



**marimekko**

Interim Report

1-9/2022

Marimekko Corporation, Interim Report, 2 November 2022 at 8.00 a.m.

Marimekko's net sales in the third quarter continued to grow from the strong comparison period and operating profit margin was at an excellent level

#### The third quarter in brief

- ✦ Marimekko's net sales grew by 4 percent to EUR 44.1 million (42.4). Net sales were boosted in particular by increased international sales but also retail sales in Finland. On the other hand, net sales were weakened by wholesale sales in Finland, which decreased as a result of significantly lower non-recurring promotional deliveries than in the same period the year before.
- ✦ Net sales in Finland decreased by 7 percent as wholesale sales in Finland in the comparison period were strengthened by substantially higher non-recurring promotional deliveries than before. International sales were up by 28 percent with especially wholesale and retail sales in the Asia-Pacific region developing strongly. International sales were partly increased by a different kind of weighting of wholesale deliveries compared to the previous year.
- ✦ Operating profit was EUR 11.1 million (13.1). Comparable operating profit also totaled EUR 11.1 million (13.1) and was 25.2 percent of net sales (31.0).
- ✦ Earnings were weakened especially by an increase in fixed costs but also lower relative sales margin resulting mostly from growing logistics costs. On the other hand, increased net sales in particular supported earnings.

#### January-September in brief

- ✦ Net sales grew by 13 percent to EUR 118.1 million (104.2). Net sales were boosted by a favorable trend in retail sales in Finland and growing international sales.
- ✦ Net sales in Finland grew by 11 percent; international sales were up by 17 percent. International sales were partly increased by a different kind of weighting of wholesale deliveries in the third quarter than in the same period the year before.
- ✦ Operating profit was EUR 23.4 million (23.6). Comparable operating profit totaled EUR 23.4 (23.6) million and was 19.8 percent of net sales (22.7).
- ✦ Earnings were mainly weakened by an increase in fixed costs. On the other hand, increased net sales in particular supported earnings.

**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 Interim Report.

## KEY FIGURES

(EUR million)	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %	1-12/ 2021
Net sales	<b>44.1</b>	42.4	4	<b>118.1</b>	104.2	13	152.2
International sales	<b>17.4</b>	13.6	28	<b>49.9</b>	42.5	17	59.9
% of net sales	<b>39</b>	32		<b>42</b>	41		39
EBITDA *	<b>13.5</b>	16.1	-16	<b>30.7</b>	32.6	-6	43.1
Comparable EBITDA *	<b>13.5</b>	16.1	-16	<b>30.7</b>	32.6	-6	43.1
Operating profit *	<b>11.1</b>	13.1	-15	<b>23.4</b>	23.6	-1	31.2
Operating profit margin, % *	<b>25.2</b>	31.0		<b>19.8</b>	22.7		20.5
Comparable operating profit *	<b>11.1</b>	13.1	-15	<b>23.4</b>	23.6	-1	31.2
Comparable operating profit margin, % *	<b>25.2</b>	31.0		<b>19.8</b>	22.7		20.5
Result for the period *	<b>8.9</b>	10.5	-15	<b>18.7</b>	18.5	1	24.4
Earnings per share, EUR *, **	<b>0.22</b>	0.26	-15	<b>0.46</b>	0.46	1	0.60
Comparable earnings per share, EUR *, **	<b>0.22</b>	0.26	-15	<b>0.46</b>	0.46	1	0.60
Cash flow from operating activities *	<b>7.0</b>	9.7	-27	<b>8.4</b>	18.1	-54	35.9
Return on investment (ROI), % *				<b>35.6</b>	31.2		33.0
Equity ratio, % *				<b>48.3</b>	52.8		53.3
Net debt / EBITDA (rolling 12 months)				<b>0.25</b>	-0.29		-0.64
Gross investments *	<b>0.5</b>	0.1		<b>0.8</b>	0.2		0.2
Personnel at the end of the period				<b>432</b>	381	13	409
outside Finland				<b>63</b>	68	-7	69
Brand sales <sup>1</sup>	<b>108.5</b>	105.2	3	<b>298.6</b>	247.3	21	375.6
outside Finland	<b>72.5</b>	65.3	11	<b>206.5</b>	162.0	27	247.6
proportion of international sales, %	<b>67</b>	62		<b>69</b>	66		66
Number of stores				<b>150</b>	152	-1	152

\* 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 Interim 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.

<sup>1</sup> 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

“We further increased our net sales in the third quarter, even compared to our strong performance in the corresponding period last year. Our operating profit margin was at an excellent level.



