



marimekko

Half-year Financial Report 1-6/2022

Marimekko Corporation, Half-year Financial Report, 17 August 2022 at 8.00 a.m.

Marimekko's net sales grew and result improved in the second quarter of 2022

The second quarter in brief

- ✦ Marimekko's net sales grew by 16 percent to EUR 38.0 million (32.7). Net sales were boosted in particular by increased retail sales in Finland but also internationally.
- ✦ Net sales in Finland rose by 25 percent; international sales were up by 5 percent. However, the rate of growth of international sales was negatively impacted by a different kind of weighting of wholesale deliveries compared to the previous year. For the full year 2022, we expect our international net sales to grow clearly.
- ✦ Operating profit improved to EUR 5.7 million (4.9). Comparable operating profit grew by 17 percent to EUR 5.7 million (4.9) and was 15.0 percent of net sales (14.9).
- ✦ Earnings were boosted especially by increased net sales. On the other hand, an increase in fixed costs had a weakening impact on result.

January-June in brief

- ✦ Net sales grew by 20 percent to EUR 74.0 million (61.8). Net sales in Finland grew by 26 percent; international sales were up by 13 percent.
- ✦ Net sales were boosted especially by a favorable trend in retail and wholesale sales in Finland but also by growing international sales.
- ✦ Operating profit improved and amounted to EUR 12.3 million (10.5). Comparable operating profit improved by 17 percent to EUR 12.3 (10.5) million and was 16.6 percent of net sales (17.0).
- ✦ Earnings were boosted especially by increased net sales. On the other hand, an increase in fixed costs had a weakening impact on result.

Financial guidance for 2022

The Marimekko Group's net sales for 2022 are expected to grow from the previous year (2021: EUR 152.2 million). Comparable operating profit margin is estimated to be approximately some 17–20 percent (2021: 20.5 percent). Global supply chain disruptions, generally increased material and logistics costs as well as the development of consumer confidence and purchasing power in particular cause volatility to the outlook for 2022.

Uncertainties related to the development of net sales and result are described in more detail in the Major risks and factors of uncertainty section of this Half-year Financial Report.

KEY FIGURES

(EUR million)	4-6/ 2022	4-6/ 2021	Change, %	1-6/ 2022	1-6/ 2021	Change, %	1-12/ 2021
Net sales	38.0	32.7	16	74.0	61.8	20	152.2
International sales	15.0	14.3	5	32.5	28.9	13	59.9
% of net sales	39	44		44	47		39
EBITDA *	8.1	7.8	4	17.3	16.5	5	43.1
Comparable EBITDA *	8.1	7.8	4	17.3	16.5	5	43.1
Operating profit *	5.7	4.9	17	12.3	10.5	17	31.2
Operating profit margin, % *	15.0	14.9		16.6	17.0		20.5
Comparable operating profit *	5.7	4.9	17	12.3	10.5	17	31.2
Comparable operating profit margin, % *	15.0	14.9		16.6	17.0		20.5
Result for the period *	4.8	3.6	31	9.8	8.1	22	24.4
Earnings per share, EUR *, **	0.12	0.09	31	0.24	0.20	22	0.60
Comparable earnings per share, EUR *, **	0.12	0.09	31	0.24	0.20	22	0.60
Cash flow from operating activities *	4.4	7.0	-36	1.4	8.4	-84	35.9
Return on investment (ROI), % *				42.3	30.5		33.0
Equity ratio, % *				44.6	48.3		53.3
Net debt / EBITDA (rolling 12 months)				0.29	-0.08		-0.64
Gross investments *	0.1	-0.3		0.3	0.1		0.2
Personnel at the end of the period				460	400	15	409
outside Finland				73	71	3	69
Brand sales ¹	101.8	74.7	36	190.1	142.1	34	375.6
outside Finland	72.2	49.9	45	134.0	96.7	39	247.6
proportion of international sales, %	71	67		70	68		66
Number of stores				149	154	-3	152

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. As a result of restatement, gross investments in the second quarter of 2021 were negative. Additional information is presented in the accounting principles of this Half-year Financial Report.

** Per-share key figures have been calculated and the figures for the comparison period 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.

The change percentages in the table were calculated on exact figures before the amounts were rounded to millions of euros. The figure for comparable earnings per share takes account of similar items as comparable operating profit; tax effect included.

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. At the beginning of 2021, the coefficients used to calculate brand sales were adjusted, and the figures for the comparison year have been restated accordingly. 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.

TIINA ALAHUHTA-KASKO

President and CEO

“Net sales grew in the second quarter both in Finland and internationally. Our result also improved clearly.

The positive development of Marimekko’s business continued in the second quarter. Our net sales increased by 16 percent to EUR 38.0 million (32.7), driven especially by the good development of retail sales in Finland but also internationally. In total, our omnichannel retail sales increased by 37 percent. In April–June, net sales increased by 25 percent in Finland and international sales grew by 5 percent. However, the rate of growth of international sales was negatively impacted by a different kind of weighting of wholesale deliveries compared to the previous year. For the full year 2022, we expect our international net sales to grow clearly.



In April–June, our result was boosted particularly by sales growth, and our comparable operating profit improved to EUR 5.7 million (4.9), representing 15.0 percent of net sales (14.9). During the period under review, we continued to invest in the building blocks for long-term international growth, which was reflected in higher marketing and personnel expenses, for example. In addition to our investments in growth, our costs in 2022 are being increased by the general rise in material and logistics costs as well as various global supply chain disruptions. Uncertainties in the operating environment and global economy, general cost inflation and rising interest rates may have negative impact on consumer purchasing power and behavior in some of our markets during the rest of the year. We are taking an active approach at Marimekko to reduce the negative impacts of supply chain disruptions and increased costs in various ways. We believe that the globally increasing interest in our brand, collections that appeal to an increasingly broad customer base and our continuously improving omnichannel customer experience, including various inspiring events online and at our stores, put us in an excellent position to increase our sales even in a more challenging market situation.

In January–June, our net sales increased by 20 percent and amounted to EUR 74.0 million (61.8). Our comparable operating profit for the first half of the year improved to EUR 12.3 million (10.5), representing 16.6 percent of net sales (17.0).

