

marimekko

Interim Report

1-9/2021

Marimekko Corporation, Interim Report, 3 November 2021 at 8.00 a.m.

Marimekko's net sales and result continued to increase in the third quarter

The third quarter in brief

- ✦ Marimekko's net sales grew by 11 percent to EUR 42.4 million (38.0). The majority of Marimekko's own stores were open in the third quarter. In Finland, net sales rose by 25 percent. Marimekko's actions to control gray exports decreased international sales, which were down by 10 percent in the period under review.
- ✦ Net sales were boosted especially by a favorable trend in wholesale sales in Finland. The good trend in wholesale sales was supported in particular by non-recurring promotional deliveries. On the other hand, net sales were especially weakened by lower wholesale sales in EMEA, resulting from controlling gray exports, and lower licensing income in the Asia-Pacific region.
- ✦ Operating profit improved significantly, reaching EUR 13.3 million (10.5). Comparable operating profit was also EUR 13.3 million (10.5).
- ✦ Earnings were boosted especially by increased net sales. Improved relative sales margin also supported result. On the other hand, an increase in fixed costs had a weakening impact on earnings. Fixed costs are expected to increase clearly also during the fourth quarter as a result of changes in accounting principles and investments in growth.

January-September in brief

- ✦ Net sales grew by 21 percent to EUR 104.2 million (86.2). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland as well as growing wholesale sales in the Asia-Pacific region and Scandinavia. The good development of wholesale sales in Finland was partly supported by nonrecurring promotional deliveries. On the other hand, net sales were weakened by lower licensing income in the Asia-Pacific region.
- ✦ Operating profit amounted to EUR 24.4 million (14.4), and comparable operating profit was also EUR 24.4 million (14.4).
- ✦ Earnings were boosted especially by increased net sales but also improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on results.

Financial guidance for 2021 (as revised on 23 September)

The Marimekko Group's net sales for 2021 are expected to be higher than in the previous year (2020: EUR 123.6 million). Comparable operating profit margin is estimated to be higher than in the previous year (2020: 16.3 percent).

The instability caused by the coronavirus pandemic in Marimekko's markets continues. Therefore, there are still significant uncertainties associated with the trend in the company's net sales and earnings due to the pandemic situation. These uncertainties are described in more detail in the Major risks and factors of uncertainty section of this interim report.

KEY FIGURES

(EUR million)	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change, %	1-12/ 2020
Net Sales	42.4	38.0	11	104.2	86.2	21	123.6
International sales	13.6	15.0	-10	42.5	38.3	11	52.4
% of net sales	32	40		41	44		42
EBITDA	16.3	13.6	20	33.5	23.8	41	31.9
Comparable EBITDA	16.3	13.6	20	33.5	23.8	41	32.7
Operating profit	13.3	10.5	26	24.4	14.4	70	19.3
Operating profit margin, %	31.3	27.7		23.4	16.7		15.7
Comparable operating profit	13.3	10.5	26	24.4	14.4	70	20.2
Comparable operating profit margin, %	31.3	27.7		23.4	16.7		16.3
Result for the period	10.6	8.0	33	19.1	10.3	86	13.8
Earnings per share, EUR	1.30	0.98	33	2.36	1.27	86	1.70
Comparable earnings per share, EUR	1.30	0.98	33	2.36	1.27	86	1.78
Cash flow from operating activities	9.9	12.6	-22	19.0	12.2	56	28.1
Return on investment (ROI), %				31.9	20.7		22.5
Equity ratio, %				53.2	44.6		46.6
Net debt / EBITDA (rolling 12 months)				-0.28	0.15		-0.10
Gross investments *	0.3	0.4	-18	1.1	1.2	-12	2.1
Personnel at the end of the period				381	428	-11	422
outside Finland				68	89	-24	84
Brand sales ¹	105.2	77.6	36	247.3	209.6	18	286.4
outside Finland	65.3	46.6	40	162.0	145.0	12	190.3
proportion of international sales, %	62	60		66	69		66
Number of stores				152	151	1	154

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. Reconciliation of alternative key figures to IFRS and management's discretion regarding items affecting comparability are presented in the table section of this interim report.

* The figures for gross investments do not include the impact of IFRS 16.

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

“Both our net sales and result continued to grow in the third quarter.

Marimekko’s business performance was again strong in the third quarter. Our net sales increased by 11 percent and amounted to EUR 42.4 million (38.0). Wholesale sales in Finland developed particularly well, supported by non-recurring promotional deliveries. The majority of Marimekko’s own stores were open, as was the case in the comparison period. Our omnichannel retail sales increased by 3 percent and our wholesale sales grew by 23 percent. Our comparable operating profit in July–September improved by 26 percent and amounted to EUR 13.3 million (10.5), representing 31.3 percent of net sales (27.7). Our result was improved particularly by the growth of net sales but also by stronger relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on earnings. We estimate that our fixed costs will increase clearly also during the fourth quarter following changes in accounting principles and investments in growth.



Our long-term work to develop the Marimekko brand is one of the reasons behind our strong performance. The results of this work and the modernization of our collections are naturally seen the fastest in our strong home market in Finland, where our net sales increased by 25 percent in the third quarter. It is important for us to look after our brand image globally. To that end, we have worked for several years to control gray exports, which is a challenge faced by many internationalizing brands. In the past quarter, such actions taken by us had a negative effect on our international sales, which declined by 10 percent in the period under review.