In the third quarter, our net sales increased by 4 percent to EUR 44.1 million (42.4). This growth was driven particularly by the good development of our international sales, but also that of retail sales in Finland. In total, our omnichannel retail sales increased by 11 percent. Marimekko’s wholesale sales were 3 percent lower than in the comparison period, as wholesale sales in Finland in the comparison period were strengthened by substantially higher non-recurring promotional deliveries than before. Net sales in Finland decreased by 7 percent for the same reason. International sales increased by 28 percent, boosted especially by the strong development of wholesale and retail sales in the Asia-Pacific region. International sales were partly increased by a different weighting of wholesale deliveries compared to the previous year.

During the period under review, we continued to invest in the building blocks for long-term international growth, which was reflected in higher personnel and IT expenses, for example, and our comparable operating profit in July–September decreased to EUR 11.1 million (13.1). Our operating profit margin remained at an excellent level at 25.2 percent of net sales (31.0).

In January–September, our net sales grew by 13 percent and amounted to EUR 118.1 million (104.2). Our comparable operating profit for the first nine months of the year was EUR 23.4 million (23.6), or 19.8 percent of net sales (22.7).

In July, we announced our fourth limited-edition collaboration collection with adidas, a global leader in the sporting goods industry. The collection was launched gradually, starting from July 2022, on the adidas online store and at selected adidas stores and retailers around the world. We are pleased with the international visibility achieved through our brand collaboration with adidas, which supports our growth strategy.

We also continued to develop our network of Marimekko stores in the third quarter. New Marimekko stores in Shanghai, China and in Copenhagen, Denmark were opened. In addition, our new Marimekko Marimade home concept was presented in pop-up stores in Hong Kong and Taipei. Marimekko Marimade products are made with recycled, reused, natural and biodegradable materials, for example.

We believe that determined sustainability efforts strongly support Marimekko’s long-term success. In 2020, we published our new, more ambitious sustainability strategy, and this past September, we made a commitment to the Science Based Targets (SBTi) initiative to set even more determined, science-based targets for reducing emissions throughout our value chain, in

line with the UN Paris Climate Agreement. Science-based emission reduction targets are an important tool in our work towards our ambitious long-term vision of our operations leaving no trace on the environment in the future. In August, we took another step toward this ambition by collaborating with Spinnova to launch a capsule collection that contains printed products made using partly Spinnova's innovative, more sustainably produced wood-based textile fiber. In August, we also opened the Marimekko Pre-loved, an online resale platform for secondhand and vintage items to extend the life of our products and contribute to promoting the circular economy.

In September, Marimekko's Board of Directors decided on new long-term financial goals, raising our targets for net sales development and comparable operating profit margin. The Board of Directors also set the direction for Marimekko's next strategy period of 2023–2027. Our excellent financial results over the past few years show that our growth strategy works. The results 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. Therefore, building on and reinforcing our proven recipe for success, our new strategy period will focus on scaling our business and growth, especially in the international markets. We elaborated on our long-term financial goals and the next strategy period at our company's first-ever Capital Markets Day on September 14, 2022.

We believe that Marimekko's mission of bringing joy and empowerment is more meaningful than ever in today's uncertain world. We are excited to start working on scaling the Marimekko phenomenon, and we invite all of our stakeholders to join us on this inspiring journey.”

## Revised long-term financial goals and strategy period 2023–2027

Marimekko Board of Directors decided on 6 September 2022 on new long-term financial goals for the company, raising the targets for net sales development and comparable operating profit margin. The new long-term financial goals are as follows:

- ✦ annual growth in net sales 15% (earlier: over 10%)
- ✦ comparable operating profit margin 20% (earlier: 15%)
- ✦ ratio of net debt to EBITDA at year end max. 2 (unchanged)
- ✦ the intention is to pay a yearly dividend; percentage of earnings per share allocated to dividends at least 50% (unchanged)

The previous financial goals were set in November 2018, and the company exceeded them at the end of 2021. At the same time, the Board set the direction and five strategic success factors for Marimekko's next strategy period of 2023–2027, during which the company will focus on scaling its business and growth especially in international markets. These five strategic success factors are:

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

C: Sharpened creative vision to speak to a wider global audience

A: Accelerating growth in Asia

L: Love for Marimekko life

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

Marimekko elaborated on the strategic direction in the stock exchange release published on 6 September 2022 and at the company's Capital Markets Day on 14 September 2022.