At the beginning of April, Marimekko and IKEA announced a brand collaboration inspired by Nordic sauna culture. The limited-edition collection, to be launched in March 2023 at most IKEA stores worldwide, will combine Marimekko’s art of printmaking with IKEA’s home furnishing knowledge. The announcement of the collaboration was enthusiastically received also at Milan Design Week. In addition, in June, we launched a collaboration collection with the modern luxury brand Mansur Gavriel. The playful summer collection combines Mansur Gavriel’s quality craftsmanship and most iconic bag styles with two bold Marimekko prints designed by Maija Isola and Annika Rimala in the 1960s. After the review period, in July, we again joined forces with adidas, a global leader in the sporting goods industry, to launch our fourth limited-edition global collaboration collection. Various brand collaborations are an important tool for further increasing Marimekko’s international brand awareness, which supports our growth strategy.

Our network of Marimekko stores was strengthened in the second quarter: two new Marimekko stores were opened in China Mainland in May, and one in Hong Kong in June. We believe that in an increasingly digital world, physical stores continue to play an important role for consumers as inspirational and experiential meeting places centering around personalized service. In Thailand, a Marimekko pop-up café was opened in June in conjunction with one of the stores in Bangkok. Creative retail concepts are an important part of the omnichannel customer experience: they provide an even more comprehensive Marimekko lifestyle experience, introduce our brand to new customers and increase customer loyalty.

In May, we organized our traditional fashion show in Esplanadi park in Helsinki, open to the public, after a two-year break caused by the coronavirus pandemic. We also extended the show to connected events around the city for the first time. The tradition, which began 30 years ago, demonstrates several of Marimekko's core values: a sense of community, equality and inclusion. Our values are also reflected in Marimekko being one of the main partners of Helsinki Pride 2022 and participating in related events in June. We are pleased to be able to promote values important to us and bring color and joy to our community in various ways.

After the review period, in August, we announced Marimekko Pre-loved, a marketplace for buying and selling second-hand and vintage products. The new online second-hand marketplace supports one of the three main principles of our sustainability strategy – timeless design brings joy for generations to come – and represents an important step in our ambitious efforts to continuously extend the lifespan of our products and contribute to promoting the circular economy.

The positive development of our business from one quarter to the next speaks to the effectiveness of our growth strategy. Our strong development is underpinned by our persistent long-term efforts, for which I want to extend my warmest thanks to everyone at Marimekko as well as our partners. We will continue to determinedly accelerate our long-term international growth while simultaneously working on the company's direction for the next strategy period, which will be discussed in more detail at Marimekko's Capital Markets Day on 14 September 2022. At the event, we will also provide more information on our review of Marimekko's long-term financial targets.”

Operating environment

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

The growth estimates for the world economy have declined over the summer and the world economy in 2022 is now estimated to grow at a rate of some three percent. The weakened outlook is due to, among other things, increased inflation, Russia's war against Ukraine, the decreasing confidence of households and the coronavirus pandemic situation in China, which is affecting the reliability of global production and logistics chains.

In July, the economic outlook for Finland turned towards recession and expectations for the future have darkened. In July, the confidence indicator for the retail trade strengthened slightly but is below the long-term average. Sales continued to grow slightly, but sales expectations for the coming months are somewhat decreasing. The July figures for consumer confidence decreased to an all-time low. Estimates of the current state of personal finances weakened and expectations for both personal finances and Finland's economy were very pessimistic. The expectations for inflation were at an all-time high, but the expectations for future development of inflation improved slightly.

(Confederation of Finnish Industries EK: Business Tendency Survey, July 2022; Confidence Indicators, July 2022. Statistics Finland: Consumer Confidence, July 2022).

The working-day-adjusted turnover of Finnish retail trade in June grew by 4.7 percent on the previous year. The volume of sales was down by 4.5 percent. The cumulative working-day-adjusted turnover of retail trade in the January-June period rose by 3.6 percent but the volume of sales decreased by 2.6 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, June 2022).

Net sales

Net sales in the second quarter

In the April-June period of 2022, the Group's net sales grew by 16 percent relative to the same period the year before and were EUR 37,981 thousand (32,695). Net sales were boosted in particular by increased retail sales in Finland but also internationally. Net sales in Finland rose by 25 percent; international sales were up by 5 percent. However, the rate of growth of international sales was negatively impacted by a different kind of weighting of wholesale deliveries compared to the previous year.

All of Marimekko's own stores were open in the second quarter, and the footfall in the stores continued to grow clearly from the comparison period, when some own stores were still temporarily closed due to the pandemic situation. In total, retail sales in the April-June period increased by 37 percent from the comparison period as both sales in stores and online developed strongly. Wholesale sales were on par with the same period the year before.

Net sales in Finland were EUR 22,995 thousand (18,361). Retail sales increased by 39 percent. Comparable retail sales grew by 36 percent. Wholesale sales in Finland were on par with the same period the year before.

In the company's second-biggest market, the Asia-Pacific region, net sales increased by 9 percent to EUR 6,818 thousand (6,255). Retail and wholesale sales in the entire region increased, but licensing income was lower than in the comparison period. A different kind of weighting of wholesale deliveries compared to the previous year as well as replenishment orders being negatively affected by the worsening of the coronavirus situation in the region

had a weakening impact on the growth of wholesale sales in some countries in the second quarter. The wholesale sales in the region grew by 3 percent, and in Japan, the most important country to Marimekko in this market area, by 4 percent. Retail sales in the Asia-Pacific Region increased by 74 percent, supported by successful nonrecurring events in Australia. In the comparison period, retail sales were impacted by the temporary closures of own stores in Australia due to the pandemic situation.

Net sales in the January-June period

The Group's net sales in January-June period of 2022 grew by 20 percent to EUR 74,025 thousand (61,797). Net sales were boosted especially by a favorable trend in retail and wholesale sales in Finland but also by growing international sales. Omnichannel retail sales in total grew by 31 percent. Wholesale sales during the first half of the year increased by 11 percent and licensing income by 17 percent. Net sales in Finland grew by 26 percent; international sales were up by 13 percent.

Net sales in Finland were EUR 41,493 thousand (32,895). Retail sales increased by 30 percent. Comparable retail sales grew by 28 percent. Wholesale sales in Finland increased by 20 percent.

In the Asia-Pacific region, net sales increased by 10 percent and were EUR 14,096 thousand (12,857). A different kind of weighting of wholesale deliveries compared to the previous year as well as replenishment orders being negatively affected by the worsening of the coronavirus situation in the region had a weakening impact on the growth of wholesale sales in some countries during the second quarter. The wholesale sales in the region grew by 4 percent. In Japan, the wholesale sales decreased by 2 percent as in the comparison year, a selection of custom-made anniversary products were sold to Japan during the first quarter in addition to the main collection. Retail sales in the Asia-Pacific Region increased by 57 percent.