In the January–September period, our net sales increased by 21 percent and amounted to EUR 104.2 million (86.2). Compared to the time pre-pandemic, i.e. the corresponding period in 2019, the rate of growth was 15 percent. Sales grew by 29 percent in Finland and by 11 percent internationally. Our comparable operating profit for the nine-month period increased to EUR 24.4 million (14.4), representing 23.4 percent of net sales (16.7). With the uncertainties related to the coronavirus situation concerning the rest of the year being reduced from previously expected, we specified our estimate of profitability development for the full year in September. We now expect our comparable operating profit margin in 2021 to be higher than in the previous year.

We are working resolutely to strengthen the building blocks for our long-term international growth by further developing areas such as sustainability and brand awareness. In September, together with adidas, a global leader in the sporting goods industry, we announced our second limited-edition sports apparel collaboration collection. We are very pleased to reunite again with adidas. The adidas x Marimekko capsule collection embraces both brands’ commitment to sustainability, originality and empowerment. These kinds of brand collaborations provide us with an excellent opportunity to introduce our brand to a global audience while strengthening our core business by increasing our brand awareness.

Marimekko's visibility was also increased for example in Japan by a pop-up store at the famous Dover Street Market in Tokyo's Ginza district, which featured our Co-created special collection, and an experiential pop-up concept created in partnership with Japan's largest bookstore, Tsutaya, to celebrate the 70-year-old Marimekko brand. The concept was expanded to four other cities in October. The special auction we organized with the auction house Bukowskis in the Nordic region to celebrate our 70th anniversary, and the Marimekko Pre-loved second-hand pilot in our online store featuring a carefully curated collection of vintage Marimekko pieces, were ways to honor our timeless and sustainable design and provided practical solutions to extending the lifespan of Marimekko products. In September, we also put an array of vintage pieces on sale at Marimekko Kreative, the experiential space we launched in Copenhagen in August. It is important for us to continuously find new ways to bring joy to our customers' lives and thereby ensure that our brand remains interesting and meaningful to both new audiences as well as our existing loyal customers."

Operating environment

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

The world economy is still expected to recover from the coronavirus pandemic at a rate of approximately six percent in 2021, but economic development continues to involve uncertainties. Uncertainties are created by virus variants, differences in vaccine coverage between countries as well as growing pressure on prices and increasing inflation expectations, among other things.

The economic outlook for Finland has remained good during the fall. At the same time, expectations for the future have flattened. The confidence indicator for the retail trade increased slightly in October. Sales have grown during the fall and sales expectations for the coming months are cautiously positive. The October figures for consumer confidence decreased but continued to be on a strong level. Estimates of the current state of personal finances and expectations for both personal and Finland's economy continued to be on a good level.

(Confederation of Finnish Industries EK: Business Tendency Survey, October 2021; Confidence Indicators, October 2021. Statistics Finland: Consumer Confidence 2021, October).

The working-day-adjusted turnover of Finnish retail trade in September grew by 2.9 percent on the previous year, and the volume of sales was up by 0.6 percent. The cumulative working-day-adjusted turnover of retail trade in the January-September period rose by 5.6 percent and the volume of sales increased by 4.4 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, September 2021).

Net sales

Net sales in the third quarter

In the July-September period of 2021, the Group's net sales grew by 11 percent relative to the same period the year before and were EUR 42,363 thousand (38,011). Net sales were boosted especially by a favorable trend in wholesale sales in Finland. On the other hand, net sales were in particular weakened by reduced wholesale sales in EMEA and lower licensing income in the Asia-Pacific region. In Finland, net sales rose by 25 percent. Marimekko's actions to control gray exports decreased international sales, which were down by 10 percent in the period under review. In addition, lower licensing income impacted international sales. Actions to control gray exports decreased especially wholesale sales in EMEA.

Like in the comparison period, the majority of Marimekko's own stores were open in the third quarter. Retail sales increased by 3 percent. Retail sales included a total of EUR 0.5 million (0.7) of sales unrecognized as revenue from the second quarter. Wholesale sales continued to perform strongly and grew by 23 percent in the July-September period.

Net sales in Finland were EUR 28,782 thousand (22,972). Retail sales increased by 5 percent. Comparable retail sales grew by 4 percent. Wholesale sales in Finland grew by 61 percent. The good trend in wholesale sales was supported in particular by non-recurring promotional deliveries, the total value of which was substantially higher than last year.

In the company's second-biggest market, the Asia-Pacific region, net sales decreased by 10 percent to EUR 5,930 thousand (6,623), when especially licensing income was lower than in the comparison period. Wholesale sales in the entire region decreased by 3 percent and in Japan, the most important country to Marimekko in this market area, by 3 percent as well. Differences

in the weighting of deliveries compared to the previous year as well as the worsened pandemic situation in some countries contributed to the decrease in wholesale sales. Retail sales in the Asia-Pacific region grew by 3 percent, even though Marimekko's own stores in Australia were temporarily closed due to the pandemic situation for most of the quarter.

Net sales in the January-September period

The Group's net sales in the January-September period of 2021 grew by 21 percent to EUR 104,161 thousand (86,210). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland as well as growing wholesale sales in the Asia-Pacific region and Scandinavia. On the other hand, net sales were weakened by lower licensing income in the Asia-Pacific region. Retail sales in total rose by 10 percent and wholesale sales by 33 percent. Net sales in Finland were up by 29 percent; international sales increased by 11 percent.

Net sales in Finland amounted to EUR 61,677 thousand (47,924). Retail sales rose by 15 percent, and comparable retail sales grew by 14 percent as almost all stores were open for the full period unlike in January-September 2020. Wholesale sales in Finland increased by 55 percent, supported partly by nonrecurring promotional deliveries.

