration is seen with a delay, as the short- and long-term incentives of the President and CEO are shown by year of payment in the graph below. The short-term incentives paid in each financial year are based on performance in the previous financial year. The long-term incentives paid are based on a period of several years, and the payment schedule is defined at the start of the long-term incentive plan. The next long-term incentives will be paid in the autumn of 2025 and in the autumn of 2026, if the set targets are met.

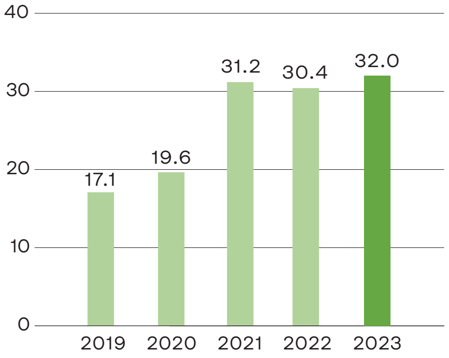
Net sales

EUR million



Comparable operating profit

EUR million

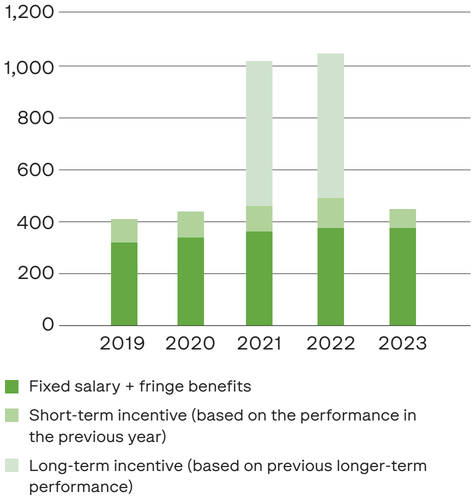


Share price trend 2019–2023

EUR

Remuneration of the President and CEO by element

EUR 1,000



Remuneration of the President and CEO

(EUR 1,000)	2019	2020	2021	2022	2023
Fixed annual salary + fringe benefits	321	341	364	378	378
Short-term incentive (based on the performance in the previous year)	92	101	100	115	74
Long-term incentive (based on previous longer-term performance)	-	-	552	552	-
Total remuneration	**413**	**443**	**1,016**	**1,045**	**453**
Change from the previous year, %					
Fixed annual salary + fringe benefits	10	6	6	4	0
Total remuneration	2	7	129	3	-57

Annual remuneration of Board members

	2019	2020	2021	2022	2023
Remuneration of Chair[1], 1,000 EUR	48	48	48	48	48
Change from the previous year, %	20	0	0	0	0
Remuneration of Vice Chair, 1,000 EUR	35	35	35	35	35
Change from the previous year, %	17	0	0	0	0
Remuneration of other members, 1,000 EUR	26	26	26	26	26
Change from the previous year, %	18	0	0	0	0

Average remuneration of employees

	2019	2020	2021	2022	2023
Change in average annual remuneration compared to the previous year, %	1.7	4.8	1.7	1.7	4.0

The change in an employee's average remuneration is based on the average of the remuneration of employees receiving monthly salaries and that of employees receiving hourly wages, taking account of the number of persons in these employee categories.

[1] In addition to the annual remuneration, Mika Ihamuotila has been paid a fee under a separate service agreement based on the Board of Directors Chair's half-time duty since 2019.

Fees paid or due to the Marimekko Board members in the financial year 2023

Board member	Position	Annual remuneration, EUR	Number of shares received as part of annual remuneration	Committee fees, EUR	Other fees, EUR	Total, EUR
Carol Chen	Member of the Board of Directors since 14 April 2021	26,000	1,118	-	-	26,000
Mika Ihamuotila	Member and Chair of the Board of Directors since 9 April 2015	48,000	-	-	53,040[1]	101,040
Mikko-Heikki Inkeroinen	Member of the Board of Directors since 9 April 2015, Member of the Audit and Remuneration Committee since 6 April 2017	26,000	1,118	5,000	-	31,000
Teemu Kangas-Kärki	Member and Vice Chair of the Board of Directors, Chair of the Audit and Remuneration Committee since 12 April 2022	35,000	1,505	10,000	-	45,000
Tomoki Takebayashi	Member of the Board of Directors since 14 April 2021	26,000	1,118	-	-	26,000
Marianne Vikkula	Member of the Board of Directors, Member of the Audit and Remuneration Committee since 12 April 2022	26,000	1,118	5,000	-	31,000

