



marimekko

Financial Statements Bulletin 2021

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Marimekko's net sales and result development was excellent also in the fourth quarter. Year 2021 was the best in the company history.

The fourth quarter in brief

- ✳ Marimekko's net sales grew by 29 percent to EUR 48.1 million (37.4). In Finland, net sales rose by 32 percent, international net sales grew by 23 percent.
- ✳ Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. On the other hand, Marimekko's actions to control gray exports decreased wholesale sales in EMEA and weakened net sales.
- ✳ Operating profit improved to EUR 7.6 million (4.8). Comparable operating profit grew by 35 percent to EUR 7.6 million (5.6).
- ✳ Earnings were boosted especially by increased net sales. On the other hand, an increase in fixed costs as well as lower relative sales margin had a weakening impact on result.

Year 2021 in brief

- ✳ Net sales grew by 23 percent to EUR 152.2 million (123.6). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. On the other hand, net sales were weakened by a decrease in wholesale sales in EMEA and lower licensing income in the Asia-Pacific region.
- ✳ Operating profit improved to EUR 31.2 million (18.8). Comparable operating profit grew by 59 percent to EUR 31.2 million (19.6). 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.

Board's proposal for dividend

The Board of Directors proposes to the Annual General Meeting that a regular dividend of EUR 1.60 and an extraordinary dividend of EUR 2.00 per share will be paid for 2021.

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 and generally increased material and logistics costs 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 Financial Statement Bulletin.

KEY FIGURES

(EUR million)	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Net Sales	48.1	37.4	29	152.2	123.6	23
International sales	17.4	14.1	23	59.9	52.4	14
% of net sales	36	38		39	42	
EBITDA *	10.6	8.0	33	43.1	31.3	38
Comparable EBITDA *	10.6	8.8	20	43.1	32.1	34
Operating profit *	7.6	4.8	58	31.2	18.8	66
Operating profit margin, % *	15.8	12.9		20.5	15.2	
Comparable operating profit *	7.6	5.6	35	31.2	19.6	59
Comparable operating profit margin, % *	15.8	15.1		20.5	15.9	
Result for the period *	5.9	3.3	75	24.4	13.3	83
Earnings per share, EUR *	0.72	0.41	75	3.01	1.64	83
Comparable earnings per share, EUR *	0.72	0.49	46	3.01	1.72	75
Cash flow from operating activities *	17.8	15.7	13	35.9	27.5	31
Return on investment (ROI), % *				33.0	21.8	
Equity ratio, % *				53.3	46.4	
Net debt / EBITDA (rolling 12 months)				-0.64	-0.10	
Gross investments *	0.0	0.7	-95	0.2	1.5	-86
Personnel at the end of the period				409	422	-3
outside Finland				69	84	-18
Brand sales ¹	128.3	76.8	67	375.6	286.4	31
outside Finland	85.5	45.3	89	247.6	190.3	30
proportion of international sales, %	67	59		66	66	
Number of stores				152	154	-1

* The quarterly figures for the review and comparable period have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

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 Financial Statements Bulletin.

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

“Strong profitable growth in the fourth quarter concluded our 70th anniversary year and saw Marimekko achieve the highest net sales and operating profit in its history.



The key factors behind our strong performance included our long-term efforts to modernize our brand and lifestyle collections, strengthening our digital business and the omnichannel customer experience as well as increasing our international brand awareness from one year to the next.

The new operating practices we have adopted during the pandemic and our agility to react to the constantly changing operating environment were also important factors. I want to take this opportunity to express my heartfelt gratitude to the entire Marimekko team for their tremendous work: faced with difficult market conditions, our personnel have with great passion and perseverance solved challenges created by the pandemic while at the same time continuing our efforts to accelerate our long-term profitable growth.

Marimekko's business continued to see strong growth in the final quarter of the year. Our net sales increased by 29 percent to EUR 48.1 million (37.4). Growth was driven particularly by wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. In total, our net sales in Finland increased by 32 percent and our international net sales grew by 23 percent.

Most of Marimekko's own stores were open, as was the case in the comparison period. Holiday sales went very well, both in our brick-and-mortar stores and the online store, and our omnichannel retail sales grew by 26 percent. At the same time, our wholesale sales increased by 33 percent. Earnings were boosted especially by increased net sales, and our comparable operating profit was up by 35 percent in the October-December period. Comparable operating profit totaled EUR 7.6 million (5.6), representing 15.8 percent of net sales (15.1). On the other hand, operating profit was weakened by higher fixed costs and a lower relative sales margin.

Our full-year net sales grew by 23 percent and amounted to EUR 152.2 million (123.6). Compared to before the pandemic, i.e. the year 2019, the rate of growth was 21 percent. Sales in 2021 grew year-on-year by 30 percent in Finland and 14 percent internationally. The excellent sales performance significantly improved our operating profit. Our comparable operating profit was the highest in the company's history at EUR 31.2 million (19.6), representing 20.5 percent of net sales (15.9).

At the end of September, together with adidas, a global leader in the sporting goods industry, we launched our second limited-edition sports apparel collaboration collection. The capsule collection was well received and provided Marimekko with valuable visibility around the world. In October, we launched our first limited-edition collaboration products specifically for the Chinese market together with the specialty coffee chain Seesaw. In addition to global brand partnerships, targeted local collaborations in our main markets are an important way to

introduce more and more new audiences to Marimekko. Local collaborations also enable us to increase the local relevance of the Marimekko brand.