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2022	4-6/ 2021	Change, %	1-6/ 2022	1-6/ 2021	Change, %	1-12/ 2021
Finland	22,995	18,361	25	41,493	32,895	26	92,299
International sales	14,986	14,333	5	32,532	28,902	13	59,927
Scandinavia	2,987	2,880	4	5,977	5,315	12	12,661
EMEA	3,165	2,955	7	8,628	7,044	22	12,895
North America	2,016	2,244	-10	3,831	3,687	4	8,397
Asia-Pacific	6,818	6,255	9	14,096	12,857	10	25,974
Total	37,981	32,695	16	74,025	61,797	20	152,227

All figures in the table have been individually rounded to thousands of euros, so there may be rounding differences in the totals. A more comprehensive table with breakdown into retail sales, wholesale sales and licensing income by market area can be found in the table section of this Half-year Financial Report.

Financial result

In the April-June period of 2022, the Group's operating profit grew clearly, reaching EUR 5,690 thousand (4,882). There were no items affecting comparability in the period under review, and comparable operating profit was also EUR 5,690 thousand (4,882). Earnings were boosted especially by increased net sales but also lower depreciation than in the comparison period. On the other hand, an increase in fixed costs had a weakening impact on earnings. Relative sales margin was on par with the same period the year before.

Fixed costs in the second quarter were increased particularly by higher marketing expenses and increased employee benefit expenses following new recruitments made to strengthen the building blocks of Marimekko's international growth as well as increased personnel costs in the stores. In the comparison period, there were still some temporary layoffs in the retail organization. In addition, investments in IT systems and digital development increased fixed costs. As a result of good margins per product, the relative sales margin was on par with the comparison period despite increased logistics costs, higher discounts and lower licensing income than in the comparison period. In addition, the higher share of retail sales of total net sales relative to the same period the year before partly supported relative sales margin.

In the January-June period of 2022, the Group's operating profit grew clearly and amounted to EUR 12,319 thousand (10,503). There were no items affecting comparability in the period under review, and comparable operating profit was also EUR 12,319 thousand (10,503). Earnings were boosted in particular by increased net sales but also lower depreciation than in the comparison period. On the other hand, an increase in fixed costs and lower relative sales margin had a weakening impact on earnings.

Fixed costs in the first six months were increased particularly by higher marketing expenses as well as by new recruitments made to strengthen the building blocks of Marimekko's international growth and increased personnel costs in the stores. In the comparison period, there were still some temporary layoffs in the retail organization. Investments in IT systems and digital development also increased fixed costs. The relative sales margin was weakened by increased logistics costs resulting from the general increase in transport costs as well as higher discounts than in the comparison period. In the January-June period, the discounts were increased by successful end-of-season sales as well as clearance sales at three stores following the expiration of leases. On the other hand, the relative sales margin was supported by good margins per product, a higher share of retail sales of total net sales relative to the same period the year before as well as increased licensing income.

Marketing expenses for the January-June period were EUR 4,219 thousand (2,850), or 6 percent of the Group's net sales (5).

The Group's depreciation amounted to EUR 4,937 thousand (5,967), representing 7 percent of net sales (10).

Operating profit margin in the January-June period of 2022 was 16.6 percent (17.0) and comparable operating profit margin was also 16.6 percent (17.0). In the second quarter of the year, operating profit margin was 15.0 percent (14.9) and comparable operating profit margin 15.0 percent (14.9)

Net financial expenses in the January-June period were EUR -172 thousand (460), or 0 percent of net sales (1). Financial items include exchange rate differences amounting to EUR 621 thousand (49), of which EUR 678 thousand (201) were unrealized. The impact of lease liabilities on interest expenses was EUR -315 thousand (-369).

Result for the period under review before taxes was EUR 12,491 thousand (10,044). Net result for the period was EUR 9,822 thousand (8,071) and earnings per share were EUR 0.24 (0.20). The calculation of earnings per share takes into account the new total number of Marimekko shares after the share issue without payment in accordance with the decision of the AGM on 12 April 2022. The figure for the comparative period has been adjusted accordingly.

Balance sheet

The consolidated balance sheet total as at 30 June 2022 was EUR 97,908 thousand (111,438). Equity attributable to the equity holders of the parent company was EUR 42,825 thousand (53,023), or EUR 1.05 per share (1.31). The calculation of equity per share takes into account the new total number of Marimekko shares after the share issue without payment in accordance with the decision of the AGM on 12 April 2022. The figure for the comparative period has been adjusted accordingly.

Non-current assets at the end of the review period stood at EUR 34,318 thousand (37,708). Lease liabilities amounted to EUR 30,075 thousand (32,475), and financial liabilities were EUR 1,887 thousand (1,247). In addition, the Group had unused committed credit lines of EUR 14,986 thousand (14,186).

At the end of the period, net working capital was EUR 21,070 thousand (12,251). Inventories were EUR 30,847 thousand (26,538).

Cash flow and financing

In the April-June period of 2022, cash flow from operating activities was EUR 4,447 thousand (6,986), or EUR 0.11 per share (0.17). Cash flow from operating activities was affected by a different timing of payment of accounts payable than in the comparison period. The calculation of cash flow per share takes into account the new total number of Marimekko shares following the issuance of shares without payment in accordance with the decision made by the AGM on 12 April 2022. The figures for the comparable period have been restated accordingly. Cash flow before cash flow from financing activities was EUR 4,292 thousand (6,978).

In the January-June period of 2022, cash flow from operating activities was EUR 1,368 thousand (8,444), or EUR 0.03 per share (0.21). Cash flow from operating activities was affected by timing: following the supply chain disruptions caused by the coronavirus pandemic, the company paid only during the first and the second quarter accounts payable, which at the turn of the year were on a higher-than-usual level. In addition, the payment schedule of income taxes differed from the comparison period and the taxes were higher. The current liabilities were also clearly lower than in the comparison period. Cash flow before cash flow from financing activities was EUR 1,101 thousand (7,668).