## 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 further during the fall. Despite the exceptional level of uncertainty, the estimates for economic development in main economic areas remain positive and the world economy in 2022 is estimated to grow at a rate of some three percent. The growth is estimated to be slowest in Europe. The growth outlook is affected by, among other things, increased inflation, the uncertainties related to energy prices, Russia's war against Ukraine, the decreasing confidence of households and the restrictions related to the coronavirus pandemic situation in China.

The economic outlook for Finland and expectations for the future have further darkened and the Finnish economy is estimated to be in recession. In October, the confidence indicator for the retail trade strengthened slightly but is clearly below the beginning of the year and the long-term average. Sales declined slightly, inventories grew and sales expectations for the coming months are pessimistic. Consumer confidence continued to decrease and was at an all-time low in the September-October period. While expectations for personal finances improved slightly, both estimates of the current state of personal finances as well as expectations for the future were very weak. Expectations for Finland's economy were at an all-time low and both the expectations for inflation as well as the expectations for its future development were at an all-time high.

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

The working-day-adjusted turnover of Finnish retail trade in September grew by 5.3 percent on the previous year. The volume of sales was down by 3.6 percent. The cumulative working-day-adjusted turnover of retail trade in the January-September period rose by 3.6 percent but the volume of sales decreased by 3.3 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, September 2022).

## Net sales

### Net sales in the third quarter

In the July-September period of 2022, the Group's net sales grew by 4 percent relative to the same period the year before and were EUR 44,077 thousand (42,363). Net sales were boosted in particular by increased international sales but also retail sales in Finland. On the other hand, net sales were weakened by wholesale sales in Finland, as domestic wholesale sales in the comparison period were strengthened by substantially higher non-recurring promotional deliveries than before. Similarly, net sales in Finland decreased by 7 percent. International sales in the third quarter were up by 28 percent with especially wholesale and retail sales in the Asia-Pacific region developing strongly. International sales were partly increased by a different kind of weighting of wholesale deliveries compared to the previous year.

All of Marimekko's own stores were open in the third 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 July-September period increased by 11 percent from the comparison period as both sales in stores and online developed well. Wholesale sales in total decreased by 3 percent as wholesale sales in Finland were lower due to non-recurring promotional deliveries being significantly smaller than in the same period the year before.

Net sales in Finland were EUR 26,693 thousand (28,782). Retail sales increased by 10 percent. Comparable retail sales grew by 5 percent. Wholesale sales in Finland decreased by 27 percent. The decrease was due to significantly lower non-recurring promotional deliveries than the same period the year before. In the comparison period, the total value of non-recurring promotional deliveries was substantially higher than before.

In the company's second-biggest market, the Asia-Pacific region, net sales increased by 40 percent to EUR 8,307 thousand (5,930) as both wholesale and retail sales in the region increased. Wholesale sales in the market area grew by 31 percent. The good development was partly affected by the different kind of weighting of wholesale deliveries compared to the previous year. Wholesale sales in Japan, the most important country to Marimekko in this region, grew by 14 percent. Retail sales in the Asia-Pacific Region increased by 111 percent. In the comparison period, Marimekko's own stores in Australia were temporarily closed due to the pandemic situation for the most part of the third quarter.

### Net sales in the January-September period

The Group's net sales in January-September period of 2022 grew by 13 percent to EUR 118,101 thousand (104,161). Net sales were boosted by a favorable trend in retail sales in Finland and growing international sales. On the other hand, net sales were weakened by wholesale sales in Finland, which were in the comparison period strengthened by substantially higher non-recurring promotional deliveries than before. Omnichannel retail sales in total grew by 23 percent. Wholesale sales in the January-September period of 2022 increased by 5 percent and licensing income by 38 percent. Net sales in Finland grew by 11 percent; international sales were up by 17 percent. International sales were partly increased by a different kind of weighting of wholesale deliveries in the third quarter than the same period the year before.



Net sales in Finland were EUR 68,186 thousand (61,677). Retail sales increased by 21 percent. Comparable retail sales grew by 18 percent. Wholesale sales in Finland decreased by 5 percent as the non-recurring promotional deliveries were significantly lower than in the comparison period.

In the Asia-Pacific region, net sales increased by 19 percent and were EUR 22,403 thousand (18,787). Wholesale sales in the region grew by 13 percent and in Japan by 3 percent. Wholesale sales were partly increased by a different kind of weighting of wholesale deliveries in the third quarter than the same period the year before. A selection of custom-made anniversary products was sold to Japan during the first quarter of 2021 in addition to the main collection. Retail sales in the Asia-Pacific Region increased by 72 percent as own stores were not temporarily closed like in the previous year.