In the Asia-Pacific region, net sales grew by 12 percent to EUR 18,787 thousand (16,834), even though licensing income was significantly lower than in the comparison period. Wholesale sales in the entire region increased by 24 percent and in Japan by 17 percent. The upward trend in sales was partly due to the transfer of some of the wholesale deliveries for the final quarter of 2020 to the first quarter of the current year. Retail sales in the Asia-Pacific region grew by 5 percent.

NET SALES BY MARKET AREA

(EUR 1,000)	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change, %	1-12/ 2020
Finland	28,782	22,972	25	61,677	47,924	29	71,145
International sales	13,581	15,039	-10	42,484	38,286	11	52,424
Scandinavia	2,898	2,779	4	8,213	6,715	22	9,883
EMEA	2,725	4,013	-32	9,769	9,980	-2	13,961
North America	2,028	1,624	25	5,715	4,756	20	6,466
Asia-Pacific	5,930	6,623	-10	18,787	16,834	12	22,114
Total	42,363	38,011	11	104,161	86,210	21	123,568

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 2021, the Group's operating profit grew substantially, reaching to EUR 13,254 thousand (10,514). There were no items affecting comparability in the period under review, which was also the case in the previous year, and comparable operating profit was also EUR 13,254 thousand (10,514). Earnings were boosted especially by increased net

sales. Improved relative sales margin also supported result. On the other hand, an increase in fixed costs had a weakening impact on earnings.

The relative sales margin was, in particular, strengthened by improved margins per product but also smaller discounts. Lower licensing income than in the comparison period had a negative impact on the relative sales margin. Fixed costs were increased by, among other things, higher marketing expenses. Total employee benefit expenses were almost at the level of the comparison period as the estimated effects of the long-term, share-based incentive scheme for management declined considerably in the third quarter. In the comparison period, fixed costs, including employee benefit expenses, decreased as a result of various subsidies, totaling about a million euros, granted to Marimekko in several different markets to mitigate the negative business impacts of the coronavirus pandemic as well as temporary cost savings. During the period under review, Marimekko converted some of its accounts receivables to shares and bonds, which decreased company's credit loss provisions and thus lowered fixed costs.

In the January-September period of 2021, the Group's operating profit was EUR 24,379 thousand (14,382) and the comparable operating profit was also EUR 24,379 thousand (14,382). Earnings were boosted especially by increased net sales but also improved relative sales margin. On the other hand, an increase in fixed costs had a weakening impact on results. The relative sales margin was strengthened in particular by improved margins per product but also relatively lower logistics costs than in the comparison period, when logistics costs in spring 2020 were exceptionally high as a result of moving promotions online when the company-owned stores were temporarily closed due to the pandemic situation. Increased fixed costs were attributable, in particular, to higher employee benefit expenses. Employee benefit expenses grew as a result of new recruitments to strengthen the building blocks of Marimekko's international growth, among other things. In the comparison period, fixed costs, including employee benefit expenses, decreased as a result of various subsidies granted to Marimekko in several different markets to mitigate the negative business impacts of the coronavirus pandemic. In addition, a decrease of temporary cost savings related to salaries and wages increased employee benefit expenses in the January-September period. In the comparison period, temporary cost savings were accrued, for example, due to extensive temporary layoffs in the retail organization due to the pandemic situation as well as temporary rent reductions granted to the company. Increased marketing expenses, among other things, also contributed to higher fixed costs in the January-September period. Lower credit loss provisions, however, decreased fixed costs.

In the January-September period, marketing expenses were EUR 4,443 thousand (3,279), or 4 percent of the Group's net sales (4).

The Group's depreciation amounted to EUR 9,092 thousand (9,392), representing 9 percent of net sales (11).

In the January-September period, operating profit margin was 23.4 percent (16.7) and comparable operating profit margin was also 23.4 percent (16.7). In the third quarter of the year, operating profit margin was 31.3 percent (27.7) and comparable operating profit margin 31.3 percent (27.7).

Net financial expenses in the January-September period were EUR 504 thousand (1,396), or 0.5 percent of net sales (2). Financial items include exchange rate differences amounting to EUR 111 thousand (-647), of which EUR 285 thousand (-370) were unrealized. The impact of IFRS 16 on interest expenses was EUR -534 thousand (-578).

Result for the January-September period before taxes was EUR 23,875 thousand (12,986). Net result for the period was EUR 19,144 thousand (10,303) and earnings per share were EUR 2.36 (1.27).

Balance sheet

The consolidated balance sheet total as at 30 September 2021 was EUR 122,692 thousand (110,682). Equity attributable to the equity holders of the parent company was EUR 64,475 thousand (49,360), or EUR 7.95 per share (6.09).

Non-current assets at the end of September stood at EUR 37,330 thousand (38,095). Lease liabilities amounted to EUR 30,718 thousand (32,525), and financial liabilities were EUR 1,094 thousand (6,580). In addition, the Group had unused committed credit lines of EUR 14,376 thousand (17,300).

At the end of the period, net working capital was EUR 15,377 thousand (17,184). Inventories were EUR 27,540 thousand (26,212).

Cash flow and financing

In the July-September period of 2021, cash flow from operating activities was EUR 9,880 thousand (12,615), or EUR 1.22 per share (1.56). Cash flow before cash flow from financing activities was EUR 9,574 thousand (12,025).

In the January-September period of 2021, cash flow from operating activities was EUR 19,037 thousand (12,177), or EUR 2.35 per share (1.50). Cash flow before cash flow from financing activities was EUR 17,242 thousand (10,138). Dividends paid in the review period totaled EUR 7,299 thousand (0).