Marimekko's visibility in the fourth quarter was also increased by experiential pop-up spaces in five cities around Japan in collaboration with Tsutaya, the country's largest bookstore chain. All in all, customers got to experience our 70-year-old brand, special collections and the Marimekko Kioski streetwear collection at 32 pop-up stores around the world in 2021. Our omnichannel store network in Asia was further strengthened when new Marimekko stores were opened in Hong Kong and South Korea in the fourth quarter. In total, six new Marimekko brick-and-mortar stores as well as online stores in two countries were opened in Asia in 2021. The digital customer experience in our online store – which was revamped in May – was further enriched in December when the celebration of our 70th anniversary culminated in the launch of Maripedia, a constantly growing digital library opening our extensive print archive to the general public.

The coronavirus pandemic continues to affect business in 2022, but the pandemic has already become part of daily life for companies. Our long-term work to develop the Marimekko brand and our business as a whole as well as our success during the pandemic speak to the effectiveness of our international growth strategy. The year 2022 is the final year of our current strategy period. During the year, we will determine our direction for the next strategy period and review our long-term financial targets. We are planning to organize the company's first Capital Markets Day in the fall of 2022. Marimekko's positive development over the past few years, our brand that appeals to an increasingly broad global audience and the megatrends that support our growth story – such as the accelerated digitization and consumers' changing values and growing interest in sustainability – provide us with an excellent basis for accelerating our long-term profitable international growth in the years to come.

The first collections created under the leadership of our Creative Director Rebekka Bay arrived in our stores at the turn of the year. A growing proportion of our products are made from materials that have a less adverse impact on the environment. As part of our ambitious sustainability efforts, we will also launch the Marimekko Pre-loved second-hand platform later this year to help extending the lifespan of our products. In accordance with our values, we want to be at the forefront in promoting sustainability and, through the power of our example, to move the entire industry towards a more sustainable future.”

Operating environment

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

The growth rate of the world economy is expected to slow down. In 2022, the world economy is estimated to grow at a rate of approximately four percent, but the spread of the omicron virus variant, coronavirus restrictions, increased inflation, and bottlenecks in production, among other things, are creating uncertainties for the development of the economy.

The economic outlook for Finland continued to be positive during the turn of the year, but expectations for the future have weakened. In January, the confidence indicator for the retail trade remained on the same level as before. Sales have grown, but sales expectations for the coming months are cautious. The January figures for consumer confidence increased slightly but were lower than the year before. Estimates of the current state of personal finances and expectations for personal economy were positive while expectations for Finland's economy were weak.

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

The working-day-adjusted turnover of Finnish retail trade in December grew by 1.0 percent on the previous year. The volume of sales was down by 2.9 percent. The cumulative working-day-adjusted turnover of retail trade in 2021 rose by 4.9 percent and the volume of sales increased by 3.2 percent. (Statistics Finland: Turnover of Trade, retail trade flash estimate, January 2022).

Net sales

Net sales in the fourth quarter

In the October-December period of 2021, the Group's net sales grew by 29 percent relative to the same period the year before and were EUR 48,066 thousand (37,358). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. Marimekko's actions to control gray exports decreased wholesale sales in EMEA, which had a negative impact on the Group's net sales. Net sales in Finland rose by 32 percent; international sales were up by 23 percent.

Like in the comparison period, nearly all Marimekko's own stores were open in the fourth quarter. Holiday sales, which are important to Marimekko, went very well, both in the brick-and-mortar stores and the online store. Retail sales in the October-December period increased by 26 percent from the comparable period. Wholesale sales continued to perform strongly and grew by 33 percent.

Net sales in Finland were EUR 30,622 thousand (23,220). Retail sales increased by 21 percent. Comparable retail sales grew by 19 percent. Wholesale sales in Finland grew by 51 percent. The good trend in wholesale sales was supported partly by non-recurring promotional deliveries, the total value of which was higher than last year.

In the company's second-biggest market, the Asia-Pacific region, net sales increased by 36 percent to EUR 7,188 thousand (5,280), when especially wholesale sales grew relative to the same period the year before. Wholesale sales in the entire region increased by 48 percent and in Japan, the most important country to Marimekko in this market area, by 42 percent as well. Like in the comparison period, some of the wholesale deliveries for the final quarter transferred

to the first quarter of 2022. Marimekko's own stores in Australia were open for most of the quarter, and retail sales in the Asia-Pacific region grew by 39 percent.

Net sales in 2021

In 2021, the Group's net sales grew by 23 percent to EUR 152,227 thousand (123,568). Net sales were boosted especially by a favorable trend in wholesale and retail sales in Finland. In addition, wholesale sales in the Asia-Pacific region and Scandinavia as well as retail sales in North America grew strongly. On the other hand, net sales were weakened by a decrease in wholesale sales in EMEA, resulting from Marimekko's actions to control gray exports, as well as lower licensing income in the Asia-Pacific region. Net sales in Finland were up by 30 percent; international sales increased by 14 percent.

Retail sales in total rose by 15 percent. Nearly all Marimekko stores were open in 2021 unlike the year before, when a large number of Marimekko stores around the world were temporarily closed during the first or second quarter. However, the customer numbers in stores in the first quarter of 2021 were clearly lower due to the pandemic than in the comparison period where the coronavirus pandemic started to have an effect only at the end of the first quarter. Wholesale sales increased by 33 percent in 2021.

