

A man and a woman are shown from the waist up, holding hands. The woman on the left is wearing a long, olive-green wool coat over a white blouse and a dark skirt. She is holding a small, brown leather handbag. The man on the right is wearing a long, dark brown plaid coat over a dark turtleneck sweater and dark trousers. The background is a plain, light green wall.

2022

OUR YEAR
STOCKMANN

STOCKMANN OFFERS a premium selection of international and Finnish brands, excellent customer service and inspiring shopping experiences in its department stores, fashion stores and online. *Our product selection focuses on fashion, beauty and home products* and also the Stockmann Delicatessen in the Baltics. The selection is supplemented with high-quality products and services offered by our partners. Stockmann also continuously introduces new sustainable choices to its selections.

 **STOCKMANN**
STOCKMANN.COM

LINDEX
LINDEX.COM



OUR REPORTING | Stockmann's 2022 reporting consists of five reviews: 'Our year 2022' Business Review, Financial Review, Corporate Governance Statement, Remuneration Report and Corporate Social Responsibility Report. The Financial Review includes the Report by the Board of Directors and the Financial Statements. The CSR Review covers the responsibility work in more detail and according to GRI Standards reporting guidelines.

All reviews are available in Finnish, Swedish and English. They can be found at year2022.stockmangroup.com

- 4** Stockmann Group in 2022
- 7** CEO's Review
- 8** Stockmann Group today

- 12** Lindex
- 14** Strategy
- 15** Women's Fashion
- 17** Lingerie
- 19** Kids' Wear

- 21** Stockmann
- 22** Strategy
- 23** Fashion
- 25** Beauty
- 27** Home
- 29** Food & Beverage

- 31** Financial performance in 2022
- 32** Contact Information



STOCKMANN GROUP IN 2022

STOCKMANN – 160 YEARS OF INSPIRATION AND TRENDSETTING

Stockmann, a major trend icon in Finland and the Baltics, **celebrated its 160th anniversary** on 1 February 2022. Stockmann celebrated its anniversary in all its department stores and online store with offers on Finnish specialties, exclusive anniversary collections and top international brands. The anniversary was celebrated together

with customers and staff at various events and occasions in Finland and the Baltics. Stockmann also launched an exhibition to celebrate its 160th anniversary that toured the department stores. The exhibition showcased highlights, unforgettable encounters and shared moments from Stockmann's history.



RECORD NUMBER OF NEW LINDEX CUSTOMERS IN 2022

Lindex has continued to strengthen its customer base with its fantastic assortment, strong brand offering and the strong customer focus of its employees. In 2022, Lindex gained more than one million new members and online

customers. In total for the year, the fashion company had over 5.6 million identified customers. The strong growth and development is a great opportunity for Lindex to continue building long-term relationships with its customers.

OVER
1.0
MILLION
new members
in 2022

5.6
MILLION
identified customers
in total

LINDEX IS INVESTING IN FEMTECH

Lindex is entering the **completely new femtech market** and is launching the Female Engineering brand. Female Engineering's innovative products focus on meeting women's needs and improving women's wellbeing during the various situations and phases of their life, such as during menstruation, pregnancy, menopause and incontinence. The investment is part of Lindex's efforts to create new business and growth opportunities

based on Lindex's unique expertise in underwear, as well as its higher purpose – to empower and inspire women.

In relation to the femtech initiative, Lindex has acquired a majority stake in the start-up company Spacerpad. The company has developed a reusable sanitary pad with completely new patent-pending innovative technology.

Together with Spacerpad, Lindex's goal is to combat menstrual poverty and promote sustainable consumption.





LINDEX CONTINUES ITS CIRCULAR PROGRESS

During the year, Lindex continued to take important steps in its transformation into a more sustainable and circular business. One important step was investment in a new viscose fibre based on OnceMore®, a unique, innovative process for large-scale textile recycling of blended materials. Investing in new fibres made from recycled textiles is important as the reuse of materials can be increased and the use of virgin raw materials can be decreased. The large scale of the process means that Lindex will be able to produce around one million garments from the new fibre right from the start.



MINNA PARIKKA RETURNED EXCLUSIVELY TO STOCKMANN

Minna Parikka, known for her iconic bunny shoes, made a comeback to celebrate Stockmann's 160th anniversary. Minna Parikka had already retired from her career, but returned to Stockmann with a colourful and very popular **160th anniversary collection**. During the anniversary year, Parikka's collections were sold in Stockmann's online store and in an exclusive pop-up shop in the Helsinki department store.



COLLABORATION BETWEEN STOCKMANN AND WOLT

Stockmann and the technology company Wolt started a collaboration in May, enabling Stockmann's customers to **order beauty and home products to their door in less than one hour** via the Wolt app or website. Stockmann and Wolt also piloted a new service concept during Stockmann's Crazy Days: as part of the pilot, some of Crazy Days' most popular products were made available for purchase via the Wolt app in various cities across Finland. In addition to Stockmann's department store locations, Crazy Days products were available in Oulu, Vaasa, Pori, Lahti, Seinäjoki and Joensuu.

LINDEX IS BUILDING A NEW OMNICHANNEL WAREHOUSE TO SUPPORT GROWTH

Lindex is investing for future growth and is building a new, highly automated omnichannel warehouse. The new warehouse will supply all of the fashion company's sales channels and **ensure efficient distribution and stock management**. It will play a crucial role in Lindex's continued global, digital and sustainable growth. The highly automated and climate-smart facility is planned to go into operation in 2024.



STOCKMANN MOVES FORWARD WITH THE CIRCULAR ECONOMY

In the future, Stockmann will increasingly focus on product ranges and services that support the circular economy. Stockmann was selected to participate in the **Circular Design – a path towards circular economy programme**. It is the first business-focused package that delves deeper into the principles and practical solutions of circular design, which is based on the principles of circular economy. Stockmann's aim is to develop its operating model and product and service design towards circularity.