The Group's cash and cash equivalents at the end of the period amounted to EUR 43,580 thousand (34,565). Improved results contributed to the increased cash and cash equivalents in the January-September period. In the comparison period, refraining from paying dividends for 2019 during 2020 contributed to the increase in cash and cash equivalents. The dividend for 2019 was paid in March 2021. The amount of interest-bearing credit facilities drawn down was EUR 1,094 thousand (6,580). In addition, the Group had unused committed credit lines of EUR 14,376 thousand (17,300) as well as a long-term revolving credit facility of EUR 5 million, which includes a covenant. Marimekko secured additional financing in spring 2020 in a situation of a very weak view of the duration and impacts of the pandemic.

The Group's equity ratio at the end of the period was 53.2 percent (44.6). Gearing was -18.3 percent (9.2). The ratio of net debt to 12-month rolling EBITDA was -0.28 (0.15), 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 2021 were EUR 1,092 thousand (1,240), or 1 percent of net sales (1). The investments were mainly devoted to IT systems in order to strengthen the company's digital business.

Store network

Good store locations that cater for its target audience are essential for Marimekko. The operations and efficiency of the store network are continuously assessed and developed. During the third quarter, one store was opened, and one closed in China. In addition, two stores were closed in South Korea. A pop-up store was opened both in Tokyo and in Hong Kong and an experiential pop-up space Marimekko Kreative was opened in Copenhagen. In July, the department store chain Nordstrom continued showcasing Marimekko prominently through their Pop-In@Nordstrom welcomes Marimekko campaign both in their online store as well as in department stores in nine cities in North America. In Japan, an experiential pop-up space presenting the 70-year-old Marimekko brand was opened in Tsutaya, one of largest art & design bookstores in the country. At the end of September, there were a total of 152 Marimekko stores and shop-in-shops around the world. 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.

The majority of Marimekko stores around the world were open in the third quarter with a few exceptions and partly with limited hours. Marimekko's own retail stores in Australia were temporarily closed for nearly the whole July-September period and in Thailand, partner-owned Marimekko stores were temporarily closed for a large part of the third quarter. After the review period, stores in Australia and Thailand have been reopened.

E-commerce plays an important role in Marimekko's omnichannel retail. Online sales developed according to plan 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. Marimekko focuses efforts on creating a seamless customer experience between different channels and develops its IT systems to strengthen its digital business. Accelerated by the pandemic, 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

	30.9.2021	30.9.2020	31.12.2020
Finland	65	65	65
Scandinavia	8	10	8
EMEA	2	1	2
North America	5	6	6
Asia-Pacific	72	68	73
Total	152	151	154

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 2021, the number of employees, expressed as full-time equivalents, averaged 398 (437). At the end of the period, the Group had 381 (428) employees, of whom 68 (89) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 24 (25), EMEA 0 (3), North America 22 (31) and the Asia-Pacific region 22 (30). The personnel at company-owned stores, expressed as full-time equivalents, totaled 175 (222) at the end of the period. Following country-specific restrictions related to the coronavirus situation, a few of Marimekko's own stores in some cities have had to be temporary closed, which has then led to some temporary layoffs in the retail store chain.

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 8,129,834.

Shareholdings

According to the book-entry register, Marimekko had 22,541 shareholders (17,876) at the end of September. Of the shares, 14.7 percent (12.8) were owned by nominee-registered or non-Finnish holders.

Marimekko Corporation held 20,000 of its own shares as at 30 September 2021. These shares accounted for 0.25 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. After the review period, the Board of Directors decided to transfer a total of 6,640 Marimekko shares held by the company as a part of the long-term bonus system targeted at the Management Group. Following the transfer, Marimekko will hold 13,360 of its own shares, corresponding to some 0.16 percent of the total number of the company's shares.

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-September period of 2021, a total of 1,357,993 Marimekko shares (2,893,848) were traded on Nasdaq Helsinki, representing 16.7 percent (35.6) of the shares outstanding. The total value of the share turnover was EUR 81,741,697 (88,593,577). The lowest price of the share was EUR 44.50 (21.30), the highest was EUR 83.40 (42.50) and the average price was EUR 60.06 (30.62). At the end of September, the closing price of the share was EUR 68.20 (37.15).

The company's market capitalization on 30 September 2021 was EUR 553,090,679, excluding the Marimekko shares held by the company (301,280,333).

Authorizations

The Annual General Meeting held on 8 April 2020 authorized the Board of Directors to decide on the payment of a maximum dividend of EUR 0.90 per share in one or several instalments at a later stage. On 18 February 2021, the Board made use of the authorization and decided that a dividend of EUR 0.90 per share be paid for 2019 in one instalment. The dividend record date was 22 February 2021, and the dividend payout date was 1 March 2021.

The AGM 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. The authorization was not used in the review period. The authorization is valid until the next AGM. The company will publish the possible decision on dividend payment separately and, at the same time, confirm the pertinent record and payment dates.

The AGM on 14 April 2021 also authorized the Board to decide on the acquisition of a maximum of 100,000 of the company's own shares, in one or more instalments, to be used as a part of the company's incentive compensation program, to be transferred for other purposes or to be cancelled. The quantity represents approximately 1.2 percent of the total number of the company's shares at the time of the proposal. 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 authorization was not used in the review period. The authorization is valid until 14 October 2022.