Net sales in Finland amounted to EUR 92,299 thousand (71,145). Retail sales rose by 17 percent, and comparable retail sales grew by 16 percent. Wholesale sales in Finland increased by 54 percent. The good trend in wholesale sales was supported by non-recurring promotional deliveries, the total value of which was significantly higher than last year.

In the Asia-Pacific region, net sales grew by 17 percent to EUR 25,974 thousand (22,114), even though licensing income was significantly lower than the year before. Wholesale sales in the entire region increased by 29 percent and in Japan by 21 percent. Retail sales in the Asia-Pacific region grew by 17 percent even though stores in Australia were temporarily closed for several months during the year due to the pandemic situation.

NET SALES BY MARKET AREA

(EUR 1,000)	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Finland	30,622	23,220	32	92,299	71,145	30
International sales	17,444	14,138	23	59,927	52,424	14
Scandinavia	4,449	3,168	40	12,661	9,883	28
EMEA	3,125	3,980	-21	12,895	13,961	-8
North America	2,682	1,710	57	8,397	6,466	30
Asia-Pacific	7,188	5,280	36	25,974	22,114	17
Total	48,066	37,358	29	152,227	123,568	23

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 Financial Statements bulletin.

Financial result

In the October-December period of 2021, the Group's operating profit grew substantially, reaching EUR 7,618 thousand (4,816). There were no items affecting comparability in the period under review, and comparable operating profit was also EUR 7,618 thousand (5,643). Earnings were boosted especially by increased net sales. On the other hand, an increase in fixed costs as well as lower relative sales margin had a weakening impact on earnings.

Fixed costs in the review period were increased particularly by higher marketing and employee benefit expenses. Employee benefit expenses grew mostly as a result of a one-off bonus paid to the personnel. The relative sales margin was weakened by increased logistics costs. Growth in logistics costs resulted from disturbances in supply chain caused by the coronavirus pandemic as well as the global container shortage. On the other hand, the relative sales margin was supported by good margins per product.

In 2021, the Group's operating profit was EUR 31,249 thousand (18,772). The comparable operating profit was also EUR 31,249 thousand (19,600). Earnings were boosted especially by increased net sales but also by 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 comparable year, 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 in 2021 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 comparable year, 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 as well as one-off bonuses paid to the personnel increased employee benefit expenses in 2021. In 2020, significant 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 and IT expenses, among other things, also contributed to higher fixed costs in 2021. Lower credit loss provisions, however, decreased fixed costs.

The increase in IT expenses was mainly related to a change in accounting principle of configuration and customization costs in a cloud computing arrangement. The changed accounting principle also affected Marimekko's depreciation and was retroactively implemented both to earlier quarters of 2021 as well as to 2020. In total, the net effect of the change on the operating profit of 2021 amounted to EUR 1 million. The net effect in operating profit in financial year 2020 was EUR 0.6 million.

Marketing expenses for the year 2021 were EUR 7,521 thousand (5,274), or 5 percent of the Group's net sales (4).

The Group's depreciation amounted to EUR 11,874 thousand (12,520), representing 8 percent of net sales (10).

In 2021, operating profit margin was 20.5 percent (15.2) and comparable operating profit margin was also 20.5 percent (15.9). In the fourth quarter of the year, operating profit margin was 15.8 percent (12.9) and comparable operating profit margin 15.8 percent (15.1).

Net financial expenses in 2021 were EUR 552 thousand (1,783), or 0 percent of net sales (1). Financial items include exchange rate differences amounting to EUR 270 thousand (-720), of which EUR 513 thousand (-385) were unrealized. The impact of IFRS 16 on interest expenses was EUR -694 thousand (-773).

Result for 2021 before taxes was EUR 30,697 thousand (16,989). Net result for the period was EUR 24,408 thousand (13,306) and earnings per share were EUR 3.01 (1.64).

Balance sheet

The consolidated balance sheet total as at 31 December 2021 was EUR 132,887 thousand (114,371). Equity attributable to the equity holders of the parent company was EUR 69,833 thousand (52,323), or EUR 8.60 per share (6.45).

Non-current assets at the end of December stood at EUR 35,149 thousand (42,764). Lease liabilities amounted to EUR 30,480 thousand (37,155), and financial liabilities were EUR 1,798 thousand (725). In addition, the Group had unused committed credit lines of EUR 14,982 thousand (17,146).

At the end of the period, net working capital was EUR 7,235 thousand (7,869). Inventories were EUR 25,983 thousand (22,436).

Cash flow and financing

In the October-December period of 2021, cash flow from operating activities was EUR 17,785 thousand (15,732), or EUR 2.19 per share (1.94). Cash flow before cash flow from financing activities was EUR 18,219 thousand (15,535).

In 2021, cash flow from operating activities was EUR 35,902 thousand (27,477), or EUR 4.42 per share (3.39). Cash flow before cash flow from financing activities was EUR 34,992 thousand (25,241). Dividends paid during the financial year totaled EUR 7,299 thousand (0).

The Group's cash and cash equivalents at the end of the year amounted to EUR 59,726 thousand (41,045). Improved results contributed to the increased cash and cash equivalents during the year. In the comparison year, 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. On the other hand, the cash flow of 2021 was impacted by the fact that no decision on the dividend for 2020 was made during the financial year. The amount of interest-bearing credit facilities drawn down was EUR 1,798 thousand (725). In addition, the Group had unused committed credit lines of EUR 14,982 thousand (17,146).