#### NET SALES BY MARKET AREA

(EUR 1,000)	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %	1-12/ 2021
Finland	<b>26,693</b>	28,782	-7	<b>68,186</b>	61,677	11	92,299
International sales	<b>17,384</b>	13,581	28	<b>49,916</b>	42,484	17	59,927
Scandinavia	3,506	2,898	21	9,483	8,213	15	12,661
EMEA	3,714	2,725	36	12,341	9,769	26	12,895
North America	1,857	2,028	-8	5,688	5,715		8,397
Asia-Pacific	8,307	5,930	40	22,403	18,787	19	25,974
Total	<b>44,077</b>	42,363	4	<b>118,101</b>	104,161	13	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 Interim Report.

## Financial result

In the July-September period of 2022, the Group's operating profit totaled EUR 11,118 thousand (13,127). There were no items affecting comparability in the period under review, and comparable operating profit was also EUR 11,118 thousand (13,127). Earnings were weakened especially by an increase in fixed costs but also lower relative sales margin. On the other hand, increased net sales and lower depreciation than in the comparison period supported earnings.

Fixed costs in the third quarter were increased particularly by 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 addition, investments in IT systems and digital development increased fixed costs. In the same period the year before, fixed costs were decreased by, for example, conversion of some of Marimekko's accounts receivables to shares and bonds as well as higher temporary rent reductions related to the pandemic situation than in the period under review. The relative sales margin was mainly weakened by increased logistics costs resulting from the general increase in transport costs. Discounts were also higher than in the comparison period. On the other hand, the relative sales

margin was supported by increased licensing income, good margins per product and a higher share of retail sales of total net sales relative to the same period the year before.

In the January-September period of 2022, the Group's operating profit totaled EUR 23,437 thousand (23,631). There were no items affecting comparability in the period under review, and comparable operating profit was also EUR 23,437 thousand (23,631). Earnings were mainly weakened by an increase in fixed costs but also lower relative sales margin. On the other hand, increased net sales and lower depreciation than in the comparison period supported earnings.

Fixed costs in the first nine months were increased particularly by new recruitments made to strengthen the building blocks of Marimekko's international growth and increased personnel costs in the stores as well as investments in IT systems and digital development. Marketing expenses also increased. The relative sales margin was weakened by increased logistics costs as well as higher discounts than in the comparison period. In the January-September 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 increased licensing income, good margins per product and a higher share of retail sales of total net sales relative to the same period the year before.

Marketing expenses for the January-September period were EUR 5,935 thousand (4,443), or 5 percent of the Group's net sales (4).

The Group's depreciation amounted to EUR 7,285 thousand (8,921), representing 6 percent of net sales (9).

Operating profit margin in the January-September period of 2022 was 19.8 percent (22.7) and comparable operating profit margin was also 19.8 percent (22.7). In the third quarter of the year, operating profit margin was 25.2 percent (31.0) and comparable operating profit margin 25.2 percent (31.0)

Net financial items in the January-September period were EUR 329 thousand (-504), or 0 percent of net sales (0). Financial items include exchange rate differences amounting to EUR 1,027 thousand (111), of which EUR 1,049 thousand (285) were unrealized. The impact of lease liabilities on interest expenses was EUR -488 thousand (-534).

Result before taxes in the January-September period was EUR 23,766 thousand (23,126). Net result for the period was EUR 18,680 thousand (18,545) and earnings per share were EUR 0.46 (0.46). 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 figures for the comparative period have been adjusted accordingly.

## Balance sheet

The consolidated balance sheet total as at 30 September 2022 was EUR 108,516 thousand (121,634). Equity attributable to the equity holders of the parent company was EUR 51,640 thousand (63,418), or EUR 1.27 per share (1.56).

Non-current assets at the end of the review period stood at EUR 36,973 thousand (36,273). Lease liabilities amounted to EUR 32,354 thousand (30,718), and financial liabilities were EUR 2,072 thousand (1,094). In addition, the Group had unused committed credit lines of EUR 14,812 thousand (14,376).

At the end of the period, net working capital was EUR 24,942 thousand (15,377). Inventories were EUR 34,199 thousand (27,540). The inventories were increased in part by the contingency planning for the demand of the continuing collection in the event of possible supply chain disruptions.

## Cash flow and financing

In the July-September period of 2022, cash flow from operating activities was EUR 7,034 thousand (9,674), or EUR 0.17 per share (0.24). Cash flow before cash flow from financing activities was EUR 6,491 thousand (9,574).