The Group's cash and cash equivalents at the end of period amounted to EUR 19,398 thousand (36,785). In particular, the payment of an extraordinary dividend decreased the Group's cash and cash equivalents. In total, dividends paid in the review period amounted to EUR 37,372 thousand (7,299). The amount of interest-bearing credit facilities drawn down was EUR 1,887 thousand (1,247). In addition, the Group had unused committed credit lines of EUR 14,986 thousand (14,186).

The Group's equity ratio at the end of the period was 44.6 percent (48.3). Gearing was 29.3 percent (-5.8). The ratio of net debt to 12-month rolling EBITDA was 0.29 (-0.08), i.e. well below the maximum of 2 which is the company's long-term goal.

Investments

The Group's gross investments in the January-June period of 2022 were EUR 264 thousand (73), or 0 percent of net sales (0). The investments were mainly devoted to production machinery and equipment as well as to store premises. Gross investments do not include new lease agreements included in balance sheet (IFRS 16) in the review or comparable period.

Store network

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. The Marimekko stores in Shanghai and Beijing were temporarily closed part of the quarter due to the coronavirus situation, but at the of June, all Marimekko stores around the world were open with normal business hours. During the review period, Marimekko closed one store in the United States due to the expiration of the lease. Also in South Korea, one store was closed. Two new stores were opened in China Mainland and one in Hong Kong. In addition, a store in South Korea started as a pop-up concept became permanent. In Thailand, a Marimekko pop-up café was opened. At the end of June, there were a total of 149 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 of certain central stores especially during holiday seasons.

E-commerce plays an important role in Marimekko's omnichannel retail. Online sales developed according to the plan in the second quarter of the year. The company's own and partner-operated Marimekko webstores reach customers in as many as 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 continues to report 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 even more, and the shift to digital sales channels among customers will influence Marimekko's distribution channel choices in the future.

STORES AND SHOP-IN-SHOPS

	30.6.2022	30.6.2021	31.12.2021
Finland	64	65	64
Scandinavia	7	8	8
EMEA	1	2	2
North America	2	5	4
Asia-Pacific	75	74	74
Total	149	154	152

A more comprehensive table with breakdown into the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops can be found in the table section of this Half-year Financial Report.

Personnel

In the January-June period of 2022, the number of employees, expressed as full-time equivalents, averaged 422 (403). At the end of the period, the Group had 460 (400) employees, of whom 73 (71) worked outside Finland. The number of employees at the end of the period increased from the comparison period as a result of recruiting seasonal workers, among others. The number of employees working outside Finland was broken down as follows: Scandinavia 34 (27), EMEA 1 (0), North America 12 (22) and the Asia-Pacific region 36 (22). The personnel at company-owned stores, expressed as full-time equivalents, totaled 217 (195) at the end of the period. In the comparison period, there were temporary layoffs in the retail organization related to the pandemic situation.

Changes in management

The following changes in the company's management took place during the period under review. On 2 May 2022, Marimekko informed that the Chief Sales Officer and member of the Marimekko Management Group Dan Trapp will resign from his role due to personal reasons in order to start up his own consultancy within sporting industry, based in Bordeaux, France. His last day at Marimekko was 2 August 2022.

Marimekko changed its sales leadership structure so that going forward, the company's sales leadership in the Management Group is divided into two geographical regions, Region West and Region East. On 13 June 2022, Noora Laurila was appointed Senior Vice President, Sales, Region West and a member of the Management Group of Marimekko. She will start in the position on 14 September 2022. The search for Senior Vice President, Sales, Region East is ongoing.

Resolutions of the Annual General Meeting

The resolutions of Marimekko Corporation's Annual General Meeting 2022 have been reported in the stock exchange release of 12 April 2022 and in the Interim Report of 13 May 2022.

Shares and shareholders

Share capital and number of shares

At the end of the period under review, 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. The numbers of shares grew after the AGM on 12 April 2022 decided, that in order to enhance the liquidity of the company's shares, new shares were issued to the shareholders without payment in proportion to their holdings so that four (4) new shares were issued for each share (so called split). The new shares were registered in the trade register on 14 April 2022 and the trading with the new shares began on 19 April 2022.

Shareholdings

According to the book-entry register, Marimekko had 30,843 shareholders (20,937) at the end of June 2022. Of the shares, 17.54 percent (14.48) were owned by nominee-registered or non-Finnish holders.

On 15 February 2022, the Board of Directors decided to transfer a total of 7,802 Marimekko shares held by the company as a part of the latter instalment of the long-term incentive system targeted at the Management Group. After the transfer, Marimekko held 5,558 of its own shares,

corresponding to some 0.07 percent of the total number of the company's shares. Following the issuance of shares without payment after the end of the period under review, Marimekko holds 27,790 of its own shares, corresponding to some 0.07 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.

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

Share trading and the company's market capitalization

In the January-June period of 2022, a total of 3,793,026 Marimekko shares (890,705) were traded on Nasdaq Helsinki, representing 18.63 percent (10.96) of the shares outstanding, taking into account the new total number of shares. The total value of the share turnover was EUR 105,199,526 (48,300,661). The lowest price of the share was EUR 10.92 (8.90), the highest was EUR 17.60 (14.76) and the average price was EUR 12.88 (10.82). At the end of June, the closing price of the share was EUR 12.34 (12.90).

The company's market capitalization on 30 June 2022 was EUR 501,267,829, excluding the Marimekko shares held by the company (619,069,831).

Authorizations

The Annual General Meeting on 14 April 2021 authorized the Board of Directors to decide on the payment of a maximum dividend of EUR 1.00 per share in one or several instalments at a later stage. On 15 February 2022, the Board made use of the authorization and decided that a dividend of EUR 1.00 per share be paid for 2020 in one instalment. The dividend record date was 17 February 2022, and the dividend payout date was 24 February 2022.

The AGM on 14 April 2021 authorized the Board to decide on the issuance of new shares and the transfer of the company's own shares in one or more instalments. Based on the authorization, the Board of Directors decided on 15 February 2022 to transfer 7,802 Marimekko shares held by the company as a part of the latter instalment of the long-term bonus system targeted at the Management Group. The authorization ended on 12 April 2022.

The AGM on 12 April 2022 authorized the Board of Directors to decide on the acquisition of a maximum of 150,000 of the company's own shares, in one or more instalments. The number of shares takes into account the effects of the share issue without payment as decided by the AGM. The maximum number of shares represents approximately 0.4 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 compensation program, to be transferred for other purposes or to be canceled. 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 the period under review. The authorization is valid until 12 October 2023.