CHISU'S UNIQUE GIG ON THE ENTRANCE CANOPY

Chisu, one of Finland's most successful artists, performed in the centre of Helsinki at the end of May. Over the years, the canopy of Stockmann's entrance on Aleksanterinkatu has seen **many spectacles**, including performances by other Finnish artists and a fashion show. This spring, Chisu took the stage in a unique summer concert. Thousands of fans came to enjoy the show.



CUSTOMER PROGRAMME EXTENDED

Stockmann raised customer centricity to the next level also in the Baltics by revamping its online store. In addition, the **MyStockmann membership programme** with all its benefits was made available not only to Finnish customers, but also to customers **in Estonia and Latvia**. Stockmann's aim is to harmonise its customer service across all its available channels and in all the countries in which it operates. This way, Stockmann customers can always choose how and where they shop.

END-OF-LIFE TEXTILES SERVICE OPENED

Stockmann continuously adds **new sustainable choices** to its selection and services because sustainability is particularly important for the company. At the start of the year, Stockmann and Helsinki Region Environmental Services, HSY, started a cooperation to recycle end-of-life textiles. A new service for recycling end-of-life textiles was opened in all Stockmann department stores in the Helsinki metropolitan area. Damaged textiles and textiles that are not fit for use or repair can be brought to HSY collection points at the department stores for recycling. With the cooperation, Stockmann wants to promote sustainability in the fashion and textile sector.



STRONG PERFORMANCE CONTINUED DESPITE CHALLENGING BUSINESS ENVIRONMENT

The Stockmann Group's performance in 2022 was very good despite a challenging operating environment. Revenue for the year grew by over 9 per cent, coming to EUR 981.7 million. The adjusted operating result increased to EUR 79.8 million (68.3) thanks to sales growth and effective cost control. The revenue growth was reflected in our divisions' results. Lindex's sales exceeded SEK 7 billion and it achieved its best-ever operating result. The Stockmann division had solid revenue growth and the adjusted operating result improved significantly. The return of customers to stores after the pandemic was a welcome development. We improved performance in a very competitive retail landscape by focusing on quality, service and selection. The good work paid off. Our achievements also include positive cash flow, repayment of the undisputed restructuring debt and the decision to improve Lindex's logistics efficiency by investing EUR 110 million in an omnichannel distribution centre over the next three years.

The early part of the year was overshadowed by the COVID-19 pandemic and Russia's invasion of Ukraine. Consumer purchasing power was weakened by a rise in the cost of living stemming from the economic impact of the pandemic, accelerating inflation and rising energy prices. The war and the pandemic also put a strain on global supply chains and logistics. To protest the war of aggression and show our support for Ukraine, we stopped selling Russian and Belarusian products and exporting goods to Russia.

Despite the challenges, we continued implementing both of our divisions' strategies. We updated our online platforms and brick-and-mortar stores, reinforced our market presence and developed our offering and services. The Lindex division gained a million new registered customers and launched the Female Engineering products. Entry into this new and significant market

is important to Lindex's growth strategy. The Stockmann division gained over 82 000 new loyalty programme customers and made good progress in customer experience. We used our loyal customer data and insight even more efficiently and increased revenue in this important segment.

After successfully completing our restructuring engagements, we continued to focus developing our business. We boosted media revenues by using our brick-and-mortar stores and digital channels as advertising platforms for partners. We also launched a project to develop Stockmann department stores into spaces offering a wide variety of services, community aspects and experiences in addition to shopping. We invested in the implementation of our sustainability programmes and in circular economy services, such as textile recycling and reuse, for which there is increasing customer demand. However, we still need to improve our understanding of the earnings logic of circular business models.

We expect the business environment to remain challenging at least for the first half of 2023 due to geopolitical instability, inflation and weakened consumer confidence. The year may turn out to be more favourable than we expect, but we have prepared for it on the basis of a cautious scenario. In our strategy implementation we focus on growth, cost efficiency and the efficient use of capital. Our key growth focuses are developing a holistic customer experience, partnerships to expand our range of goods and services relevant to customers, digital and multichannel retail trade, circular business solutions, and retail media sales.

I'd like to thank our dedicated employees for their productive work in 2022, our customers for their trust and our shareholders for their patience and support during the challenging restructuring phase.



JARI LATVANEN

Chief Executive Officer, Stockmann plc
@LatvanenJari

THE GROUP'S GROWTH IS DRIVEN BY TWO DIVISIONS

The Stockmann Group comprises two fashion divisions, Lindex and Stockmann. The Lindex division makes up 67 per cent of the turnover of the Group and the division manufactures 98 per cent of Lindex's products. Its product assortment includes womenswear, kidswear and lingerie, each of these business areas are approximately one third of the divisional turnover. Two of these business areas, lingerie and kidswear, are relatively resistant to economic recession. Lindex also offer a cosmetic assortment as a natural extension of the Lindex fashion offer.

The Stockmann division has a multi-brand offering in the premium and semi-luxury category for customers in Finland and the Baltic countries. The division produces approximately 15 per cent of the products it sells. The Stockmann division wants to offer a space where its customers can enjoy a seamless and holistic shopping experience and that they can call their second living room. The division is meeting its customers' needs with fashion, beauty, gift and sewing services.

The Stockmann Group is one of the industry leaders in sustainability. It has joined the Science Based Targets initiative (SBTi) to set targets for reducing its carbon dioxide emissions in line with the Paris Agreement. Through the SBTi commitment, the Stockmann Group will enhance its climate action and further develop a low-carbon roadmap to cut emissions and reduce climate risks. The Stockmann Group will determine its science-based climate targets in accordance with the schedule of the initiative and the estimated timing is around mid-2023.

STOCKMANN PLC

Established in 1862, **STOCKMANN** is a multichannel retail company offering a wide range of high-quality fashion, cosmetics, home, food and beverage products in eight department stores in Finland, Estonia and Latvia, and in its online store. Stockmann is known among its customers for its first-class, high-quality department stores. Stockmann seeks growth by developing its business model to further enhance the customer centricity and omnichannel approach of its operations.

STOCKMANN

LINDEX is one of Europe's leading fashion companies. In addition to its online store, the company has 436 brick-and-mortar stores in 18 countries. Lindex offers inspiring and affordable fashion and the assortment includes several different concepts within womenswear, kidswear, lingerie and cosmetics. Lindex seeks international growth in its own channels and on global platforms such as ASOS, Zalando, Next, Nelly and Boozt.