In the January-September period of 2022, cash flow from operating activities was EUR 8,402 thousand (18,117), or EUR 0.21 per share (0.45). Cash flow from operating activities was negatively affected by the different timing of deliveries of goods and related accounts payable than in the comparison period. 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 7,592 thousand (17,242).

The Group's cash and cash equivalents at the end of period amounted to EUR 24,151 thousand (43,580). In particular, the payment of an extraordinary dividend decreased the Group's cash and cash equivalents. In total, dividends paid in the January-September period amounted to EUR 37,372 thousand (7,299). On the other hand, return on investment increased to 35.6 percent (31.2). The amount of interest-bearing credit facilities drawn down was EUR 2,072 thousand (1,094). In addition, the Group had unused committed credit lines of EUR 14,812 thousand (14,376).

The Group's equity ratio at the end of the period was 48.3 percent (52.8). Gearing was 19.9 percent (-18.6). The ratio of net debt to 12-month rolling EBITDA was 0.25 (-0.29), 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-September period of 2022 were EUR 810 thousand (173), or 1 percent of net sales (0). The investments were mainly devoted to revamping the company headquarter building as well as to building 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. During the third quarter of 2022, a Marimekko store was opened in Shanghai, China, and another in Copenhagen, Denmark. One store in Japan was closed. At the end of September, there were a total of 150 Marimekko stores and shop-in-shops worldwide. In September, a few Marimekko stores in China were temporarily closed for short periods of time due to the coronavirus situation, but at the end of the review period all Marimekko stores around the world were open with normal business hours. 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 well in the third 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

	30.9.2022	30.9.2021	31.12.2021
Finland	64	65	64
Scandinavia	8	8	8
EMEA	1	2	2
North America	2	5	4
Asia-Pacific	75	72	74
<b>Total</b>	<b>150</b>	152	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 Interim Report.

## Personnel

In the January-September period of 2022, the number of employees, expressed as full-time equivalents, averaged 427 (398). At the end of the period, the Group had 432 (381) employees, of whom 63 (68) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 22 (24), EMEA 1 (0), North America 12 (22) and the Asia-Pacific region 28 (22). The personnel at company-owned stores, expressed as full-time equivalents, totaled 186 (175) 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

On 14 September 2022, Noora Laurila started as Senior Vice President, Sales, Region West and a member of the Management Group of Marimekko. The company's sales leadership in the Management Group is divided into two geographical regions, Region West and Region East. The search for Senior Vice President, Sales, Region East is ongoing.

## 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 33,953 shareholders (22,541) at the end of September 2022. Of the shares, 16.74 percent (14.69) 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](http://company.marimekko.com) under Investors/Share information/Shareholders.

### Share trading and the company's market capitalization

In the January-September period of 2022, a total of 7,066,271 Marimekko shares (1,357,993) were traded on Nasdaq Helsinki, representing 17.38 percent (16.70) of the shares outstanding, taking into account for the period under review the new shares issued without payment following the decision of the AGM on 12 April 2022. The total value of the share turnover was EUR 140,829,917 (81,741,697). The lowest price of the share was EUR 8.38 (8.90), the highest was EUR 17.60 (16.68) and the average price was EUR 13.02 (12.01). At the end of September, the closing price of the share was EUR 8.70 (13.64).

The company's market capitalization on 30 September 2022 was EUR 353,406,006, excluding the Marimekko shares held by the company (553,090,679).

### 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, further increased inflation following these factors as well as the risk of recession 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 increases 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, supply or logistics chains and operating possibilities in certain countries.

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. 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 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 as well as increased interest rates 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. 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 also during the second half of the 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 its net sales will increase in 2022. 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.

In 2022, licensing income is 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.

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 situations. 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, for example, 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 Interim Report.

## Financial calendar for 2023

Marimekko Corporation's results for the year 2022 will be released on Thursday, 16 February 2023 at 8.00 a.m. The Financial Statements 2022 will be published in week 12, at the latest. The interim reports and the half-year financial report for 2023 will be issued as follows: January-March on Tuesday, 16 May 2023 at 8.00 a.m., January-June on Thursday, 17 August 2023 at 8.00 a.m., and January-September on Wednesday, 8 November 2023 at 8.00 a.m.

The Annual General Meeting 2023 is scheduled to be held on Thursday, 13 April 2023 at 2.00 p.m.

Helsinki, 1 November 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. The period of application for the amendment ended on 30 June 2022.