Furthermore, the AGM on 12 April 2022 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 treasury shares. The number of shares takes into

account the effects of the share issue without payment as decided by the AGM. 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 compensation plan, 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 in the period under review. The authorization is valid until 12 October 2023.

At the end of the review period, the Board of Directors had no valid authorizations to issue convertible bonds or bonds with warrants.

Major risks and factors of uncertainty

Factors of uncertainty over the global economic trend affect the retail trade and consumer confidence in all of the company's market areas. The coronavirus pandemic has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades. The development of the pandemic situation in different markets and related restrictions, in particular in China, Russia's war against Ukraine, various political tensions, and further increased inflation following these factors impact the global economic trend as well as consumers' purchasing power and behavior. These factors can have significant impacts on Marimekko's sales, profitability, cash flow, the operational reliability and efficiency of the company's value chain.

Changes in consumer behavior and buying power, especially in Finland and Japan, which are the company's biggest single countries for business, pose considerable strategic risks to the company. Other strategic risks include risks related to changes in the company's design, product assortment and product distribution and pricing. Increased inflation continues to increase pressure to raise prices while the uncertainties in the global economy and the operating environment negatively affect consumers' purchasing power and behavior. Digitization in retail trade has gathered pace in the past few years and has accelerated further as a result of the coronavirus pandemic, which can have an impact on the company's distribution channel solutions and choices, sales and profitability, as well as create new revenue generation models. The importance of omnichannel business in the retail trade has been emphasized. International e-commerce has increased the options available to consumers and the significance of big e-commerce operators. The coronavirus pandemic has also intensified the financial difficulties of many traditional wholesale customers in the fashion sector, such as department stores and multi-brand retailers, which may have an impact on Marimekko's business and distribution channel choices. Maintaining competitiveness in a rapidly changing operating environment being revolutionized by digitization demands agility, efficiency, flexibility and the constant re-evaluation of operations. The company's ability to design, develop and commercialize new products that meet consumers' expectations while ensuring effective, quickly reacting and sustainable production, sourcing and logistics also has an impact on the company's sales and profitability. In addition, Russia's war against Ukraine and various political tensions affect consumers' purchasing behavior as well as supply or logistics chains and consequently can impact the company's sales and profitability.

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 it plays an important role in the company's growth and internationalization. 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 have increased, which may have an impact on the company's sales and profitability. Internationalization also increases the applicable regulation for company's operations in different markets.

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 value and reputation of the company. 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.

Prominent among the company's operational risks are those related to internationalization, digitization, sustainability as well as the supply and logistics chain. 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 also be significant. The coronavirus pandemic has increased operational risks related especially to taking care of the health and safety of customers and employees, securing sufficient workforce in cases of sickness caused by the pandemic, risks related to production, supply and logistics chain reliability and efficiency, inventory and product flow management as well as cybersecurity and information system reliability. The pandemic situation and related restrictions for example in China cause supply chain disruptions, resulting in delivery delays. Delays like these can, through the availability of products, impact net sales and profitability. Early commitment to product orders from subcontractors, which is typical of the industry and has been further accentuated in the pandemic situation, weakens the company's possibilities to optimize product orders and respond to rapid changes in demand especially in exceptional situations as well as increases risks related to inventory.

There are risks associated with information system reliability, dependability and compatibility. With digitization, internationalization and Russia's war against Ukraine, 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, may disrupt business or result in lost sales. Data leakage can lead to claims for damages and reputation risks.

Operational risks related to Marimekko's supply chain are associated especially with production, procurement and logistics processes and their flexibility and efficiency, price fluctuations for raw materials and procurements as well as the availability and price of logistics. The pandemic situation and related restrictions, such as those in China, and the war against Ukraine cause even significant disruptions in production and logistics chains which may negatively impact company's sales and profitability. In addition, it is of utmost importance to safeguard the operational reliability of the company's own printing factory in all circumstances. The continued overall increased prices of raw materials and other factors of production as well as for logistics also impact Marimekko. The price of Marimekko's single most important raw

material, cotton, has in 2022 been at historically high levels. Early commitment to product orders from subcontractors, which is typical of the industry, means that changes in material costs affect the company with a delay. Marimekko is actively working on mitigating the negative effects of disruptions in production and logistics chains and increased costs. As product distribution is expanded and operations are diversified, risks associated with inventory management also grow. Substantial nonrecurring 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 nonrecurring promotions.

Enhancing sustainability is increasingly important for competitiveness in the industry, which can have an impact on the company's sales and profitability, as versatile investments are required for the enhancement. The company primarily uses subcontractors to manufacture its products. Of the sustainability elements of manufacturing, especially social aspects related to the supply chain (including human rights, working conditions and remuneration) and environmental aspects (for example, production methods as well as raw materials and chemicals used) as well as transparent communications on these subjects are of growing significance to customers. These sustainability elements apply to Marimekko's own production and sourcing as well as licensed products. Compliance with sustainable business methods and legislation is important in maintaining customers' confidence; any failures or errors in this area will involve reputation risks and risks for financial liability. Business and reputation risks and potential claims for damages are prevented by taking care of product safety as well as through continuous quality control and sustainability work.

Climate change is expected to bring an increase in various extreme phenomena such as floods, forest and bush fires, typhoons and hurricanes. Marimekko has stores in areas in which such extreme phenomena may occur, and if they damage stores or cause momentary changes in consumers' purchasing behavior, it may result in lost sales as well as expenses. Extreme phenomena may also affect the availability of products if they cause damage to the company's suppliers' factories or hamper the logistics chains. Furthermore, climate change or extreme weather may cause droughts, soil depletion or other changes in growth conditions, which could impact the availability and price of Marimekko's most used raw material, cotton.

Among the company's financial risks, those related to the structure of sales, price trends for factors of production, changes in cost structure, changes in exchange rates (particularly the US dollar), taxation, and customers' liquidity may have an impact on the company's financial status. The US dollar has strengthened significantly, which affects company's dollar-denominated items.