REMUNERATION OF THE BOARD IN 2023

Marimekko's Annual General Meeting of 13 April 2023 decided on the annual fees to be paid to the Board members as follows:

- Chair of the Board EUR 48,000
- Vice Chair of the Board EUR 35,000
- other members of the Board EUR 26,000.

Approximately 40 percent of the annual remuneration of the Board members is paid in Marimekko shares acquired from the market and the rest in cash. The cash portion is intended to cover the taxes and tax-like payments incurred by the member from the remuneration. The remuneration is paid entirely in cash if a Board member on the date of the Annual General Meeting, 13 April 2023, held the shares of company worth more than EUR 1,000,000.

In addition, the Annual General Meeting decided that no additional fee is paid to the Board members for participating in Board meetings. The Annual General Meeting decided on a separate fee to be paid for committee work as follows: EUR 2,000 per meeting to Chair and EUR 1,000 per meeting to members. No other financial benefits are paid for Board membership.

The remuneration to the Board members in 2023 was paid according to the decisions of the Annual General Meeting and totaled EUR 207,000. The Marimekko shares were acquired directly on behalf of the Board members within two weeks following the release of the interim report for the period 1 January to 31 March 2023. There are no specific rules or limitations for owning shares received as Board fees.

[1] Fee paid to Mika Ihamuotila for Board of Directors Chair's half-time duty pursuant to a separate service agreement.

In addition to the annual remuneration of the Chair of the Board of Directors decided by the Annual General Meeting, a monthly fee of EUR 4,400 has been paid to Mika Ihamuotila for the Board of Directors Chair’s half-time duty pursuant to a separate service agreement. No other fees besides the annual remuneration of the Chair of the Board and the monthly fee paid under a separate service agreement have been paid to Mika Ihamuotila. The pension benefits are determined by the Employees’ Pensions Act. The company’s Audit and Remuneration Committee considers and prepares matters related to the terms and conditions of the separate service agreement and to the remuneration.

REMUNERATION OF THE PRESIDENT AND CEO IN 2023

The total remuneration paid to the President and CEO in the financial year 2023 was EUR 452,555 (2022: 1,045,240). The amount includes the fixed annual salary (including fringe benefits) and the short-term incentive earned for the financial year 2022, which was paid in 2023. In the comparison year of 2022, the figure also included the reward for the second earnings period of the previous long-term incentive plan (1 April 2018–31 January 2022).

In 2023, Marimekko had short-term and long-term incentive systems in place for the President and CEO. The purpose of the short-term incentive plan is to promote the company’s strategy through the achievement of annual targets. The short-term performance criteria for the President and CEO in 2023 were based 50 percent on the development of the company’s net sales and 50 percent on the

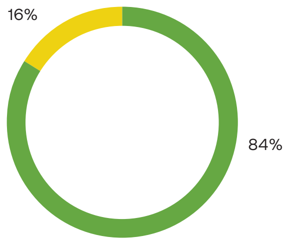
Long-term incentive plan in place for the financial years 2022–2026

Earnings period	Board decision date	Earnings criteria	Criteria outcome (out of maximum level)	Number of shares received in payment	Payment in cash, EUR	Payment date
1 Jan 2022–30 June 2025	15 Feb 2022	Total shareholder return incl. dividends	-	-	-	Estimated in early fall 2025
1 Jan 2023–30 June 2026	16 Feb 2023	Total shareholder return incl. dividends	-	-	-	Estimated by the end of September 2026