LINDEX

DIVISIONS
with everyday
inspiration

ADJUSTED OPERATING RESULT / EUR mill.
79.8
(68.3 in 2021)

PERSONNEL AVERAGE
5 802
(5 649 in 2021)

REGISTERED SHAREHOLDERS
44 289
(45 054 in 2021)

REVENUE / EUR mill.
981.7
(899.0 in 2021)

REVENUE / by division

LINDEX	67%
STOCKMANN	33%

REVENUE / by market

FINLAND	33%
SWEDEN	36%
NORWAY	14%
BALTICS & OTHER COUNTRIES	17%

8
 DEPARTMENT STORES

436
 FASHION STORES

18
 STORES IN COUNTRIES

2 ONLINE STORES

5 INTERNATIONAL DISTRIBUTION PARTNERSHIPS

The Stockmann Group’s restructuring process is proceeding according to plan, which means that Stockmann division’s all department store properties have been sold and all interest-bearing debt has been paid, except for the bond of EUR 67.5 million. (See page 31 for more information)

LINDEX LAUNCHED ITS NEW FEMALE ENGINEERING BRAND IN 2022

The Lindex division is undergoing a transformation in which the fashion company is growing in new ways and where the transition to circular business models, digitalisation and investing in femtech are important parts of the growth strategy. Lindex has high ambitions to grow both sustainably and profitably. In 2022, the division invested in and started construction of a new omnichannel warehouse that will supply all sales channels for the fashion company and ensure efficient distribution and stock management in line with our continued global, digital and sustainable growth.

Lindex will continue digital investments in all parts of the business and implement a digital store programme to increase flexibility and further improve the customer experience. Reaching new markets and developing the existing markets are important parts of the growth strategy and continued journey.

Sustainability is something that is at the core of Lindex’s DNA and business strategy. By 2030, Lindex will have reduced the CO2 emissions in its entire value chain with 50 per cent. Exploring new circular business models is an important part of Lindex’s transformation and by 2025, 100 per cent of Lindex’s materials will be recycled or sustainably sourced. In 2022, the share was 78 per cent.

Lindex has been developing products for the female body for more than 65 years. Its investment in femtech is a new way to manage underwear expertise and to create new business and growth opportunities. Lindex has launched its new novel brand Female Engineering, which through innovation and technology develops products with women’s needs in focus. Lindex’s way forward is to create sustainable growth and develop its offering by concentrating on the customer’s needs.

THE STOCKMANN DIVISION CURATES ITS OFFERING FOR AN EXCELLENT CUSTOMER EXPERIENCE

The Stockmann division's mission is to be a marketplace for a good life. The key factors for success are a curated offering of products and services in fashion, beauty, home – and in the Baltics premium food & beverages – as well as creating an inspiring shopping and excellent customer experience that makes a lasting impression.

As retail continues to evolve, the Stockmann division is on a journey to reinvent retail, pushing this complex, multichannel brand through a transformation. The division is driving growth through Stockmann's *digital channels* in Finland and the Baltics via data-driven processes and decision-making. Offering an excellent shopping experience and inspiration online and in department stores and seamless omnichannel capabilities are all key aspects in catering for the changing consumer habits. Stockmann has reconstructed its *commercial processes* to improve performance and delivered new ways to shop to the customers. The division has further finetuned its *online store* for a better customer experience, but also to increase the efficiency of deliveries, logistics and packaging. Stockmann's *customer centric strategy* is accessing the untapped potential of the loyal customers. Through the recently finalised *brand strategy*, the positioning has shifted more towards the premium and semi-luxury segments. The division has started investigating different *circularity options* to build a commercial sustainability model for 2023 and beyond. This, together with the Group's focus on sustainability via the Science Based Targets initiative (SBTi), creates a step-change in Stockmann's commitment to build a better tomorrow.

In Stockmann's customer-centric strategy, systematically listening to customers is a vital way for the division to refine and adapt our approach going forward. Through 160 000 customer feedback touchpoints in 2022 alone, Stockmann has received valuable understanding of the themes on which to build on in the years to come. This includes observing how the customers respond to current circular business models such as the resale offer launched via the partner Relove in 2021 or the revamped sewing service.

In 2023 Stockmann is firmly positioned to master the art of selling the 'shopping experience itself' in all its operating markets.

STRATEGIC PRIORITIES OF THE STOCKMANN GROUP

DEVELOPING THE OMNICHANNEL OPERATING MODEL

Our goal is to provide the best customer experience and to achieve the highest customer loyalty in our sector by offering comprehensive, seamless and personalised services. Digitalisation and customer data enable customer-centric selections and services.

STRONG OFFERING AND STRONG BRANDS

We use our strong brands, traditions and meaningful product and service range to enhance customer loyalty and provide an excellent customer experience. We know our customers and respond to their need to make responsible, empowering and successful purchases.

SUSTAINABLE BUSINESS MODELS

We are committed to fair and responsible business practices that have a positive effect on our customers and employees and the future of the planet. Digitalisation of processes, new ways of working and customer-centric service cultures are an integral part of our business operations.

PARTNERSHIPS

We seek growth and efficiency together with third parties so that we can reach new customers across an even broader field and extend our range of meaningful products and services.

SUSTAINABLE BUSINESS

We seek growth in revenue and better cost-efficiency in order to improve the Group's profitability. We strive for financial stability by repaying our debt on schedule and by using capital efficiently.

IDENTIFIED GROUP-LEVEL OPPORTUNITIES FOR VALUE CREATION

- Sharing understanding and information between divisions on customers' consumption habits, purchasing paths and decision-making processes
- Sharing expertise and information concerning customers' life stages and different product categories
- Sharing expertise in connection with online stores and distribution partnerships
- Applying customer-centric omnichannel marketing practices and service culture in both divisions
- Drawing on synergies in the development of a strong and relevant brand selection
- Improving efficiency through new partnerships and by streamlining and simplifying processes
- Promoting responsible practices throughout the value chain
- Continuing the internationalisation of Lindex and developing the existing sales channels and collections of both divisions



**DIVISIONS'
KEY FIGURES**



LINDEX

REVENUE / EUR mill.