## 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)	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>NET SALES</b>	<b>44,077</b>	42,363	<b>118,101</b>	104,161	152,227
Other operating income	31	54	79	88	148
Changes in inventories of finished goods and work in progress	3,547	1,124	8,286	5,254	3,151
Raw materials and consumables	-20,278	-16,571	-52,585	-43,332	-61,484
Employee benefit expenses	-7,071	-6,068	-21,707	-19,508	-28,239
Depreciation and impairment *	-2,348	-2,954	-7,285	-8,921	-11,874
Other operating expenses *	-6,840	-4,820	-21,453	-14,112	-22,680
<b>OPERATING PROFIT *</b>	<b>11,118</b>	13,127	<b>23,437</b>	23,631	31,249
Financial income	622	247	1,714	478	851
Financial expenses	-464	-292	-1,385	-983	-1,403
	157	-45	329	-504	-552
<b>RESULT BEFORE TAXES *</b>	<b>11,275</b>	13,082	<b>23,766</b>	23,126	30,697
Income taxes *	-2,417	-2,608	-5,086	-4,581	-6,289
<b>NET RESULT FOR THE PERIOD *</b>	<b>8,858</b>	10,474	<b>18,680</b>	18,545	24,408
Distribution of net result to equity holders of the parent company	8,858	10,474	18,680	18,545	24,408
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR *, **	0.22	0.26	0.46	0.46	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 Interim 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)	7-9/2022	7-9/2021	1-9/2022	1-9/2021	1-12/2021
<b>NET RESULT FOR THE PERIOD *</b>	<b>8,858</b>	10,474	<b>18,680</b>	18,545	24,408

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

Change in translation difference	<b>-96</b>	-79	<b>-215</b>	-151	-108
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**COMPREHENSIVE RESULT**

<b>FOR THE PERIOD *</b>	<b>8,762</b>	10,395	<b>18,465</b>	18,394	24,300
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Distribution of the result to equity holders of the parent company	<b>8,762</b>	10,395	<b>18,465</b>	18,394	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 Interim Report.

**CONSOLIDATED BALANCE SHEET**

(EUR 1,000)	30.9.2022	30.9.2021	31.12.2021
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**ASSETS****NON-CURRENT ASSETS**

Intangible assets *	<b>327</b>	534	487
Tangible assets	<b>35,383</b>	33,867	33,187
Other financial assets	<b>523</b>	474	533
Deferred tax assets *	<b>741</b>	1,398	942
	<b>36,973</b>	36,273	35,149

**CURRENT ASSETS**

Inventories	<b>34,199</b>	27,540	25,983
Trade and other receivables	<b>13,193</b>	14,241	12,029
Cash and cash equivalents	<b>24,151</b>	43,580	59,726
	<b>71,543</b>	85,361	97,738

**ASSETS, TOTAL \***

	<b>108,516</b>	121,634	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 Interim Report.

**CONSOLIDATED BALANCE SHEET**

(EUR 1,000)	30.9.2022	30.9.2021	31.12.2021
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>			
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	-296	-125	-81
Retained earnings *	42,756	54,589	60,856
Shareholders' equity, total *	51,640	63,418	69,833
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	24,657	21,843	21,976
	24,657	21,843	21,976
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21,706	24,289	28,272
Current tax liabilities	744	2,115	2,505
Lease liabilities	7,698	8,875	8,503
Financial liabilities	2,072	1,094	1,798
	32,219	36,374	41,078
Liabilities, total	56,876	58,217	63,055
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL *</b>	<b>108,516</b>	<b>121,634</b>	<b>132,887</b>

\* 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 Interim Report.

**CONSOLIDATED CASH FLOW STATEMENT**

(EUR 1,000)	1-9/2022	1-9/2021	1-12/2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net result for the period *	18,680	18,545	24,408
Adjustments			
Depreciation and impairments *	7,285	8,921	11,874
Financial income and expenses	-329	504	552
Taxes *	5,086	4,581	6,289
Share-based payments	714	-	509
Cash flow before change in working capital	31,436	32,552	43,631
Change in working capital			
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-1,363	-6,519	-4,152
Increase (-) / decrease (+) in inventories	-8,141	-5,067	-3,477
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-6,196	1,473	5,404
Cash flow from operating activities before financial items and taxes	15,735	22,438	41,407
Paid interest and payments on other financial expenses			
	-854	-926	-1,271
Interest received and payments on other financial income			
	142	17	31
Taxes paid			
	-6,621	-3,412	-4,265
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8,402</b>	<b>18,117</b>	<b>35,902</b>

\* 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 Interim Report.