The Group's equity ratio at the end of the period was 53.3 percent (46.4). Gearing was -39.3 percent (-6.1). The ratio of net debt to 12-month rolling EBITDA was -0.64 (-0.10), i.e. well below the maximum of 2 which is the company's long-term goal.

Investments

The Group's gross investments in 2021 were EUR 207 thousand (1,533), or 0 percent of net sales (1). The investments were devoted to IT systems, among others. As a result of the agenda decision of the IFRS Interpretations Committee (IFRIC), the accounting principle was changed and therefore the accounting of configuration and customization costs of cloud computing arrangements changed in 2021. Marimekko has retroactively also restated the figures for 2020. Gross investments do not include new lease agreements included in balance sheet (IFRS 16) in the financial or comparable year.

Research and development

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

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. The majority of Marimekko stores around the world were open in the fourth quarter, partly with limited hours. During the fourth quarter, one store was opened in South Korea and another in Hong Kong. In addition, a formerly partner-owned store in Finland was transferred to Marimekko. The company closed a store in Helsinki airport and one in New York. In Japan, an experiential pop-up space presenting the 70-year-old Marimekko in Tsutaya, one of largest art & design bookstores in the country, introduced the brand to customers in five cities in October. In total, Marimekko had 32 pop-up stores around the world in 2021. At the end of year, there were a total of 152 Marimekko stores and shop-in-shops worldwide. The stores' net sales in each market are primarily generated from sales to local customers, although sales to tourists make up a significant portion of the sales of certain central stores especially during holiday seasons.

E-commerce plays an important role in Marimekko's omnichannel retail. Online sales developed well in the fourth 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

	31.12.2021	31.12.2020
Finland	64	65
Scandinavia	8	8
EMEA	2	2
North America	4	6
Asia-Pacific	74	73
Total	152	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 Financial Statements Bulletin.

Sustainability

Marimekko's operations and design philosophy have always been based on a sustainable approach: Marimekko wants to offer its customers timeless, functional and durable products that bring them long-lasting joy and that they will not want to throw away. Marimekko believes that determined efforts to improve sustainability strongly support the company's long-term success, and therefore sustainability management is part of everyday leadership and operational development at Marimekko. The company's sustainability strategy from 2021 to 2025 is built on three guiding principles as well as related ambitious targets and a roadmap for the entire value chain: timeless design brings joy for generations to come, the products of tomorrow leave no trace, and positive change through fairness and equality. In 2021, the company's activities included, for example, work to increase the proportion of more sustainable materials in its products and to prolong product lifetime by various means.

Marimekko issues a statement of non-financial information for 2021 separately from the report of the Board of Directors in week 12 at the latest. The statement will be available at company.marimekko.com. Marimekko reports in greater detail on its sustainability work and on issues of the environment, health and safety in a separate sustainability review published annually. The review can be read on the company's website at company.marimekko.com under Sustainability. The next review will be published in summer 2022.

Personnel

In 2021, the number of employees, expressed as full-time equivalents, averaged 401 (434). At the end of the year, the Group had 409 (422) employees, of whom 69 (84) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 21 (24), EMEA 1 (2), North America 13 (32) and the Asia-Pacific region 34 (26). The personnel at company-owned stores, expressed as full-time equivalents, totaled 193 (210) at the end of the period.

Changes in management

There were no changes in the company's management in 2021. At the end of the year, the company's Management Group comprised Tiina Alahuhta-Kasko as Chair and Elina Anckar (Chief Financial Officer), Rebekka Bay (Creative Director), Tina Broman (Chief Supply Chain and Product Officer), Kari Härkönen (Chief Digital Officer), Sanna-Kaisa Niikko (Chief Marketing

Officer), Tanya Strohmayer (Chief People Officer), Dan Trapp (Chief Sales Officer) and Riika Wikberg (Chief Business Development Officer) as members.

Corporate governance statement

The corporate governance statement for 2021 will be issued separately from the report of the Board of Directors in week 12 at the latest. It will be available on the company's website at company.marimekko.com.

Resolutions of the Annual General Meeting

The resolutions of Marimekko Corporation's Annual General Meeting 2021 have been reported in the stock exchange release of 14 April 2021 and in the interim report of 20 May 2021.

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 23,323 shareholders (18,411) at the end of December 2021. Of the shares, 17.41 percent (13.72) were owned by nominee-registered or non-Finnish holders.

On 3 November 2021, the Board of Directors decided to transfer a total of 6,640 Marimekko shares held by the company as a part of the first instalment of the long-term incentive system targeted at the Management Group. At the end of the year, Marimekko held 13,360 of its own shares, corresponding to some 0.16 percent of the total number of the company's shares. After the review period, 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 will hold 5,558 of its own shares, corresponding to some 0.07 percent of the total number of the company's shares. Marimekko shares held by the company carry no voting rights and no entitlement to dividends.

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

Share trading and the company's market capitalization

In 2021, a total of 2,229,183 Marimekko shares (3,344,494) were traded on Nasdaq Helsinki, representing 27.42 percent (41.14) of the shares outstanding. The total value of the share turnover was EUR 153,719,602 (106,484,058). The lowest price of the share was EUR 44.50 (21.30), the highest was EUR 94.20 (46.95) and the average price was EUR 68.96 (31.85). At the end of December, the closing price of the share was EUR 84.70 (45.55).

The company's market capitalization on 31 December 2021 was EUR 687,465,348, excluding the Marimekko shares held by the company (369,402,939).