Furthermore, 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. The total number of shares to be issued or transferred pursuant to the authorization may not exceed 120,000 new or treasury shares, which represents approximately 1.5 percent of the total number of the company's shares at the time of the proposal. Pursuant to the authorization, the Board may decide on a directed share issue in deviation from the shareholders' pre-emptive right for a weighty financial reason. The share issue may be subject to a charge or free. 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 review period, but after the review period, the Board decided to transfer a total of 6,640 Marimekko shares held by the company as a part of the long-term bonus system targeted at the Management Group. The authorization is valid until 14 October 2022 and a total of 113,360 new or treasury shares can be issued or transferred pursuant to the authorization at a later stage.

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

Events after the end of the review period

After the review period, the Board of Directors of Marimekko decided on a directed share issue without consideration in order to transfer a total of 6,640 Marimekko shares held by the company as a part of the long-term bonus system targeted at the Management Group. The decision was based on the authorization given by the AGM on 14 April 2021. The shares are estimated to be transferred on 5 November 2021. Following the transfer, Marimekko will hold 13,360 of its own shares, corresponding to some 0.16 percent of the total number of the company shares. Marimekko shares held by the company carry no voting rights and no entitlement to dividends.

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 that spread rapidly all over the world during the first quarter of 2020 has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades. The pandemic impacts the global economic trend in many ways, and it has taken uncertainty to a completely new level. For example, inflation expectations in many countries have increased clearly. The coronavirus pandemic and other exceptional circumstances, especially if prolonged, can have significant impacts on Marimekko's sales, profitability, cash flow and the operational reliability of the company's value chain. They can have both short-term and long-term impacts on consumers' preferences, purchasing behavior and buying power. Changes in these, especially in Finland and Japan, which are the company's biggest single countries for business, pose considerable strategic risks to the company. An economic recession and a rise in unemployment can affect the company's sales outlook and increase consumers' price sensitivity.

Other strategic risks include risks related to changes in the company's design, product assortment and product distribution and pricing. Digitization in retail trade has gathered pace in the past few years and will further accelerate 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 is emphasized. International e-commerce increases 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.

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. 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. 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. Store lease agreements in Finland and abroad also contain risks.

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 internationalizes, the risks of infringements of its intellectual property rights 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 key personnel can also be significant. The coronavirus pandemic

increases operational risks related especially to taking care of the health and safety of customers and employees, production, supply and logistics chain reliability and efficiency, inventory and product flow management as well as cybersecurity and information system reliability as the importance of e-commerce is further emphasized. In 2021, Marimekko has experienced some coronavirus related supply chain disruptions, which have resulted 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, weakens the company's possibilities to respond to rapid changes in demand especially in exceptional situations. For example, a rapid increase in demand can pose challenges in the availability of products.

In normal circumstances, too, there are risks associated with information system reliability, dependability and compatibility. With digitization, cybercrime and various 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 availability and price of transport. The coronavirus pandemic has impacted global supply chains in various ways, which can result, for example, in price increases for Marimekko's raw materials and other factors of production as well as for logistics. Early commitment to product orders from subcontractors, which is typical of the industry, means that changes in raw and other material prices affect the company with a delay. 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. Enhancing sustainability is increasingly important for competitiveness in the industry, which can have an impact on the company's sales and profitability, as 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 is important in maintaining customers' confidence; any failures or errors in this area will involve reputation risks. 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. Business and reputation risks 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 chain. 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, Swedish krona and Australian dollar), taxation, and customers' liquidity may have an impact on the company's financial status. The coronavirus pandemic has significantly increased risks related to customers' liquidity.

Market outlook and growth targets for 2021

The coronavirus pandemic has been the worst crisis experienced by the global fashion industry and specialty retail sector in decades, and it will heavily impact the sector in 2021 as well. It has taken uncertainty over the global economy to a completely new level and is changing consumers' purchasing behavior. Development of the pandemic situation can cause sudden fluctuations in demand, which can have an impact on Marimekko's sales, profitability and cash flow. Furthermore, the global crisis may affect the operational reliability and efficiency of the company's value chain. Vaccine coverage, new infection waves and virus variants as well as the way the crisis is handled by different countries may influence the economic development and consumers' purchasing behavior in different markets.

Finland, Marimekko's important domestic market, traditionally represents about half of the company's net sales. Sales in Finland are expected to clearly grow on the previous year. Domestic wholesale sales in 2021 will be boosted by nonrecurring promotional deliveries, the total value of which is estimated to be substantially higher than the year before. A vast majority of the deliveries will take place in the second half of the year.

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 noticeably smaller, but operations in these countries are constantly growing. All Marimekko stores in Asia are partner-owned. Net sales in the Asia-Pacific region are expected to increase in 2021. The aim is to open approximately 5 to 10 new Marimekko stores and shop-in-shops in 2021, and most of the planned openings will be in Asia.

Marimekko estimates that both wholesale and retail sales will increase in 2021. The growth is expected to be particularly strong in wholesale sales, which also include sales to partners operating Marimekko stores. The increase in wholesale sales is partly supported by the nonrecurring promotional deliveries in Finland, and they can increase Marimekko's inventory risks. The development of the coronavirus situation, vaccine coverage and possible restrictions and recommendations in different market areas during the year, on the other hand, influence footfall in stores and hence the outlook for both retail and wholesale, including nonrecurring wholesale promotions. Rapid fluctuations in demand due to the pandemic can also affect Marimekko's net sales.