**CONSOLIDATED CASH FLOW STATEMENT**

(EUR 1,000)	1-9/2022	1-9/2021	1-12/2021
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in tangible and intangible assets *	-810	-876	-910
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-810</b>	<b>-876</b>	<b>-910</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short-term loans drawn	876	307	932
Short-term loans repaid	-671	-	-
Payments of lease liabilities	-6,639	-7,817	-10,247
Dividends paid	-37,372	-7,299	-7,299
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-43,806</b>	<b>-14,810</b>	<b>-16,613</b>
<b>Change in cash and cash equivalents</b>	<b>-36,214</b>	<b>2,432</b>	<b>18,378</b>
Cash and cash equivalents at the beginning of the period	59,726	41,045	41,045
Effects of exchange rate fluctuations	639	103	303
Cash and cash equivalents at the end of the period	24,151	43,580	59,726

In addition, Marimekko has unused committed credit lines of EUR 14,812 thousand (14,376).

\* 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 Interim 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
<b>Comprehensive result</b>						
Net result for the period *					18,545	18,545
Translation differences				-151		-151
Total comprehensive result for the period *				-151	18,545	18,394
<b>Transactions with owners</b>						
Dividends paid					-7,299	-7,299
Shareholders' equity, 30 Sept. 2021 *	8,040	1,228	-315	-125	54,589	63,418
Shareholders' equity, 1 Jan. 2022	8,040	1,228	-210	-81	60,856	69,833
<b>Comprehensive result</b>						
Net result for the period					18,680	18,680
Translation differences				-215		-215
Total comprehensive result for the period				-215	18,680	18,465
<b>Transactions with owners</b>						
Dividends paid					-37,372	-37,372
Share-based payments			123		591	714
<b>Shareholders' equity, 30 Sept. 2022</b>	<b>8,040</b>	<b>1,228</b>	<b>-87</b>	<b>-296</b>	<b>42,756</b>	<b>51,640</b>

\* 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 Interim Report.

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**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 *	-920	-	-	-
Translation differences	-21	283	218	501
Increases	1,085	1,315	7	1,322
Transfers between categories	113	-	-113	-113
Acquisition cost, 30 Sept. 2021 *	10,844	59,727	29,232	88,959
Accumulated depreciation, 1 Jan. 2021	10,082	21,562	24,418	45,981
Translation differences	-21	221	219	440
Depreciation during the period *	250	7,979	692	8,671
Accumulated depreciation, 30 Sept. 2021 *	10,310	29,762	25,330	55,092
Book value, 30 Sept. 2021 *	534	29,965	3,902	33,867
Acquisition cost, 1 Jan. 2022	10,546	62,142	29,360	91,501
Translation differences	-82	1,282	673	1,956
Increases	667	8,207	771	8,978
Decreases	-609	-	-3,018	-3,018
Transfers between categories	-628	-	-	-
Acquisition cost, 30 Sept. 2022	9,895	71,631	27,786	99,417
Accumulated depreciation, 1 Jan. 2022	10,060	32,664	25,650	58,314
Translation differences	-82	979	673	1,653
Accumulated depreciation of decreases	-609	-	-3,018	-3,018
Depreciation during the period	199	6,561	526	7,086
Accumulated depreciation, 30 Sept. 2022	9,568	40,204	23,831	64,035
<b>Book value, 30 Sept. 2022</b>	<b>327</b>	<b>31,427</b>	<b>3,955</b>	<b>35,383</b>

\* 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 Interim Report.