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 payout 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 during the financial year. After the end of the financial year, 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 payout record date will be 17 February 2022, and the dividend payout date will be 24 February 2022.

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 2021. 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. Based on the authorization, the Board decided on 3 November 2021 to transfer 6,640 Marimekko shares held by the company as a part of the first instalment of the long-term bonus system targeted at the Management Group. In addition, after the end of the financial year, the Board decided, based on the authorization, 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 is valid until 14 October 2022 and a total of 105,558 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 financial year

Dividend for 2020

After the end of the financial year, the Board of Directors of Marimekko made use of the authorization given by the AGM on 14 April 2021 and decided that a dividend of EUR 1.00 per share be paid for 2020 in one instalment. The dividend will be paid to shareholders who are registered on the dividend payout record date of 17 February 2022 in the company's Shareholder Register held by Euroclear Finland Ltd on behalf of the Board of Directors of Marimekko Corporation. The dividend payout date is 24 February 2022.

Transfer of own shares

After the end of the financial year, the Board of Directors of Marimekko decided on a directed share issue without consideration in order to transfer a total of 7,802 Marimekko shares held by the company as the latter instalment 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 17 February 2022. Following the transfer, Marimekko will hold 5,558 of its own shares, corresponding to some 0.07 percent of the total number of the company shares. Marimekko shares held by the company carry no voting rights and no entitlement to dividends.

A new long-term incentive system for the management

After the end of the financial year, the Board of Directors of Marimekko decided to continue the share-based long-term incentives for the company's management. The new incentive system for years 2022–2026 is a performance share plan targeted to the Management Group of Marimekko and at the beginning, it encompasses nine people including the President and CEO. The objective of the new plan is to continue aligning the interests of the management with the interests of the shareholders and to encourage the management to work on a long-term basis with the aim to increase the shareholder value. The Performance share plan 2022–2026 is composed of two earnings periods: 1 January 2022–30 June 2025 and 1 January 2023–30 June 2026. The potential reward from each earnings period is based on total shareholder return (TSR) i.e. the total yield on Marimekko Corporation's shares, including dividends, at the end of the period. Details of the plan have been reported in the stock exchange release of 15 February 2022.

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, political tensions, and increased inflation impact the global economic trend as well as consumers' purchasing behavior. The coronavirus pandemic and other factors creating particularly great uncertainties for the world economy can have significant impacts on Marimekko's sales, profitability, cash flow and the operational reliability 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. 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. In addition, various political tensions can affect consumers' purchasing behavior as well as supply or logistics chains and consequently impact the company's sales and profitability.

The company's growth in the longer term is based primarily on omnichannel retail: on increasing e-commerce, on partner-led retail in Asia, as well as on enhancing the sales per square meter of existing stores in the company's main market areas. In addition, the company expands its distribution through physical and digital wholesale channels appropriate for the Marimekko brand. The Asia-Pacific region is Marimekko's second-biggest market, and it plays an important role in the company's growth and internationalization. Major partnership choices, partnering contracts and other collaboration agreements involve considerable risks. Store lease agreements in Finland and abroad also contain risks. With the company's internationalization and the growing interest in its brand, risks related to gray exports have increased, which may have an impact on the company's sales and profitability. Internationalization also increases the applicable regulation for company's operations in different markets.

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

Prominent among the company's operational risks are those related to internationalization, digitization, sustainability as well as the supply and logistics chain. As Marimekko is a small company, risks related to securing the necessary talent for international growth as well as risks related to key personnel can also be significant. The coronavirus pandemic increases 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 as the importance of e-commerce is further emphasized. The pandemic situation causes supply chain disruptions, which can result 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 respond to rapid changes in demand especially in exceptional situations.

In normal circumstances, too, there are risks associated with information system reliability, dependability and compatibility. With digitization and internationalization, 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 logistics. New coronavirus infection waves and virus variants as well as the ways different countries react to those may cause even significant disruptions in supply and logistics chains. In addition, it is of utmost importance to safeguard the operational reliability of the company's own printing factory in all circumstances. The lately overall increased prices of raw materials and other factors of production as well as for logistics impact also Marimekko. 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 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 is important in maintaining customers' confidence; any failures or errors in this area will involve reputation risks. 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 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), taxation, and customers' liquidity may have an impact on the company's financial status.

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, political tensions, and increased inflation impact the global economic trend as well as consumers' purchasing behavior and, as a result, can have an impact on Marimekko's business. Furthermore, these factors may affect the 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 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. The aim is to open approximately 5 to 10 new Marimekko stores and shop-in-shops in 2022, and most of the planned openings will be in Asia.

Marimekko estimates that both retail and wholesale sales will increase in 2022. Licensing income is also forecasted to be higher than in the previous year. Marimekko will continue actions to control gray exports, but these actions will have a significantly lower weakening impact on the company's sales and earnings in 2022 than in the previous year. Because of the seasonal nature of Marimekko's business, the major portion of the company's euro-denominated net sales and earnings are traditionally generated during the second half of the year.

The coronavirus pandemic causes disruptions in global supply chains. These disruptions can result in delivery delays, and thus impact Marimekko's net sales and profitability. In addition, disruptions in supply chain can increase logistics costs, which have also grown overall worldwide. Furthermore, net sales and earnings also essentially depend on maintaining the operational reliability and efficiency of distribution centers and logistics in the exceptional situation. Costs of raw and other materials have increased globally. Early commitment to product orders, which is typical of the fashion and design industry, means that changes in raw and other material prices affect the company with a delay. Marimekko is actively working on mitigating the negative effects of increased costs.