661.1

(607.4 in 2021)

ADJUSTED OPERATING
RESULT / EUR mill.

90.0

(80.3 in 2021)

SALES / By merchandise area



WOMEN'S FASHION	31%
LINGERIE	30%
KIDS WEAR	35%
COSMETICS	4%

REVENUE / By market area



SWEDEN	54%
NORWAY	21%
FINLAND	11%
BALTICS & OTHER COUNTRIES	14%

STOCKMANN

REVENUE / EUR mill.

320.6

(291.6 in 2021)

ADJUSTED OPERATING
RESULT / EUR mill.

-5.4

(-9.9 in 2021)

SALES / By merchandise area



FASHION	53%
BEAUTY	18%
HOME	17%
FOOD	12%

REVENUE / By market area



FINLAND	77%
BALTICS	23%



DIVISIONS **LINDEX**

*Empowering &
inspiring women*



LINDEX IS A GLOBAL FASHION COMPANY

34

E-COM MARKETS AND WORLDWIDE PRESENCE THROUGH THIRD-PARTY PARTNERSHIPS

18

MARKETS WITH STORES, OWN AND FRANCHISE

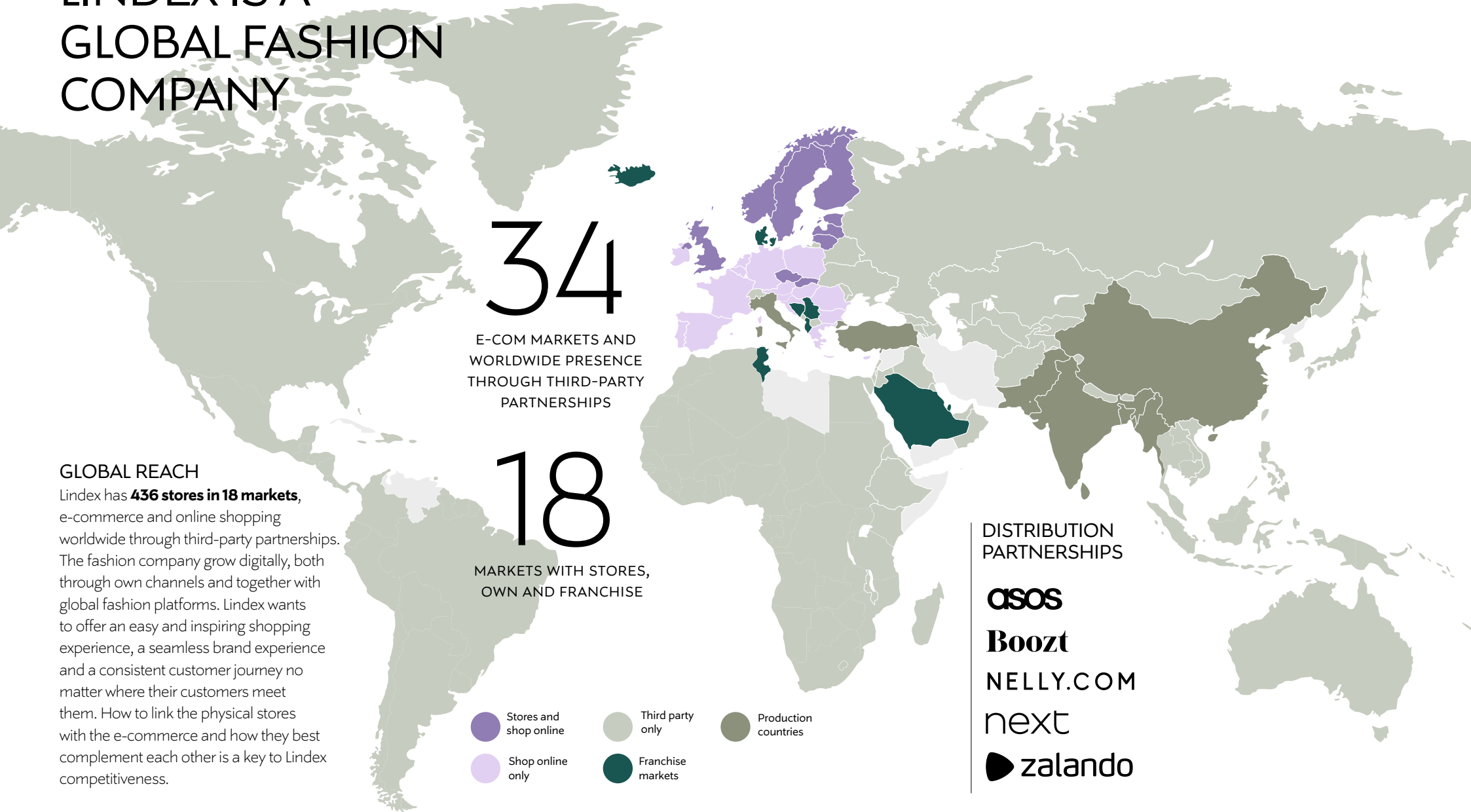
GLOBAL REACH

Lindex has **436 stores in 18 markets**, e-commerce and online shopping worldwide through third-party partnerships. The fashion company grows digitally, both through own channels and together with global fashion platforms. Lindex wants to offer an easy and inspiring shopping experience, a seamless brand experience and a consistent customer journey no matter where their customers meet them. How to link the physical stores with the e-commerce and how they best complement each other is a key to Lindex competitiveness.

- Stores and shop online
- Third party only
- Production countries
- Shop online only
- Franchise markets

DISTRIBUTION PARTNERSHIPS

- ASOS**
- Boozt**
- NELLY.COM**
- next**
- zalando**



LINDEX

OUR STRATEGY



OUR VALUES

- Empower yourself and each other.
- Seek constant improvement.
- Make business oriented decisions.
- Act sustainable.
- Make it simple.