Market outlook and growth targets for 2022

The coronavirus pandemic has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades, and it will impact the sector in 2022 as well. The development of the pandemic situation in different markets, Russia's war against Ukraine, political tensions, increased inflation and raising interest rates impact the global economic trend as well as the development of consumers' purchasing behavior and, as a result, can have an impact on Marimekko's business. The fall in consumer confidence in some of Marimekko's market areas can affect the business negatively in particular during the second half of the year. Russia's war against Ukraine does not directly affect Marimekko's business as Marimekko's products are not manufactured or sold in Russia, Belarus or Ukraine and the company does not source raw materials from these countries. However, Russia's war against Ukraine causes disturbances in global supply chains and contributes to the general economic situation and

consumers' buying power and behavior. These factors may affect company's sales and profitability as well as operational reliability and efficiency of the company's value chain.

Finland, Marimekko's important domestic market, traditionally represents about half of the company's net sales. Sales in Finland are expected to grow on the previous year. The total value of nonrecurring promotional deliveries in wholesale in 2022 is estimated to be substantially lower than the year before.

The Asia-Pacific region is Marimekko's second-largest market and it plays a significant part in the company's international growth. Japan is clearly the most important country in this region to Marimekko and already has a very comprehensive network of Marimekko stores. The other Asian countries' combined share of the company's net sales is still smaller than in Japan, but operations in these countries are constantly growing. All brick-and-mortar Marimekko stores and most online stores in Asia are partner-owned. Net sales in the Asia-Pacific region are expected to increase clearly in 2022, as are total international sales, though the accrual of the sales will be weighted differently between quarters than in the comparison year. The aim is to open approximately 5 to 10 new Marimekko stores and shop-in-shops in 2022, and most of the planned openings will be in Asia.

Marimekko estimates that both retail and wholesale sales will increase in 2022. Licensing income is also forecasted to be higher than in the previous year. Marimekko will continue actions to control gray exports, but these actions will have a significantly lower weakening impact on the company's sales and earnings in 2022 than in the previous year. Because of the seasonal nature of Marimekko's business, the major portion of the company's euro-denominated net sales and earnings are traditionally generated during the second half of the year. In percentage terms, net sales growth is expected to be stronger at the beginning of 2022 than in the second half of the year. In 2021, the pandemic situation had a negative impact on the footfall in Marimekko's own stores at the beginning of the year and the net sales in the second half of the year were supported, for example, by substantial nonrecurring promotional deliveries in wholesale in Finland.

The coronavirus pandemic, related restrictions and Russia's war against Ukraine cause disruptions in global supply chains. These disruptions have resulted in delivery delays, and thus can impact Marimekko's net sales and profitability. In addition, disruptions in supply chains increase logistics costs, which have also grown overall worldwide. Net sales and earnings essentially depend on maintaining the operational reliability and efficiency of distribution centers and logistics in the exceptional situation. Costs of raw and other materials have increased globally. Early commitment to product orders, which is typical of the fashion and design industry, means that changes in raw and other material prices affect the company with a delay. In addition, the early commitment to product orders, further emphasized in the pandemic situation, undermines the company's ability to optimize product orders and respond to rapid fluctuations in demand, especially in exceptional situations, as well as increases risks related to inventory. Marimekko is actively working both on mitigating the negative effects of disruptions in supply chains and increased costs as well as to secure sales development also in a weaker general economic situation.

Marimekko continues to accelerate its long-term international growth. In 2022, it will invest especially in increasing brand awareness, in digital and omnichannel business, in developing sustainability, in recruitments supporting its growth as well as in IT systems. Fixed costs are expected to be up on the previous year. In 2021, fixed costs were still reduced by partly temporary cost savings. Marketing expenses are expected to grow (2021: EUR 7.5 million).

Marimekko is closely monitoring the impacts of Russia's war against Ukraine and the coronavirus pandemic as well as the development of the general economic situation, consumer confidence and purchasing power and will adjust its operations and plans according to the circumstances.

Financial guidance for 2022

The Marimekko Group's net sales for 2022 are expected to grow from the previous year (2021: EUR 152.2 million). Comparable operating profit margin is estimated to be approximately some 17–20 percent (2021: 20.5 percent). Global supply chain disruptions, generally increased material and logistics costs as well as the development of consumer confidence and purchasing power in particular cause volatility to the outlook for 2022.

Uncertainties related to the development of net sales and result are described in more detail in the Major risks and factors of uncertainty section of this Half-year Financial Report.

Financial calendar for 2022

The interim report for January-September will be issued on Wednesday, 2 November 2022 at 8.00 a.m.

Marimekko will organize a Capital Markets Day on Wednesday, 14 September 2022 from 13.00 until approximately 16.30 EEST. More information about the CMD can be found on the company website at <https://company.marimekko.com/en/investors/capital-markets-day/>

Helsinki, 16 August 2022

Marimekko Corporation
Board of Directors

The quarterly results for 2022 are unaudited. The full-year 2021 figures are based on the audited financial statements for 2021. There may be differences in totals due to rounding to the nearest thousand euros.

Accounting principles

This interim report was prepared in compliance with IAS 34. Marimekko has applied the same accounting principles in this report as were applied in its 2021 financial statements.

IFRS Interpretations Committee published in April 2021 their final agenda decision on the accounting of configuration and customization costs in a cloud computing arrangement (IAS 38 Intangible Assets). Based on the agenda decision, Marimekko changed in connection with its financial statement for 2021 its accounting principle related to costs in cloud computing arrangements. The change was done retroactively both for 2021 and 2020. This change in accounting principle increased Marimekko's fixed costs and correspondingly lowered gross investments and depreciation. The amount booked for financial year 2021, a total of EUR 1 million, has been retroactively booked to quarters as presented below. The effects of the change are presented in more detail in the accounting principles for financial statements in 2021.

IMPACT OF THE ADJUSTMENT BY QUARTER

(EUR 1,000)	10-12/ 2021	7-9/ 2021	4-6/ 2021	1-3/ 2021	2021
Other operating expenses	-369	-206	-678	-36	-1,289
Depreciation and impairments	86	79	59	33	257
Impact on operating profit for the review period	-283	-127	-619	-3	-1,031
Taxes	57	25	124	1	206
Impact on result for the review period	-226	-102	-495	-2	-825

Furthermore, 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. Leases that only involved a rent exemption were treated as negative variable rents in the income statement.