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

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.

The Board of Directors' proposal for dividends

On 31 December 2021, the parent company's distributable funds amounted to EUR 55,890,746.68; profit for the financial year was EUR 24,865,528.81. The Board of Directors will propose to the Annual General Meeting that a regular dividend of EUR 1.60 per share and an extraordinary dividend of EUR 2.00 per share be paid for 2021.

The Board will propose 14 April 2022 as the dividend payout record date and 25 April 2022 as the dividend payout date. A regular dividend of EUR 1.00 per share will be paid for 2020.

Financial calendar for 2022

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, 15 February 2022

Marimekko Corporation

Board of Directors

The quarterly results for 2021 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 financial statements bulletin 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, with the following exception.

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

This change in accounting principle increased Marimekko's fixed costs and correspondingly lowered gross investments and depreciation. Based on the agenda decision, Marimekko has booked a total of EUR 1.6 million as costs. This amount was earlier activated as costs in intangible assets. The amount booked for financial year 2021, a total of EUR 1 million, has been retroactively booked to quarters. For financial year 2020, a total of EUR 0.6 million has been retroactively booked for different quarters. The effects of the change in financial years 2021 and 2020 are presented in more detail below.

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	1-12/2020 Reported earlier	Change in accounting principle	1-12/2020 Restated
Depreciation and impairments	-12,556	37	-12,520
Other operating expenses	-18,076	-610	-18,685
Operating profit	19,345	-573	18,772
Result before taxes	17,562	-573	16,989
Income taxes	-3,798	115	-3,683
Net result for the period	13,765	-458	13,306
Comprehensive result for the period	13,857	-458	13,398
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	1.70	-0.06	1.64

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	1-12/2020 Reported earlier	Change in accounting principle	1-12/2020 Restated
Intangible assets	1,077	-573	504
Deferred tax assets	860	115	974
Retained earnings	43,802	-458	43,343

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-12/2020 Reported earlier	Change in accounting principle	1-12/2020 Restated
Net result for the period	13,765	-458	13,306
Depreciation and impairments	12,556	-37	12,520
Taxes	3,798	-115	3,683
Investments in tangible and intangible assets	-2,846	610	-2,236

KEY FIGURES

	1-12/2020 Reported earlier	Change in accounting principle	1-12/2020 Restated
Distribution of net result to equity holders of the parent company	6.51	-0.06	6.45
Return on investment (ROI), %	22.5	-0.70	21.8
Return on equity (ROE), %	30.0	-0.80	29.2
Equity ratio, %	46.6	-0.20	46.4
Gearing, %	-6.0	-0.10	-6.1
Gross investments, EUR 1,000	2,143	-610	1,533

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

(EUR 1,000)	10-12/ 2020	7-9/ 2020	4-6/ 2020	1-3/ 2020	2020
Other operating expenses	-177	-122	-216	-95	-610
Depreciation and impairments	30	7	-	-	37
Impact on operating profit for the review period	-147	-114	-216	-95	-573
Taxes	29	23	43	19	115
Impact on result for the review period	-118	-91	-173	-76	-458

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

Appendices

Consolidated income statement and comprehensive consolidated income statement

Consolidated balance sheet

Consolidated cash flow statement

Consolidated statement of changes in shareholders' equity

Intangible and tangible assets

Key figures

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)	10-12/2021	10-12/2020	1-12/2021	1-12/2020
NET SALES	48,066	37,358	152,227	123,568
Other operating income	60	63	148	341
Changes in inventories of finished goods and work in progress	-2,103	-3,745	3,151	-361
Raw materials and consumables	-18,152	-11,590	-61,484	-48,237
Employee benefit expenses	-8,732	-7,938	-28,239	-25,334
Depreciation and impairment *	-2,952	-3,134	-11,874	-12,520
Other operating expenses *	-8,568	-6,197	-22,680	-18,685
OPERATING PROFIT *	7,618	4,816	31,249	18,772
Financial income	373	89	851	592
Financial expenses	-421	-476	-1,403	-2,375
	-48	-387	-552	-1,783
RESULT BEFORE TAXES *	7,570	4,429	30,697	16,989
Income taxes *	-1,708	-1,085	-6,289	-3,683
NET RESULT FOR THE PERIOD *	5,862	3,344	24,408	13,306
Distribution of net result to equity holders of the parent company	5,862	3,344	24,408	13,306
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR *	0.72	0.41	3.01	1.64

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	10-12/2021	10-12/2020	1-12/2021	1-12/2020
NET RESULT FOR THE PERIOD *	5,862	3,344	24,408	13,306
Items that could be reclassified to profit or loss at a future point in time				
Change in translation difference	44	-41	-108	92
COMPREHENSIVE RESULT FOR THE PERIOD *	5,905	3,303	24,300	13,398
Distribution of the result to equity holders of the parent company	5,905	3,303	24,300	13,398

* The quarterly figures for the review and comparable period have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	31.12.2021	31.12.2020
ASSETS		
NON-CURRENT ASSETS		
Intangible assets *	487	504
Tangible assets	33,187	41,269
Other financial assets	533	16
Deferred tax assets *	942	974
	35,149	42,764
CURRENT ASSETS		
Inventories	25,983	22,436
Trade and other receivables	12,029	8,126
Cash and cash equivalents	59,726	41,045
	97,738	71,607
ASSETS, TOTAL *	132,887	114,371