OUR PROMISES

- Employee promise: Together for a greater impact.
- Sustainability promise: To make a difference for future generations.

OUR PURPOSE
To empower and inspire women everywhere.

OUR VISION

- We are a global, brand-led, sustainable fashion company.
- We are digital first.
- We are powered by people.
- We are Lindex.

OUR MUST WIN AREAS

- Develop globally strong brand offerings.
- Transformation to a sustainable business model.
- Transformation to a global, digital first multi-channel business.

OUR OFFER

Women's wear / Kids' wear / Lingerie / Cosmetics

Lindex offers confident Scandinavian design that inspires customers to feel their best and embraces women of all shapes and sizes. The fashion company's easy-to-wear clothing is characterised by inclusiveness, perfect fit and comfort. Lindex wants to offer its customers clothes that they really love to wear, want to take good care of and will use frequently and for a long time.

WOMEN'S FASHION



INCLUSIVE AND CONFIDENT SCANDINAVIAN DESIGN TO LOVE FOR A LONG TIME

Lindex offers inspiring, confident Scandinavian design for women where inclusiveness, perfect fit and comfort are key. During the year, Lindex strengthened its offering of more sustainable fashion and had a good sales development in all assortment categories.

WOMEN'S FASHION,

share of Lindex division's sales

31%



Lindex's inclusive assortment for many types of women is based on inspiring design and durable garments that are designed to be worn and to live for a long time in the customer's wardrobe. In 2022, the women's fashion range was streamlined to create even more distinct and inspiring collections with a large number of matching items that can be combined. There was strong sales performance in Lindex's women's fashion range in all categories.

The fashion company continuously develops and enhances its assortment based on data and customer insights. In the autumn, Lindex launched a collection of outdoor clothing, consisting of affordable, warm and waterproof functional garments. The collection has been well received by Lindex customers and is a good example of how the fashion company is able to develop new and innovative assortment to meet customer wishes and needs.

During 2022 Lindex also further developed its maternity assortment and the fashion company also launched several highly popular 'Mini me' collections with matching garments for mothers and kids. Lindex also highlighted its Swedish heritage by launching a summer collection with designs by the artist Carl Larsson.

The cross-functional work to optimise and further develop the inspiring online offer continued during the year and achieved good sales growth. Lindex also made excellent progress in its 'fabric first' approach and is working even more proactively to consolidate material purchases at an early stage in order to further increase flexibility and secure profitability.

Lindex also focused on its 'placing strategy' to increase flexibility and shorten lead times, as well as to ensure profitability and spread risks. It is now even more important to be able to produce more product groups in closer markets such as Europe. Lindex also wants to shoulder its responsibility in its existing production countries and drive sustainable development together with its suppliers.



During the year, Lindex invested in a new viscose fibre, which is based on the OnceMore® process. This is a unique, innovative process for the **large-scale textile recycling of blended materials**. The collaboration with Södra, the company behind OnceMore®, is an important step in Lindex's transition to being able to offer a more sustainable and circular product assortment with raw materials that come from recycled textiles. The large-scale process means that Lindex will, right from the start, be able to produce around one million garments from the new fibre, with the first garments appearing in Lindex's assortment at the end of the year. During the year, Lindex increased the share of more sustainable materials to 86 percent in the women's fashion assortment. Of this, 27 percent is recycled material. /

A photograph of three women standing against a light green background. The woman on the left is seen from the back, wearing a light purple bra and light green briefs. The woman in the center is facing forward, wearing a beige bra and light pink briefs. The woman on the right is also seen from the back, wearing a light green bra and reddish-brown briefs. The word 'LINGERIE' is overlaid in large white capital letters across the middle of the image.

LINGERIE

Lindex's heritage and extensive experience in underwear has given a unique competence in women's bodies and knowledge on how the body changes over time. Lindex's underwear assortment is centred around fit, comfort and quality and customers can easily find favourites that they will use again and again.

SUPPORT THROUGHOUT LIFE

Lindex supports women throughout life with comfortable underwear that meets their various needs. Comfort, fit and function are the guiding principles in Lindex's underwear assortment, which enjoyed strong sales growth during the year.

LINGERIE,
share of Lindex division's sales

30%

COSMETICS,
share of Lindex
division's sales

4%



Lindex's appreciated, wide assortment of underwear for women of all ages spans from bras and briefs to shaping products and other functional categories such as slip dresses and bra accessories. Lindex also offers a fantastic assortment of high quality tights and socks as well as nightwear, swimwear and sportswear. In Lindex's underwear categories, bras, briefs, socks and tights have a strong position in the market and drove the strong sales development during the first six months of the year. Interest in shaping products has increased and sales in this product category are growing at Lindex and in the market in general.

In early 2022, Lindex launched its 'Your invisible support' brand campaign, which reflects the way in which Lindex supports women throughout life with amazing products that provide invisible support in different situations. During the year, Lindex reintroduced its smart bra system based on unique names for fit which guarantees the same fit for customers every time regardless of design. This is something that Lindex is very proud of and strengthens its role as an expert in underwear.

As a way of reaching more customers, the fashion company further extended its inclusive range of sizes over the year, and the majority of these sizes are available to buy on lindex.com. New sizes have been added to the bra category in particular based on, among other things, insights from focus groups.

As part of Lindex's ongoing celebration of Swedish talents, Lindex launched an acclaimed floral design collaboration with pattern designer Hanna Wendelbo with matching nightwear for women, kids and babies.

Lindex is continuing its dedicated sustainability work and in 2022 increased the share of more sustainable materials in its underwear assortment to 62 percent. Of this, 33 percent is recycled material. The work to extend the life of products also intensified during the year. This is important work that supports the fashion company's sustainability goals and sustainability promise for future generations.

Lindex cosmetics

During the year, Lindex launched a carefully selected online assortment of external cosmetics, which helped to achieve a good increase in cosmetics sales.