The pandemic situation has led to disruptions in global supply chains. Marimekko has also experienced some coronavirus related supply chain disruptions, which have resulted in delivery delays. If the disruptions continue, they can impact the availability of products during the rest of the year and consequently affect net sales and profitability. Furthermore, net sales and earnings also essentially depend on maintaining the operational reliability and efficiency of distribution centers and logistics in the exceptional situation.

Marimekko will continue actions to control gray exports, which will have a clear weakening impact on the company's sales and earnings in 2021. Licensing income is forecast to be approximately at the same level as or lower than in the previous year.

Marimekko plans to accelerate its long-term international growth in 2021 and to invest especially in digital business, seamless omnichannel customer experience, sustainability and brand awareness. Fixed costs are expected to be up on the previous year, especially during the second half of the year. The growth of fixed costs is estimated to be particularly strong in the fourth quarter. In 2020, fixed costs were reduced by partly temporary cost savings as well as subsidies granted in different countries to mitigate the negative business impacts of the coronavirus pandemic. Marketing expenses are expected to grow (2020: EUR 5.3 million) and take place especially in the second half of the year. In addition, IT costs are expected to increase clearly as the accounting principles related to configuration and customization costs in a cloud computing arrangement will change as a result of a new IFRIC interpretation. According to the current, preliminary estimate, the change in accounting principles will increase Marimekko's fixed costs and accordingly lower the company's investments approximately by some EUR 1 million during the financial year 2021. Marimekko will finalize the calculations during the fall of 2021 and possible impacts will be accounted for retrospectively at the financial statements 2021. As a result, total investments are estimated to be clearly lower than the year before (2020: EUR 2.1 million). The estimated effects of the long-term bonus system targeted at the company's Management Group will depend on the trend in the price of the company's share during the year. The first earnings period ended at the end of September 2021.

The instability caused by the coronavirus pandemic in Marimekko's markets continues. Marimekko is closely monitoring the development of the pandemic situation in each of its market areas and will adjust its operations and plans according to the situation.

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. However, the relative growth of the net sales is expected to slow down during the second half of the year as the coronavirus pandemic had an exceptionally negative effect on the net sales during the first six months of 2020.

Financial calendar for 2022

Marimekko Corporation's results for the year 2021 will be released on Tuesday 15 February 2022 at 8.00 a.m. The Financial Statements 2021 will be published in week 12, at the latest. The interim reports and the half-year financial report for 2022 will be issued as follows: January-March on Friday, 13 May 2022 at 8.00 a.m., January-June on Wednesday, 17 August 2022 at 8.00 a.m., and January-September on Wednesday, 2 November 2022 at 8.00 a.m.

The Annual General Meeting is scheduled to be held on Wednesday, 12 April 2022 at 2.00 p.m.

Helsinki, 2 November 2021

Marimekko Corporation
Board of Directors

The quarterly results for 2021 are unaudited. 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 2020 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). In this agenda decision, the Committee considered when an intangible asset can be recognized in relation to configuration and customization of an application software. As the IFRIC agenda decisions do not have a date of entry into force, they are expected to be applied as soon as possible. As Marimekko currently has projects related to cloud computing arrangements, the company is studying on whether this agenda decision will have impacts on the group's accounting principles related to costs in cloud computing arrangements. Marimekko will finalize its study during the fall 2021 and possible implications will be retroactively implemented in the financial statements 2021. According to the current, preliminary estimate, the change in accounting principles will increase Marimekko's fixed costs and accordingly lower the company's investments approximately by some EUR 1 million during the financial year 2021.

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

Reconciliation of alternative key figures to IFRS

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)	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
NET SALES	42,363	38,011	104,161	86,210	123,568
Other operating income	54	4	88	278	341
Changes in inventories of finished goods and work in progress	1,124	-2,298	5,254	3,384	-361
Raw materials and consumables	-16,571	-12,337	-43,332	-36,647	-48,237
Employee benefit expenses	-6,068	-6,158	-19,508	-17,395	-25,334
Depreciation and impairment	-3,033	-3,103	-9,092	-9,392	-12,556
Other operating expenses	-4,614	-3,605	-13,192	-12,055	-18,076
OPERATING PROFIT	13,254	10,514	24,379	14,382	19,345
Financial income	247	11	478	503	592
Financial expenses	-292	-565	-983	-1,899	-2,375
	-45	-554	-504	-1,396	-1,783
RESULT BEFORE TAXES	13,209	9,960	23,875	12,986	17,562
Income taxes	-2,634	-1,992	-4,731	-2,684	-3,798
NET RESULT FOR THE PERIOD	10,576	7,967	19,144	10,303	13,765
Distribution of net result to equity holders of the parent company	10,576	7,967	19,144	10,303	13,765
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	1.30	0.98	2.36	1.27	1.70

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
NET RESULT FOR THE PERIOD	10,576	7,967	19,144	10,303	13,765
Items that could be reclassified to profit or loss at a future point in time					
Change in translation difference	-79	114	-151	133	92
COMPREHENSIVE RESULT FOR THE PERIOD	10,497	8,081	18,993	10,436	13,857
Distribution of the result to equity holders of the parent company	10,497	8,081	18,993	10,436	13,857

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.9.2021	30.9.2020	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	1,856	915	1,077
Tangible assets	33,867	36,338	41,269
Other financial assets	474	16	16
Deferred tax assets	1,134	826	860
	37,330	38,095	43,222
CURRENT ASSETS			
Inventories	27,540	26,212	22,436
Trade and other receivables	14,241	11,810	8,126
Cash and cash equivalents	43,580	34,565	41,045
	85,361	72,587	71,607
ASSETS, TOTAL	122,692	110,682	114,830