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

CONSOLIDATED BALANCE SHEET(EUR 1,000) **31.12.2021** 31.12.2020**SHAREHOLDERS' EQUITY AND LIABILITIES****EQUITY ATTRIBUTABLE TO EQUITY HOLDERS
OF THE PARENT COMPANY**

Share capital	8,040	8,040
Reserve for invested non-restricted equity	1,228	1,228
Treasury shares	-210	-315
Translation differences	-81	26
Retained earnings *	60,856	43,343
Shareholders' equity, total *	69,833	52,323

NON-CURRENT LIABILITIES

Lease liabilities	21,976	26,996
Other non-current liabilities	-	1,476
	21,976	28,472

CURRENT LIABILITIES

Trade and other payables	28,272	22,160
Current tax liabilities	2,505	534
Lease liabilities	8,503	10,158
Financial liabilities	1,798	725
	41,078	33,577

Liabilities, total	63,055	62,048
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SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL *	132,887	114,371
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* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-12/2021	1-12/2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net result for the period *	24,408	13,306
Adjustments		
Depreciation and impairments *	11,874	12,520
Financial income and expenses	552	1,783
Taxes *	6,289	3,683
Share-based payments	509	-
Cash flow before change in working capital	43,631	31,292
Change in working capital	-2,225	3,310
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-4,152	-1,591
Increase (-) / decrease (+) in inventories	-3,477	65
Increase (+) / decrease (-) in current non-interest-bearing liabilities	5,404	4,836
Cash flow from operating activities before financial items and taxes	41,407	34,602
Paid interest and payments on other financial expenses	-1,271	-1,463
Interest received and payments on other financial income	31	78
Taxes paid	-4,265	-5,740
CASH FLOW FROM OPERATING ACTIVITIES	35,902	27,477

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-12/2021	1-12/2020
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets *	-910	-2,236
CASH FLOW FROM INVESTING ACTIVITIES	-910	-2,236
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term loans drawn	932	6,488
Short-term loans repaid	-	-6,000
Payments of lease liabilities	-10,247	-10,729
Dividends paid	-7,299	-
CASH FLOW FROM FINANCING ACTIVITIES	-16,613	-10,241
Change in cash and cash equivalents	18,378	14,999
Cash and cash equivalents at the beginning of the period	41,045	26,133
Effects of exchange rate fluctuations	303	-87
Cash and cash equivalents at the end of the period	59,726	41,045

In addition, Marimekko has unused committed credit lines of EUR 14,982 thousand (17,146).

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

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 *					13,306	13,306
Translation differences				92		92
Total comprehensive result for the period *				92	13,306	13,398
Shareholders' equity, 31 Dec. 2020 *	8,040	1,228	-315	26	43,343	52,323
Shareholders' equity, 1 Jan. 2021	8,040	1,228	-315	26	43,343	52,323
Comprehensive result						
Net result for the period					24,408	24,408
Translation differences				-108		-108
Total comprehensive result for the period				-108	24,408	24,300
Transactions with owners						
Dividends paid					-7,299	-7,299
Share-based payments			104		404	509
Shareholders' equity, 31 Dec. 2021	8,040	1,228	-210	-81	60,856	69,833

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

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
Change in accounting principle *	-610	-	-	-
Translation differences	-148	-426	-343	-769
Increases	378	11,957	1,765	13,722
Transfers between categories	512	-	-512	-512
Acquisition cost, 31 Dec. 2020 *	10,586	58,129	29,120	87,249
Accumulated depreciation, 1 Jan. 2020	9,860	10,833	23,544	34,376
Translation differences	-153	-208	-333	-541
Depreciation during the period *	374	10,938	1,208	12,145
Accumulated depreciation, 31 Dec. 2020 *	10,082	21,562	24,418	45,981
Book value, 31 Dec. 2020 *	504	36,567	4,702	41,269
Acquisition cost, 1 Jan. 2021	10,586	58,129	29,120	87,249
Translation differences	-34	586	346	932
Increases	638	3,426	54	3,480
Decreases	-319	-	-	-
Transfers between categories	-325	-	-160	-160
Acquisition cost, 31 Dec. 2021	10,546	62,142	29,360	91,501
Accumulated depreciation, 1 Jan. 2021	10,082	21,562	24,418	45,981
Translation differences	-34	447	344	791
Accumulated depreciation of decreases	-319	-	-	-
Depreciation during the period	331	10,655	887	11,542
Accumulated depreciation, 31 Dec. 2021	10,060	32,664	25,650	58,314
Book value, 31 Dec. 2021	487	29,477	3,710	33,187

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

KEY FIGURES

	1-12/2021	1-12/2020	Change, %
Earnings per share, EUR *	3.01	1.64	83
Equity per share, EUR *	8.60	6.45	33
Return on equity (ROE), % *	40.0	29.2	
Return on investment (ROI), % *	33.0	21.8	
Equity ratio, % *	53.3	46.4	
Gearing, % *	-39.3	-6.1	
Gross investments, EUR 1,000 *	207	1,533	-86
Gross investments, % of net sales *	0.1	1.2	
Contingent liabilities, EUR 1,000	834	808	3
Average personnel	401	434	-8
Personnel at the end of the period	409	422	-3
Number of shares outstanding at the end of the period	8,116,474	8,109,834	
Average number of shares outstanding	8,110,874	8,109,834	