/ Female Engineering - Lindex's new femtech brand

During the year, Lindex launched the Female Engineering brand, which uses innovative solutions to develop underwear and products that meet women's needs throughout all stages of life. First to be launched were innovative period panties, and products in several exciting areas such as pregnancy, breastfeeding and the menopause are also in development. The brand is part of the fashion company's efforts to create new business and growth opportunities based on Lindex's unique expertise in underwear and higher purpose - to empower and inspire women. /



KIDS' WEAR

Lindex's philosophy, 'Let kids be kids', is evident in the design of the fashion company's kids' wear. The design sees the world through playful, curious and creative eyes. Lindex's wide assortment of kids' wear combines fashion, function, comfortable fit and quality and offers garments for all needs, both indoors and outdoors.

SOFT AND MORE SUSTAINABLE GARMENTS WITH PLAYFUL DESIGN

Lindex's extensive and highly appreciated kids' wear assortment combines fashion, function, quality and comfortable fit. During the year, Lindex made further progress with its more sustainable kids' wear assortment and in its circular transformation.

KIDS' WEAR,
share of Lindex division's sales

35%



Let kids be kids' is Lindex's philosophy, which is based on the fashion company's Swedish heritage. Soft and comfortable clothing with quality that lasts is the essence. The wide assortment is easy to combine and contains key products for many occasions. The active life of garments and multiple uses, as well as extra features to make garments last, are important aspects of Lindex's offering and its continuous development work.

A more defined basic offering for young children was developed during the year. The focus was on unisex products with common colours and fit. This has made it easier for customers to match and combine the basic garments with clothing from other parts of the assortment, such as garments with Lindex's popular prints, which is something that customers have really appreciated. Lindex continued its collaboration with the popular Moomin character, created by Tove Jansson, which is loved by Lindex's customers all over the world.

In 2022, the fashion company continued its digital transformation, which includes significant advances in 3D. In addition to using 3D in the design process, product images of baby garments in 3D are being piloted in the Lindex app.

Another important initiative during the year was to clarify the denim and trousers assortment, and names were created for all denim and woven trousers. This has made it easier for customers to find their favourites and increased the knowledge of Lindex's employees and simplified their work.

Lindex took further important steps in its circular transformation to a more sustainable and circular assortment and during the year opened a pop-up store with second-hand baby clothes and launched an online pilot. Testing and exploring new circular business models is a natural part of Lindex's approach to creating more sustainable growth. The pilot has been very successful and valued by Lindex's customers. It has also offered valuable insights and knowledge on how Lindex can scale up the business model and improve its designs to promote the longevity of products.



✓ Lindex is constantly working on developing innovations and increasing the share of more sustainable materials. **In the kids' wear assortment 97 percent is made from sustainable fibres.** Of this, 18 percent is recycled material. Lindex's entire assortment of baby clothes is made of more sustainable materials, such as organic cotton or recycled materials, and all baby products made from organic cotton are always GOTS (Global Organic Textile Standard) certified. ✓



DIVISIONS **STOCKMANN**

A feeling that lasts



OUR STRATEGY

OUR PEOPLE AND VALUES

Focus on customer
Act with courage
We work together

OUR VISION

The marketplace for a good life

OUR PURPOSE

We make a new impression every day

OUR CUSTOMER PROMISE

A feeling that lasts

OUR MUST WIN AREAS

Class leading customer relationship and loyalty
Number 1 inspiration
Groundbreaking omnichannel customer experience

OUR OFFER

Fashion
THE CURATOR

Beauty
THE GUIDE

Home
THE INSPIRER

Food & beverage
THE FOODIE

OUR PARTNERS / Complementary offering

Stockmann creates inspiration and experiences and curates options ideally suited for each customer and helps them discover their own personal sustainable style.

FASHION



SPECIAL COLLECTIONS AND UNIQUE PARTNERSHIPS TO CELEBRATE THE CENTENARY YEAR

It was an excellent year for fashion and customers returned to the high street after the Covid-19 pandemic. What is more, consumers returned to their social lives, events and their workplaces, which was reflected in increased demand for fashion, especially for partywear and workwear. Stockmann's selections for women, men and children were expanded with many new Finnish, Scandinavian and international brands.

FASHION,
share of Stockmann
division's sales

53%



Many successful special products and collections as well as unique partnerships were launched during the year in honour of Stockmann's 160th anniversary. Minna Parikka made a comeback exclusively to Stockmann, and her anniversary collections were on sale throughout the year in a pop-up shop in the Helsinki department store and the online store. Stockmann entered into a unique collaboration with the Nordic Vogue Scandinavia. A+more's Pupulandia collaboration was also continued.

Stockmann continued to upgrade the selection of women's, men's, children's and sports fashion, by listening to customer wishes and curating global trends. In particular, more responsible brands were added.

In women's fashion and accessories, new brands included Mansur Gavriel, Terhi Pölkki, Skall Studio, Rotate Birger Christensen, Remain Birger Christensen and Saks Potts. In men's fashion and accessories, the new brands were Axel Arigato, Dedicated, Dubarry, Piacenza Cashmere, Moose Knuckles, Mackage and Holubar. New bands in jeans included 7 for all mankind, Nudie and Agolde.

Stockmann wants to inspire responsible consumption and lifestyle. Sustainable thinking was reflected in a range of innovations in production and in ways of minimising waste, as well as opportunities to repair, rework and recycle garments to extend their life. Stockmann deepened its cooperation with companies such as Relove and Emmy. In addition, a new collaboration related to recycling of textiles with the Helsinki Region Environmental Services was launched at the beginning of the year.

Changes were made in the department stores: in Turku, the men's fashion department was renewed, and in Helsinki a new jewellery department was launched. In Riga, the sports department was renewed. The new concept of the Itis department store was planned during the autumn and will be launched later this year.

There were challenges, too, when sanctions against Russia ended cooperation with the Russian company Debruss and the war in Ukraine halted the already once-revived flow of Russian tourists to Finland.



! In December 2022, as part of Stockmann's fashion strategy, a **Relove second-hand store** was opened in the Stockmann department store in Tampere, making recycled fashion more accessible to everyone. Relove has been operating in the Stockmann department store Helsinki for a year now, and has become popular among customers as a provider of high-quality recycled fashion. Relove's concept consists of a boutique-style second-hand store and a cosy café-restaurant. Together, Stockmann and Relove want to offer their customers quality, inspiration, great experience and sustainability. !