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.9.2021	30.9.2020	31.12.2020
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	-315	-315	-315
Translation differences	-125	67	26
Retained earnings	55,647	40,340	43,802
Shareholders' equity, total	64,475	49,360	52,781
NON-CURRENT LIABILITIES			
Lease liabilities	21,843	22,059	26,996
Other non-current liabilities	-	1,378	1,476
	21,843	23,437	28,472
CURRENT LIABILITIES			
Trade and other payables	24,289	19,744	22,160
Current tax liabilities	2,115	1,095	534
Lease liabilities	8,875	10,466	10,158
Financial liabilities	1,094	6,580	725
	36,374	37,884	33,577
Liabilities, total	58,217	61,321	62,048
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	122,692	110,682	114,830

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-9/2021	1-9/2020	1-12/2020
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period	19,144	10,303	13,765
Adjustments			
Depreciation and impairments	9,092	9,392	12,556
Financial income and expenses	504	1,396	1,783
Taxes	4,731	2,684	3,798
Cash flow before change in working capital	33,471	23,774	31,902
Change in working capital	-10,114	-6,588	3,310
Increase(-)/decrease(+) in current non-interest-bearing trade receivables	-6,519	-5,390	-1,591
Increase(-) / decrease(+) in inventories	-5,067	-3,648	65
Increase(+) / decrease(-) in current non-interest-bearing liabilities	1,473	2,449	4,836
Cash flow from operating activities before financial items and taxes	23,358	17,186	35,212
Paid interest and payments on other financial expenses	-926	-1,050	-1,463
Interest received and payments on other financial income	17	72	78
Taxes paid	-3,412	-4,031	-5,740
CASH FLOW FROM OPERATING ACTIVITIES	19,037	12,177	28,087
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-1,795	-2,040	-2,846
CASH FLOW FROM INVESTING ACTIVITIES	-1,795	-2,040	-2,846
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	307	6,329	6,488
Short-term loans repaid	-	-	-6,000
Payments of lease liabilities	-7,817	-8,035	-10,729
Dividends paid	-7,299	-	-
CASH FLOW FROM FINANCING ACTIVITIES	-14,810	-1,706	-10,241
Change in cash and cash equivalents	2,432	8,432	14,999
Cash and cash equivalents at the beginning of the period	41,045	26,133	26,133
Effects of exchange rate fluctuations	103	-	-87
Cash and cash equivalents at the end of the period	43,580	34,565	41,045

In addition, Marimekko has unused committed credit lines of EUR 14,376 thousand (17,300) as well as a long-term revolving credit facility of EUR 5 million, which includes a covenant.

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. 2020	8,040	1,228	-315	-66	30,037	38,925
Comprehensive result						
Net result for the period					10,303	10,303
Translation differences				133		133
Total comprehensive result for the period				133	10,303	10,436
Shareholders' equity, 30 Sept. 2020	8,040	1,228	-315	67	40,340	49,360
Shareholders' equity, 1 Jan. 2021	8,040	1,228	-315	26	43,802	52,781
Comprehensive result						
Net result for the period					19,144	19,144
Translation differences				-151		-151
Total comprehensive result for the period				-151	19,144	18,993
Transactions with owners						
Dividends paid					-7,299	-7,299
Shareholders' equity, 30 Sept. 2021	8,040	1,228	-315	-125	55,647	64,475

INTANGIBLE AND TANGIBLE ASSETS

(EUR 1,000)	Intangible assets		Tangible assets	
		Right-of-use assets	Other	Total
Acquisition cost, 1 Jan. 2020	10,453	46,598	28,209	74,808
Translation differences	-252	-450	-390	-840
Increases	156	4,673	1,083	5,756
Transfers between categories	484	-	-484	-484
Acquisition cost, 30 Sept. 2020	10,841	50,820	28,418	79,239
Accumulated depreciation, 1 Jan. 2020	9,860	10,833	23,544	34,376
Translation differences	-227	-188	-397	-585
Depreciation during the period	293	8,211	898	9,109
Accumulated depreciation, 30 Sept. 2020	9,926	18,856	24,045	42,901
Book value, 30 Sept. 2020	915	31,965	4,373	36,338
Book value, 1 Jan. 2020	593	35,766	4,665	40,431
Book value, 30 Sept. 2020	915	31,965	4,373	36,338
Acquisition cost, 1 Jan. 2021	11,196	58,129	29,120	87,249
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	12,374	59,727	29,232	88,959
Accumulated depreciation, 1 Jan. 2021	10,118	21,562	24,418	45,981
Translation differences	-21	221	219	440
Depreciation during the period	421	7,979	692	8,671
Accumulated depreciation, 30 Sept. 2021	10,518	29,762	25,330	55,092
Book value, 30 Sept. 2021	1,856	29,965	3,902	33,867
Book value, 1 Jan. 2021	1,077	36,567	4,702	41,269
Book value, 30 Sept. 2021	1,856	29,965	3,902	33,867

KEY FIGURES

	1-9/2021	1-9/2020	Change, %	1-12/2020
Earnings per share, EUR	2.36	1.27	86	1.70
Equity per share, EUR	7.95	6.09	31	6.51
Return on equity (ROE), %	39.7	28.9		30.0
Return on investment (ROI), %	31.9	20.7		22.5
Equity ratio, %	53.2	44.6		46.6
Gearing, %	-18.3	9.2		-6.0
Gross investments, EUR 1,000	1,092	1,240	-12	2,143
Gross investments, % of net sales	1.0	1.4		1.7
Contingent liabilities, EUR 1,000	642	700	-8	662
Average personnel	398	437	-9	434
Personnel at the end of the period	381	428	-11	422
Number of shares outstanding at the end of the period	8,109,834	8,109,834		8,109,834
Average number of shares outstanding	8,109,834	8,109,834		8,109,834

The figures for gross investments do not include the impact of IFRS 16.