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

RECONCILIATION OF ALTERNATIVE KEY FIGURES TO IFRS

(EUR million)	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Items affecting comparability				
Restructuring costs	-	-0.8	-	-0.8
Items affecting comparability in operating profit	-	-0.8	-	-0.8
EBITDA *	10.6	8.0	43.1	31.3
Restructuring costs	-	0.8	-	0.8
Comparable EBITDA *	10.6	8.8	43.1	32.1
Operating profit *	7.6	4.8	31.2	18.8
Restructuring costs	-	0.8	-	0.8
Comparable operating profit *	7.6	5.6	31.2	19.6
Net sales	48.1	37.4	152.2	123.6
Operating profit margin, % *	15.8	12.9	20.5	15.2
Comparable operating profit margin, % *	15.8	15.1	20.5	15.9

* The figures for the comparable year have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

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)	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Finland	30,622	23,220	32	92,299	71,145	30
Retail sales	17,684	14,647	21	53,547	45,928	17
Wholesale sales	12,859	8,512	51	38,547	25,058	54
Licensing income	80	61	31	205	158	30
Scandinavia	4,449	3,168	40	12,661	9,883	28
Retail sales	1,463	1,155	27	3,785	4,311	-12
Wholesale sales	2,761	2,012	37	8,651	5,572	55
Licensing income	225	-		225	-	
EMEA	3,125	3,980	-21	12,895	13,961	-8
Retail sales	692	577	20	1,906	2,160	-12
Wholesale sales	2,337	3,307	-29	9,764	11,400	-14
Licensing income	96	96	0	1,225	401	
North America	2,682	1,710	57	8,397	6,466	30
Retail sales	1,976	1,089	81	5,583	3,952	41
Wholesale sales	623	517	21	2,444	2,268	8
Licensing income	83	104	-20	371	247	50
Asia-Pacific	7,188	5,280	36	25,974	22,114	17
Retail sales	1,699	1,226	39	4,207	3,609	17
Wholesale sales	5,409	3,643	48	21,305	16,495	29
Licensing income	80	410	-81	462	2,010	-77
International sales, total	17,444	14,138	23	59,927	52,424	14
Retail sales	5,830	4,047	44	15,481	14,032	10
Wholesale sales	11,130	9,480	17	42,164	35,734	18
Licensing income	484	611	-21	2,283	2,658	-14
Total	48,066	37,358	29	152,227	123,568	23
Retail sales	23,513	18,695	26	69,027	59,960	15
Wholesale sales	23,989	17,992	33	80,711	60,792	33
Licensing income	564	672	-16	2,488	2,816	-12

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

NET SALES BY PRODUCT LINE

(EUR 1,000)	10-12/ 2021	10-12/ 2020	Change, %	1-12/ 2021	1-12/ 2020	Change, %
Fashion	11,045	8,455	31	43,848	39,740	10
Home	28,831	20,421	41	78,677	56,262	40
Bags and accessories	8,191	8,482	-3	29,702	27,566	8
Total	48,066	37,358	29	152,227	123,568	23

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Net sales	48,066	42,363	32,695	29,103
Operating profit *	7,618	13,127	4,882	5,622
Earnings per share, EUR *	0.72	1.29	0.45	0.55

(EUR 1,000)	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Net sales	37,358	38,011	23,327	24,872
Operating profit *	4,816	10,399	2,444	1,113
Earnings per share, EUR *	0.41	0.97	0.24	0.01

* The quarterly figures for the review and comparable period have been restated as the accounting principle has changed following the IFRS Interpretations Committee agenda decision. Additional information is presented in the accounting principles of this Financial Statements Bulletin.

STORES AND SHOP-IN-SHOPS

	31.12.2021	31.12.2020
Finland	64	65
Company-owned stores	25	25
Company-owned outlet stores	12	12
Retailer-owned stores	12	13
Retailer-owned shop-in-shops	15	15
Scandinavia	8	8
Company-owned stores	5	5
Company-owned outlet stores	-	-
Retailer-owned stores	-	-
Retailer-owned shop-in-shops	3	3
EMEA	2	2
Company-owned stores	-	-
Company-owned outlet stores	-	-
Retailer-owned stores	-	-
Retailer-owned shop-in-shops	2	2
North America	4	6
Company-owned stores	2	4
Company-owned outlet stores	1	1
Retailer-owned stores	1	1
Retailer-owned shop-in-shops	-	-
Asia-Pacific	74	73
Company-owned stores	4	4
Company-owned outlet stores	-	-
Retailer-owned stores	59	58
Retailer-owned shop-in-shops	11	11
Total	152	154
Company-owned stores	36	38
Company-owned outlet stores	13	13
Retailer-owned stores	72	72
Retailer-owned shop-in-shops	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 49 at the end of December 2021 (51).

FORMULAS FOR KEY FIGURES

Comparable EBITDA, EUR:

Operating result - depreciation - impairments - items affecting comparability

Comparable operating result, EUR:

Operating result - items affecting comparability in operating result

Comparable operating result margin, %:

(Operating result - items affecting comparability in operating result) x 100 / Net sales

Earnings per share (EPS), EUR:

(Profit before taxes - income taxes) / Adjusted number of shares (average for the period under review)

Comparable earnings per share (EPS), EUR:

(Comparable profit before taxes - income taxes on comparable profit) / Adjusted number of shares (average for the period under review)

Equity per share, EUR:

Shareholders' equity / Number of shares, 31 December

Return on equity (ROE), %:

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

Return on 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