The "Health is the new wealth" ideology is trending in cosmetics and beauty. Stockmann continuously expands its selection of international and Finnish brands – and seeks to create an exclusive beauty experience.

BEAUTY



MAKE-UP PRODUCTS AND BEAUTY SERVICES POPULAR AFTER THE COVID-19 PANDEMIC

Demand for Stockmann's cosmetics and beauty services increased, and following the Covid-19 pandemic, we saw a strong return to make-up sales. Several customer and launch events were held in department stores, and Stockmann introduced new luxury beauty brands to its cosmetics selection. Chanel1 launched a unique pop-up in Riga, Tallinn and Helsinki.

BEAUTY,
share of Stockmann
division's sales



Make-up made a real comeback after the challenging years of the Covid-19 pandemic as people wanted to spend money on make-up again. Increased travel abroad did not have a negative effect on Stockmann's perfume sales, and demand increased throughout

Stockmann. New perfume brands included Juliette has a gun and Creed.

New brands in Stockmann's selection included SUVA Beauty, whose colourful and pigment-rich eyeshadow palettes and eyeliner colours are popular with both professionals and make-up enthusiasts. There were several lipstick launches, including Lancôme's L'Absolu Rouge and YSL Rouge Volupté Shine Lipstick. An exclusive Byredo make-up range was launched alongside Byredo fragrances in the Helsinki department store.

Stockmann has responded to changing consumer habits by adding responsible alternatives and natural cosmetics to its selection. For example, the Skin Proud vegan skincare range was a newcomer to the Stockmann department store in Helsinki and the online store. Other popular new products included the natural cosmetics brand Couleur Caramel and Furla's various fragrances.

In cosmetics, local production also attracted strong interest among customers, and domestic brands were popular. In particular, skin care products and various home spa products continued to grow in popularity. The 'Health is the new wealth' concept became a new trend.

To celebrate Stockmann's 160th anniversary, Lumene launched two of its own products: A brightening and smoothing hyaluronic concentrate in the Valo range and a prebiotic treatment in the Lähde range.

Beauty services made a comeback following the pandemic and demand for them increased. Customers bought make-up services for everyday needs and special occasions, for example. In addition, sales of Stockmann's cosmetics and make-up consultation services increased in all department stores in Finland and the Baltics.



! The N1 DE CHANEL POP-UP tour was held at Stockmann in August. **Stockman x Chanel** launched a unique pop-up outside the Riga, Tallinn and Helsinki department stores in the summertime urban surroundings. The exclusive and unique pop-up reached a large number of customers and provided an unforgettable experience both in the Baltic countries and in Finland. !



HOME

Stockmann serves its customers with its inspiring home furnishing selections, offering durable and premium options for the Nordic lifestyle.

IN INTERIOR DECORATION PRODUCTS, ATTENTION WAS PAID TO PRODUCT QUALITY AND MATERIALS

Home comfort and interior decoration continued to play an important role, but the market changed last year from its peak as customer interest shifted away from homes following the end of the Covid-19 pandemic. In general, homes were brightened up with smaller purchases. Stockmann's special products for the 160th anniversary year, such as Iittala's Bird, Marimekko's Kestit tableware and an Artek's lamp were in high demand. Of Stockmann's own brands, Villa Stockmann performed particularly well.

HOME,
share of Stockmann
division's sales

17%



The adaptability of homes has been a special trend. The home has traditionally been a refuge and a place to spend leisure time and for many people working remotely, the home is now also an office, which has been furnished accordingly.

Natural materials and plants for both homes and summer cottages were popular. Customers were interested in mini greenhouses, growing platforms and terrariums, among other things. This trend is still going strong and now also includes various useful plants.

Home decoration and accessories continued to reflect customers' commitment to responsible consumption: consumers were interested in products' quality and materials, such as natural materials, and the recycling of products. Also, more and more customers favoured local production. New and old were combined in interior design and individuality and playfulness were popular trends.

To celebrate its 160th anniversary, Stockmann introduced products from exclusive Finnish brands. For example, the unique, numbered collector's item Birds by Toikka Stockmann was popular alongside special products from Marimekko and Artek. Other popular brands were Dyson and Villeroy&Boch. In the Villa Stockmann and Casa Stockmann brands, sales of linen and bathroom textiles increased most. The dedicated shops of both of these Stockmann brands were renovated in the Helsinki department store.

A new food concept was launched in the Stockmann department stores' home departments, which offers high-quality food products to add luxury to everyday life and festive occasions.

There was an exclusive collaboration at the end of the year when two Helsinki icons welcomed customers: a Christmassy pop-up hotel room decorated with Stockmann's own brand Villa Stockmann products was opened at Hotel Kämp in Helsinki in November.



Stockmann developed its offering in department stores and in spring 2022 launched home decoration products in a more inspiring environment by opening a new interior design concept in the Jumbo, Turku and Tampere department stores. **The 'My Favourites' concept** introduced an inspiring collection of contemporary and high-quality small interior decoration products from several well-known design brands. The new interior decoration concept is an expansion of the renovations launched in Stockmann's home departments. /

Delicious and high-quality restaurant services are an important part of the customer experience at Stockmann department stores. Department stores offer a place for enjoyment and spending time in the heart of the city.

FOOD & BEVERAGE



STOCKMANN RENEWED ITS RESTAURANTS AND CAFÉS

Stockmann has renewed the restaurants and cafés in its department stores based on customer wishes and feedback, for example by opening a new artisan pizzeria and a café in Helsinki and a new café and restaurant in Tampere. Stockmann wants to provide its customers with high-quality café and restaurant services and grocery stores in its department stores as part of its exclusive customer offering.

FOOD,
share of Stockmann
division's sales

12%



In 2022, the restaurant offering in Stockmann's Helsinki department store was renewed. Italian artisan pizzeria Guidos was opened in the Helsinki department store. In December, a new Robert's Coffee Bubbles and Bites was also opened in Helsinki. Bubbles and Bites focuses on tasty breakfasts, lunches and snacks, not forgetting quality wines. Its speciality is an extensive selection of champagnes.