Remuneration paid to and earned by the President and CEO in 2023

Fixed annual salary (including fringe benefits)	The fixed salary earned and paid by the President and CEO in 2023 was EUR 378,240.
Short-term incentive	In 2022, the President and CEO was entitled to a short-term incentive plan on the basis of which the President and CEO was paid a short-term incentive of EUR 74,315 in 2023.
	In 2023, the President and CEO was entitled to a short-term incentive plan on the basis of which the President and CEO is paid a short-term incentive of EUR 49,714 in 2024.
Total remuneration paid and earned	The total remuneration paid in 2023 was EUR 452,555. The total remuneration earned in 2023 was EUR 427,954.[1]
Proportion of paid fixed remuneration to paid variable remuneration	The proportion of paid fixed remuneration was 84 percent, while the proportion of paid variable remuneration was 16 percent.

Structure of the remuneration paid to the President and CEO in 2023



Fixed salary + fringe benefits

Short-term incentive (based on the performance in the previous year)

[1] The amount paid includes the short-term incentive earned in 2022 and paid in 2023. The amount earned includes the short-term incentive earned in 2023, which is paid in 2024.

development of the company's comparable operating profit. The President and CEO's maximum incentive under the short-term incentive system corresponds to their fixed gross salary of four months. In the financial year 2023, the targets set by the Board were achieved at a rate of 41 percent, and the President and CEO's incentive earned during 2023 amounted to EUR 49,714. The incentive will be paid in spring 2024.

The purpose of the long-term incentive system is to align the interests of the management and shareholders and to encourage the management to work on a long-term basis to increase the shareholder value. During the financial year 2023, the long-term incentive plan for 2022–2026 was in place, with the first earnings period of 1 January 2022–30 June 2025 and the second earnings period of 1 January 2023–30 June 2026. The potential reward for the President and CEO from each earnings period is based on total shareholder return (TSR), i.e., the total yield on Marimekko Corporation's shares, including dividends, at the end of the period. The achievement of the required TSR levels will determine the proportion out of the maximum reward that will be paid to the President and CEO. The potential rewards are primarily planned to be paid half in company shares and half in cash after each earnings period. The cash part of the reward is intended to cover the taxes and tax-like payments incurred by the participant. Earning the reward requires that the President and CEO is still working for the company at the time of the payment. The reward amounts earned through the plan will be capped if the maximum limit set by the Board for the payable reward is reached. The shares received as part of the reward are subject to a two-year transfer restriction.

The Board of Directors of Marimekko has decided that if the targets set for the first earnings period of 1 January 2022–30 June 2025 are met in full, the rewards to be paid to the President and CEO correspond to the value of an approximate maximum total of 38,250 Marimekko shares including also the cash portion of the reward. The potential rewards from the first earnings period are estimated to be paid in early fall 2025.

The Board has also decided that if the targets set for the second earnings period of 1 January 2023–30 June 2026 are met in full, the rewards to be paid to the President and CEO correspond to the value of an approximate maximum total of 61,808 Marimekko shares including also the cash portion of the reward. The potential rewards from the second earnings period are estimated to be paid at the latest by the end of September 2026.

The President and CEO's remuneration is covered by the Finnish statutory pension scheme.

If the President and CEO resigns of their own accord, the term of notice is six months. If the company terminates the contract, the term of notice is six months, and the President and CEO is entitled to a severance payment corresponding to their fixed salary of six months, in addition to their fixed salary during the term of notice. The remuneration in case of termination is tied to a fixed-term non-compete obligation.

Prints used in the publication:

Cover: Iso Unikko, Maija Isola, 1964 / E.I. 2023
Page 3: Uni, Maija Isola, 1968
Page 12: Tiiliskivi, Armi Ratia, 1952
Page 65: Pieni Unikko 2, Maija Isola, 1964 / K.I. 2009
Page 87: Alku, Maija Louekari, 2017
Page 96: Melooni, Maija Isola, 1963

marimekko.com