## KEY FIGURES

	1-9/2022	1-9/2021	Change, %	1-12/2021
Earnings per share, EUR *, **	<b>0.46</b>	0.46		0.60
Equity per share, EUR *, **	<b>1.27</b>	1.56	-19	1.72
Return on equity (ROE), % *	<b>42.7</b>	39.0		40.0
Return on investment (ROI), % *	<b>35.6</b>	31.2		33.0
Equity ratio, % *	<b>48.3</b>	52.8		53.3
Gearing, % *	<b>19.9</b>	-18.6		-39.3
Gross investments, EUR 1,000 *	<b>810</b>	173		207
Gross investments, % of net sales *	<b>0.7</b>	0.2		0.1
Contingent liabilities, EUR 1,000	<b>868</b>	642	35	834
Average personnel	<b>427</b>	398	7	401
Personnel at the end of the period	<b>432</b>	381	13	409
Number of shares outstanding at the end of the period **	<b>40,621,380</b>	40,549,170		40,582,370
Average number of shares outstanding **	<b>40,633,850</b>	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 Interim 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)	7-9/ 2022	7-9/ 2021	Change, %	1-9/ 2022	1-9/ 2021	Change, %	1-12/ 2021
<b>Finland</b>	<b>26,693</b>	28,782	-7	<b>68,186</b>	61,677	11	92,299
Retail sales	16,904	15,335	10	43,564	35,863	21	53,547
Wholesale sales	9,735	13,392	-27	24,488	25,688	-5	38,547
Licensing income	54	55	-2	134	126	7	205
<b>Scandinavia</b>	<b>3,506</b>	2,898	21	<b>9,483</b>	8,213	15	12,661
Retail sales	1,012	944	7	2,918	2,322	26	3,785
Wholesale sales	2,494	1,954	28	6,565	5,890	11	8,651
Licensing income	-	-	-	-	-	-	225
<b>EMEA</b>	<b>3,714</b>	2,725	36	<b>12,341</b>	9,769	26	12,895
Retail sales	583	385	51	1,700	1,214	40	1,906
Wholesale sales	2,761	2,244	23	8,843	7,427	19	9,764
Licensing income	370	96	177	1,798	1,129	59	1,225
<b>North America</b>	<b>1,857</b>	2,028	-8	<b>5,688</b>	5,715	0	8,397
Retail sales	936	1,451	-36	3,327	3,607	-8	5,583
Wholesale sales	676	489	38	1,845	1,820	1	2,444
Licensing income	245	88	177	516	288	79	371
<b>Asia-Pacific</b>	<b>8,307</b>	5,930	40	<b>22,403</b>	18,787	19	25,974
Retail sales	1,444	684	111	4,313	2,508	72	4,207
Wholesale sales	6,817	5,219	31	17,886	15,896	13	21,305
Licensing income	47	28	69	205	383	-47	462
<b>International sales, total</b>	<b>17,384</b>	13,581	28	<b>49,916</b>	42,484	17	59,927
Retail sales	3,974	3,464	15	12,258	9,651	27	15,481
Wholesale sales	12,749	9,906	29	35,139	31,033	13	42,164
Licensing income	661	212	177	2,519	1,799	40	2,283
<b>Total</b>	<b>44,077</b>	42,363	4	<b>118,101</b>	104,161	13	152,227
Retail sales	20,878	18,799	11	55,821	45,514	23	69,027
Wholesale sales	22,483	23,298	-3	59,627	56,722	5	80,711
Licensing income	715	267	168	2,653	1,925	38	2,488

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

**NET SALES BY PRODUCT LINE**

(EUR 1,000)	<b>7-9/2022</b>	7-9/2021	Change, %	<b>1-9/2022</b>	1-9/2021	Change, %	1-12/2021
Fashion	<b>14,096</b>	11,744	20	<b>38,250</b>	32,803	17	43,848
Home	<b>19,860</b>	22,062	-10	<b>52,155</b>	49,846	5	78,677
Bags and accessories	<b>10,120</b>	8,557	18	<b>27,696</b>	21,511	29	29,702
<b>Total</b>	<b>44,077</b>	42,363	4	<b>118,101</b>	104,161	13	152,227

**QUARTERLY TREND IN NET SALES AND EARNINGS**

(EUR 1,000)	<b>7-9/2022</b>	4-6/2022	1-3/2022	10-12/2021
Net sales	<b>44,077</b>	37,981	36,044	48,066
Operating profit *	<b>11,118</b>	5,690	6,629	7,618
Earnings per share, EUR *, **	<b>0.22</b>	0.12	0.12	0.14

(EUR 1,000)	7-9/2021	4-6/2021	1-3/2021	10-12/2020
Net sales	42,363	32,695	29,103	37,358
Operating profit *	13,127	4,882	5,622	4,816
Earnings per share, EUR *, **	0.26	0.09	0.11	0.08

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\*\* 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

	30.9.2022	30.9.2021	31.12.2021
<b>Finland</b>	<b>64</b>	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
<b>Scandinavia</b>	<b>8</b>	8	8
Company-owned stores	5	5	5
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
<b>EMEA</b>	<b>1</b>	2	2
Company-owned stores	-	-	-
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	1	2	2
<b>North America</b>	<b>2</b>	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	-	-	-
<b>Asia-Pacific</b>	<b>75</b>	72	74
Company-owned stores	4	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	60	57	59
Retailer-owned shop-in-shops	11	11	11
<b>Total</b>	<b>150</b>	152	152
Company-owned stores	34	37	36
Company-owned outlet stores	13	13	13
Retailer-owned stores	73	71	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 47 at the end of September 2022 (50).

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**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 September

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