RECONCILIATION OF ALTERNATIVE KEY FIGURES TO IFRS

(EUR million)	7-9/ 2021	7-9/ 2020	1-9/ 2021	1-9/ 2020	1-12/ 2020
Items affecting comparability					
Restructuring costs	-	-	-	-	-0.8
Items affecting comparability in operating profit					
	-	-	-	-	-0.8
EBITDA					
	16.3	13.6	33.5	23.8	31.9
Restructuring costs	-	-	-	-	0.8
Comparable EBITDA					
	16.3	13.6	33.5	23.8	32.7
Operating profit					
	13.3	10.5	24.4	14.4	19.3
Restructuring costs	-	-	-	-	0.8
Comparable operating profit					
	13.3	10.5	24.4	14.4	20.2
Net sales					
	42.4	38.0	104.2	86.2	123.6
Operating profit margin, %					
	31.3	27.7	23.4	16.7	15.7
Comparable operating profit margin, %					
	31.3	27.7	23.4	16.7	16.3

Items affecting comparability are exceptional transactions that are not related to the company's regular business operations. These include, among other things, costs associated with restructuring of operations. The Group's management exercises its discretion when making decisions regarding the classification of items affecting comparability.

NET SALES BY MARKET AREA

(EUR 1,000)	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change, %	1-12/ 2020
Finland	28,782	22,972	25	61,677	47,924	29	71,145
Retail sales	15,335	14,597	5	35,863	31,281	15	45,928
Wholesale sales	13,392	8,329	61	25,688	16,546	55	25,058
Licensing income	55	46	19	126	97	29	158
Scandinavia	2,898	2,779	4	8,213	6,715	22	9,883
Retail sales	944	1,348	-30	2,322	3,156	-26	4,311
Wholesale sales	1,954	1,431	37	5,890	3,559	65	5,572
Licensing income	-	-	-	-	-	-	-
EMEA	2,725	4,013	-32	9,769	9,980	-2	13,961
Retail sales	385	490	-21	1,214	1,583	-23	2,160
Wholesale sales	2,244	3,409	-34	7,427	8,093	-8	11,400
Licensing income	96	113	-15	1,129	305		401
North America	2,028	1,624	25	5,715	4,756	20	6,466
Retail sales	1,451	1,077	35	3,607	2,863	26	3,952
Wholesale sales	489	468	4	1,820	1,751	4	2,268
Licensing income	88	79	12	288	142	102	247
Asia-Pacific	5,930	6,623	-10	18,787	16,834	12	22,114
Retail sales	684	661	3	2,508	2,383	5	3,609
Wholesale sales	5,219	5,362	-3	15,896	12,852	24	16,495
Licensing income	28	600	-95	383	1,600	-76	2,010
International sales, total	13,581	15,039	-10	42,484	38,286	11	52,424
Retail sales	3,464	3,576	-3	9,651	9,984	-3	14,032
Wholesale sales	9,906	10,671	-7	31,033	26,254	18	35,734
Licensing income	212	792	-73	1,799	2,047	-12	2,658
Total	42,363	38,011	11	104,161	86,210	21	123,568
Retail sales	18,799	18,173	3	45,514	41,265	10	59,960
Wholesale sales	23,298	19,000	23	56,722	42,801	33	60,792
Licensing income	267	839	-68	1,925	2,144	-10	2,816

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

NET SALES BY PRODUCT LINE

(EUR 1,000)	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change, %	1-12/ 2020
Fashion	11,744	12,613	-7	32,803	31,284	5	39,740
Home	22,062	17,093	29	49,846	35,842	39	56,262
Bags and accessories	8,557	8,305	3	21,511	19,084	13	27,566
Total	42,363	38,011	11	104,161	86,210	21	123,568

QUARTERLY TREND IN NET SALES AND EARNINGS

(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	13,254	5,501	5,624	4,963
Earnings per share, EUR	1.30	0.51	0.55	0.43

(EUR 1,000)	7-9/2020	4-6/2020	1-3/2020	10-12/2019
Net sales	38,011	23,327	24,872	34,716
Operating profit	10,514	2,661	1,208	3,013
Earnings per share, EUR	0.98	0.27	0.02	0.26

STORES AND SHOP-IN-SHOPS

	30.9.2021	30.9.2020	31.12.2020
Finland	65	65	65
Company-owned stores	25	25	25
Company-owned outlet stores	12	12	12
Retailer-owned stores	13	13	13
Retailer-owned shop-in-shops	15	15	15
Scandinavia	8	10	8
Company-owned stores	5	7	5
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
EMEA	2	2	2
Company-owned stores	-	-	-
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	2	2	2
North America	5	6	6
Company-owned stores	3	4	4
Company-owned outlet stores	1	1	1
Retailer-owned stores	1	1	1
Retailer-owned shop-in-shops	-	-	-
Asia-Pacific	72	68	73
Company-owned stores	4	4	4
Company-owned outlet stores	-	-	-
Retailer-owned stores	57	53	58
Retailer-owned shop-in-shops	11	11	11
Total	152	151	154
Company-owned stores	37	40	38
Company-owned outlet stores	13	13	13
Retailer-owned stores	71	67	72
Retailer-owned shop-in-shops	31	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 50 at the end of September 2021 (53).

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