Appendices

Consolidated income statement and comprehensive consolidated income statement

Consolidated balance sheet

Consolidated cash flow statement

Consolidated statement of changes in shareholders' equity

Intangible and tangible assets

Key figures

Net sales by market area

Net sales by product line

Quarterly trend in net sales and earnings

Stores and shop-in-shops

Formulas for key figures

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
NET SALES	37,981	32,695	74,025	61,797	152,227
Other operating income	25	15	48	34	148
Changes in inventories of finished goods and work in progress	4,047	2,571	4,739	4,131	3,151
Raw materials and consumables	-18,261	-14,923	-32,307	-26,760	-61,484
Employee benefit expenses	-7,495	-6,857	-14,636	-13,439	-28,239
Depreciation and impairment *	-2,449	-2,961	-4,937	-5,967	-11,874
Other operating expenses *	-8,158	-5,656	-14,612	-9,292	-22,680
OPERATING PROFIT *	5,690	4,882	12,319	10,503	31,249
Financial income	781	-40	1,092	231	851
Financial expenses	-499	-306	-920	-691	-1,403
	282	-346	172	-460	-552
RESULT BEFORE TAXES *	5,973	4,536	12,491	10,044	30,697
Income taxes *	-1,195	-892	-2,669	-1,973	-6,289
NET RESULT FOR THE PERIOD *	4,778	3,644	9,822	8,071	24,408
Distribution of net result to equity holders of the parent company	4,778	3,644	9,822	8,071	24,408
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR *, **	0.12	0.09	0.24	0.20	0.60

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

** Per-share key figures have been calculated and the figures for the comparable period 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.

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
NET RESULT FOR THE PERIOD *	4,778	3,644	9,822	8,071	24,408

Items that could be reclassified to profit or loss at a future point in time

Change in translation difference	-52	29	-119	-72	-108
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COMPREHENSIVE RESULT FOR THE PERIOD *	4,725	3,674	9,703	7,999	24,300
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Distribution of the result to equity holders of the parent company	4,725	3,674	9,703	7,999	24,300
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* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.6.2022	30.6.2021	31.12.2021
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ASSETS**NON-CURRENT ASSETS**

Intangible assets *	384	568	487
Tangible assets	32,777	35,833	33,187
Other financial assets	549	16	533
Deferred tax assets *	608	1,292	942
	34,318	37,708	35,149

CURRENT ASSETS

Inventories	30,847	26,538	25,983
Trade and other receivables	13,153	10,406	12,029
Current tax assets	192	-	-
Cash and cash equivalents	19,398	36,785	59,726
	63,590	73,730	97,738

ASSETS, TOTAL *	97,908	111,438	132,887
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* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.6.2022	30.6.2021	31.12.2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	8,040	8,040	8,040
Reserve for invested non-restricted equity	1,228	1,228	1,228
Treasury shares	-87	-315	-210
Translation differences	-200	-46	-81
Retained earnings *	33,844	44,115	60,856
Shareholders' equity, total *	42,825	53,023	69,833
NON-CURRENT LIABILITIES			
Lease liabilities	22,662	23,092	21,976
	22,662	23,092	21,976
CURRENT LIABILITIES			
Trade and other payables	23,122	24,345	28,272
Current tax liabilities	-	348	2,505
Lease liabilities	7,413	9,383	8,503
Financial liabilities	1,887	1,247	1,798
	32,421	35,323	41,078
Liabilities, total	55,083	58,415	63,055
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL *	97,908	111,438	132,887

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-6/2022	1-6/2021	1-12/2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period *	9,822	8,071	24,408
Adjustments			
Depreciation and impairments *	4,937	5,967	11,874
Financial income and expenses	-172	460	552
Taxes *	2,669	1,973	6,289
Share-based payments	660	-	509
Cash flow before change in working capital	17,916	16,471	43,631
Change in working capital			
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-1,237	-2,300	-4,152
Increase (-) / decrease (+) in inventories	-4,811	-4,072	-3,477
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-4,960	1,468	5,404
Cash flow from operating activities before financial items and taxes	6,909	11,566	41,407
Paid interest and payments on other financial expenses			
Interest received and payments on other financial income	62	9	31
Taxes paid	-5,013	-2,468	-4,265
CASH FLOW FROM OPERATING ACTIVITIES	1,368	8,444	35,902

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-6/2022	1-6/2021	1-12/2021
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets *	-267	-776	-910
CASH FLOW FROM INVESTING ACTIVITIES	-267	-776	-910
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	654	481	932
Short-term loans repaid	-625	-	-
Payments of lease liabilities	-4,563	-5,209	-10,247
Dividends paid	-37,372	-7,299	-7,299
CASH FLOW FROM FINANCING ACTIVITIES	-41,907	-12,026	-16,613
Change in cash and cash equivalents	-40,806	-4,359	18,378
Cash and cash equivalents at the beginning of the period	59,726	41,045	41,045
Effects of exchange rate fluctuations	477	99	303
Cash and cash equivalents at the end of the period	19,398	36,785	59,726

In addition, Marimekko has unused committed credit lines of EUR 14,986 thousand (14,186).

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)	Equity attributable to equity holders of the parent company					
	Share capital	Reserve for invested non-restricted equity	Treasury shares	Translation differences	Retained earnings	Shareholders' equity, total
Shareholders' equity, 1 Jan. 2021 *	8,040	1,228	-315	26	43,343	52,323
Comprehensive result						
Net result for the period *					8,071	8,071
Translation differences				-72		-72
Total comprehensive result for the period *				-72	8,071	7,999
Transactions with owners						
Dividends paid					-7,299	-7,299
Shareholders' equity, 30 June 2021 *	8,040	1,228	-315	-46	44,115	53,023
Shareholders' equity, 1 Jan. 2022	8,040	1,228	-210	-81	60,856	69,833
Comprehensive result						
Net result for the period					9,822	9,822
Translation differences				-119		-119
Total comprehensive result for the period				-119	9,822	9,703
Transactions with owners						
Dividends paid					-37,372	-37,372
Share-based payments			123		538	660
Shareholders' equity, 30 June 2022	8,040	1,228	-87	-200	33,844	42,825