Relove, which is a combination of a boutique-like second-hand shop with a cosy café-restaurant was opened in the Tampere department store in December. There is also a Relove in the Helsinki department store. Relove's café-restaurant serves breakfast, lunch and, for example, Relove's homemade cakes and pastries.

In the Baltics, the Stockmann Delicatessens operate in connection with the Stockmann department stores. The grocery stores' comprehensive and varied range of premium products are very popular among customers.

Food operations in Finland are provided together with partners, which means that HOK is responsible for the Food Market Herkku Stores in the Helsinki and Itis department stores. The K-Supermarket Hämeenkatu serves customers in the Tampere department store.



/ A new food concept was launched in the Stockmann department stores' home departments, which offers high-quality food products including coffee, tea, pasta, oils, canned food, biscuits and sweets to add luxury to everyday life and festive occasions. During the Christmas season, the selection included classic Christmas treats and new flavours from home and abroad. /

FINANCIAL PERFORMANCE IN 2022

The Stockmann Group's both divisions showed good performances in 2022. The full-year adjusted operating result improved by 11.5 million due to improved sales. The Group's revenue in 2022 was EUR 981.7 million (899.0), up 9.2%.

Adjusted operating result was EUR 79.8 million (68.3). Adjusted earnings per share were EUR 0.32 (0.35). The cash amounted to EUR 167.9 million (213.7). The Board of Directors propose that no dividend will be paid for the financial year 2022.

CORPORATE RESTRUCTURING PROGRAMME

In a decision on 9 February 2021, the Helsinki District Court approved Stockmann plc's restructuring programme, and the restructuring proceedings were ended. The eight-year long restructuring programme is based on the continuation of Stockmann's department store operations, the sale and leaseback of the department store properties located in Helsinki, Tallinn and Riga and the continuation of Lindex's business operations as a fixed part of the Stockmann Group.

Stockmann sold its department store properties in Tallinn and Riga on 29 December 2021 and made long-term leaseback agreements with the new owner. The department store property in the Helsinki city centre was sold on 7 April 2022 and a long-term leaseback agreement was made with the new owner. In accordance with the restructuring programme, the proceeds from the sales of the properties were used to reduce the secured restructuring debts.

Stockmann has paid all undisputed external restructuring debt, but still has disputed claims and undisputed conditional or maximum restructuring debt. The claims are mainly related to the termination of long-term premises leases. Stockmann has made a provision of EUR 30.8 million, which corresponds to the company's estimate of the probable amount relating to both the disputed claims and the undisputed conditional or maximum restructuring debt. The creditors of such restructuring debt will be entitled to convert their receivables to shares and bonds after their respective receivables have been confirmed. Regarding the other disputed receivables mentioned in the restructuring programme, conciliation negotiations are underway and some of them have already been settled amicably.

KEY FIGURES

	2022	2021
REVENUE , EUR mill.	981.7	899.0
GROSS PROFIT , EUR mill.	568.3	527.0
GROSS MARGIN , %	57.9	58.6
OPERATING RESULT (EBIT) , EUR mill.	154.9	82.1
ADJUSTED OPERATING RESULT (EBIT) , EUR mill.	79.8	68.3
NET RESULT FOR THE PERIOD , EUR mill.	101.6	47.9
ADJUSTED EARNINGS PER SHARE , undiluted and diluted, EUR*	0.32	0.35
EARNINGS PER SHARE , undiluted and diluted, EUR	0.65	0.42
PERSONNEL , average	5 802	5 649
CASH FLOW FROM OPERATING ACTIVITIES , EUR mill.	55.1	150.4
CASH , EUR mill.	167.9	213.7
CAPITAL EXPENDITURE , EUR mill.	62.5	16.9
EQUITY PER SHARE , EUR	2.15	1.74
NET GEARING , %	135.4	212.8
EQUITY RATIO , %	26.2	18.9

* Net profit/loss for the period – adjustments after tax impact / average number of shares, adjusted for share issue

▶ **READ MORE**
in the Financial Review at
year2022.stockmanngroup.com

▶ **READ MORE**
in the Stockmann's IR Application
myirapp.com/stockmann/

ANNUAL GENERAL MEETING

The Annual General Meeting 2023 of the shareholders of Stockmann plc will be held on 22 March 2023. Read more on matters related to the AGM at stockmanngroup.com.

▶ **READ MORE**
in the Governance Review at
year2022.stockmanngroup.com

IR CALENDAR IN 2023

22 March 2023
Annual General Meeting

28 April 2023
January–March Interim
Management Statement

21 July 2023
January–June Half year
Financial Report

27 October 2023
January–September Interim
Management Statement

STOCKMANN

Aleksanterinkatu 52 B
P.O. BOX 220
FI-00101 Helsinki, Finland
Tel. +358 9 1211
stockmann.com
stockmanngroup.com

Contact information
for the purchasing offices
stockmanngroup.com

People, Communication and CSR
Media Desk,
Tel. +358 50 389 0011
(9 a.m.-4 p.m. on working days)
info@stockmann.com
investor.relations@stockmann.com

stockmann.com
Customer service:
asiakaspalvelu@stockmann.com
Tel. +358 9 1211

Contact information
for the department stores:
Finland: stockmann.com
Estonia: stockmann.ee
Latvia: stockmann.lv

LINDEX

Nils Ericsonsplatsen 3
BOX 233
401 23 Gothenburg, Sweden
Tel. +46 31 739 5000
lindex.com
about.lindex.com

lindex.com
Customer service:
customerservice-eng@lindex.com
Tel. +358 800 130 730

FOLLOW US



STOCKMANN
facebook.com/stockmannCOM
instagram.com/stockmanncom
fi.pinterest.com/stockmanncom/
linkedin.com/company/stockmann-oyj-abp
twitter.com/stockmannFI
flickr.com/photos/stockmanngroup
youtube.com/stockmannCOM

LINDEX
facebook.com/lindex
instagram.com/lindexofficial
linkedin.com/company/lindex
twitter.com/lindexofficial
youtube.com/lindex