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

INTANGIBLE AND TANGIBLE ASSETS

(EUR 1,000)	Intangible assets		Tangible assets	
		Right-of-use assets	Other	Total
Acquisition cost, 1 Jan. 2021	10,586	58,129	29,120	87,249
Change in accounting principle *	-713	-	-	-
Translation differences	-12	207	134	341
Increases	780	451	7	458
Transfers between categories	160	-	-160	-160
Acquisition cost, 30 June 2021 *	10,800	58,788	29,100	87,888
Accumulated depreciation, 1 Jan. 2021	10,082	21,562	24,418	45,981
Translation differences	-12	139	132	271
Depreciation during the period *	163	5,335	469	5,804
Accumulated depreciation, 30 June 2021 *	10,233	27,036	25,020	52,055
Book value, 30 June 2021 *	568	31,752	4,081	35,833
Acquisition cost, 1 Jan. 2022	10,546	62,142	29,360	91,501
Translation differences	-63	629	383	1,013
Increases	213	4,112	230	4,342
Decreases	-1,436	-	-824	-824
Transfers between categories	-176	-	-	-
Acquisition cost, 30 June 2022	9,085	66,883	29,149	96,032
Accumulated depreciation, 1 Jan. 2022	10,060	32,664	25,650	58,314
Translation differences	-63	584	384	968
Accumulated depreciation of decreases	-1,436	-	-824	-824
Depreciation during the period	140	4,438	359	4,797
Accumulated depreciation, 30 June 2022	8,701	37,687	25,568	63,255
Book value, 30 June 2022	384	29,196	3,581	32,777

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

KEY FIGURES

	1-6/2022	1-6/2021	Change, %	1-12/2021
Earnings per share, EUR *, **	0.24	0.20	22	0.60
Equity per share, EUR *, **	1.05	1.31	-19	1.72
Return on equity (ROE), % *	54.6	41.3		40.0
Return on investment (ROI), % *	42.3	30.5		33.0
Equity ratio, % *	44.6	48.3		53.3
Gearing, % *	29.3	-5.8		-39.3
Gross investments, EUR 1,000 *	264	73		207
Gross investments, % of net sales *	0.4	0.1		0.1
Contingent liabilities, EUR 1,000	876	615	42	834
Average personnel	422	403	5	401
Personnel at the end of the period	460	400	15	409
Number of shares outstanding at the end of the period **	40,621,380	40,549,170		40,582,370
Average number of shares outstanding **	40,640,223	40,549,170		40,554,370

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

** Per-share key figures have been calculated and the figures for the comparable period 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.

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2022	4-6/ 2021	Change, %	1-6/ 2022	1-6/ 2021	Change, %	1-12/ 2021
Finland	22,995	18,361	25	41,493	32,895	26	92,299
Retail sales	16,551	11,949	39	26,660	20,528	30	53,547
Wholesale sales	6,397	6,383	0	14,753	12,296	20	38,547
Licensing income	47	29	64	80	71	14	205
Scandinavia	2,987	2,880	4	5,977	5,315	12	12,661
Retail sales	918	722	27	1,906	1,379	38	3,785
Wholesale sales	2,069	2,158	-4	4,070	3,936	3	8,651
Licensing income	-	-	-	-	-	-	225
EMEA	3,165	2,955	7	8,628	7,044	22	12,895
Retail sales	492	386	28	1,117	828	35	1,906
Wholesale sales	2,612	2,502	4	6,082	5,183	17	9,764
Licensing income	60	67	-9	1,429	1,033	38	1,225
North America	2,016	2,244	-10	3,831	3,687	4	8,397
Retail sales	1,204	1,133	6	2,391	2,156	11	5,583
Wholesale sales	714	1,019	-30	1,169	1,331	-12	2,444
Licensing income	98	93	6	271	199	36	371
Asia-Pacific	6,818	6,255	9	14,096	12,857	10	25,974
Retail sales	1,594	918	74	2,869	1,824	57	4,207
Wholesale sales	5,183	5,014	3	11,069	10,678	4	21,305
Licensing income	41	324	-87	158	355	-55	462
International sales, total	14,986	14,333	5	32,532	28,902	13	59,927
Retail sales	4,209	3,158	33	8,284	6,187	34	15,481
Wholesale sales	10,578	10,693	-1	22,391	21,128	6	42,164
Licensing income	200	483	-59	1,858	1,587	17	2,283
Total	37,981	32,695	16	74,025	61,797	20	152,227
Retail sales	20,760	15,108	37	34,943	26,716	31	69,027
Wholesale sales	16,974	17,075	-1	37,144	33,424	11	80,711
Licensing income	247	512	-52	1,938	1,658	17	2,488

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

NET SALES BY PRODUCT LINE

(EUR 1,000)	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Fashion	12,038	11,324	6	24,153	21,059	15	43,848
Home	16,930	15,262	11	32,295	27,784	16	78,677
Bags and accessories	9,013	6,109	48	17,576	12,954	36	29,702
Total	37,981	32,695	16	74,025	61,797	20	152,227

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	4-6/2022	1-3/2022	10-12/2021	7-9/2021
Net sales	37,981	36,044	48,066	42,363
Operating profit *	5,690	6,629	7,618	13,127
Earnings per share, EUR *, **	0.12	0.12	0.14	0.26

(EUR 1,000)	4-6/2021	1-3/2021	10-12/2020	7-9/2020
Net sales	32,695	29,103	37,358	38,011
Operating profit *	4,882	5,622	4,816	10,399
Earnings per share, EUR *, **	0.09	0.11	0.08	0.19

* The quarterly figures for comparison period have been restated as the accounting principle changed in 2021 following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Half-year Financial Report.

** Per-share key figures have been calculated and the figures for the comparable period 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.

STORES AND SHOP-IN-SHOPS

	30.6.2022	30.6.2021	31.12.2021
Finland	64	65	64
Company-owned stores	25	25	25
Company-owned outlet stores	12	12	12
Retailer-owned stores	12	13	12
Retailer-owned shop-in-shops	15	15	15
Scandinavia	7	8	8
Company-owned stores	4	5	5
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
EMEA	1	2	2
Company-owned stores	-	-	-
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	1	2	2
North America	2	5	4
Company-owned stores	-	3	2
Company-owned outlet stores	1	1	1
Retailer-owned stores	1	1	1
Retailer-owned shop-in-shops	-	-	-
Asia-Pacific	75	74	74
Company-owned stores	4	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	60	59	59
Retailer-owned shop-in-shops	11	11	11
Total	149	154	152
Company-owned stores	33	37	36
Company-owned outlet stores	13	13	13
Retailer-owned stores	73	73	72
Retailer-owned shop-in-shops	30	31	31

Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 46 at the end of June 2022 (50).

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, 30 June

Return on equity (ROE), %:

Rolling 12 months (Profit before taxes - income taxes) x 100 / Shareholders' equity (average)

Return on investment (ROI), %:

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