INTERIM MANAGEMENT STATEMENT Q1 2022

STOCKMANN

STOCKMANN plc. Interim Management Statement 29.4.2022 at 8:00 EET

Stockmann Group had a positive first quarter with clearly improved results across both divisions

January–March 2022:

- Stockmann Group's revenue was EUR 196.1 million (155.7), up 27.1% in comparable currency rates.
- Gross margin increased to 57.8% (56.3).
- Operating result increased to EUR 9.8 million (-27.6).
- The adjusted operating result was EUR -3.7 million (-21.1).
- Adjustments in Q1 consist mainly of excluding the gain from selling the Riga property, EUR 14.1 million.
- Earnings per share were EUR 0.02 (-0.39).
- Adjusted earnings per share were EUR -0.07 (-0.30).
- Net result for the period amounted to EUR 2.8 million (-29.4).

Guidance for 2022:

Stockmann expects an increase in the Group's revenue and that the adjusted operating result will be clearly positive. Geopolitical instability in the world with high inflation and challenges in the supply chains and international logistics as well as the challenges of COVID-19 restrictions require that both divisions have to be adaptive and flexible to meet the future.

Events after the reporting period:

On 7 April 2022, Stockmann announced that the sale of the department store property in Helsinki city centre to the new domestic owner, the pension provider Keva, has been completed. All secured and unsecured confirmed debts were paid in April.

CEO Jari Latvanen:

Stockmann Group had a positive first quarter and both divisions continued to improve their business clearly. The Group's operating result improved by EUR 37.4 million to EUR 9.8 million compared to the reference period. Adjusted operating result excluding selling the Riga real estate improved by EUR 17.4 million to EUR -3.7 million.

Lindex returned a very strong result: the adjusted operating result improved by EUR 13.1 million to EUR 5.5 million. The Stockmann division achieved an excellent result, improving its adjusted operating result by EUR 4.8 million to EUR -7.3 million. The first quarter is typically negative for both divisions due to seasonal variation.

Lindex generated the strongest first-quarter sales and operating profit ever, due to increased sales in all channels and business areas. Sales in the brick-and-mortar stores increased by 47.5% compared to the same period in the previous year, while the digital sales, including both online and third-party sales, generated 8.2% growth. This, together with good margins and good cost control, contributed to the good operating result for the division.

The Stockmann division's revenue grew by 9.2%. Sales in the brick-and-mortar stores increased because of higher visitor volumes and changed the balance between the sales channels. The brick-and-mortar stores generated 87.8% (78.8) and the online store 12.2% (21.2) of sales. The sales during the Crazy Days campaign improved significantly compared to the campaign last spring.

Stockmann's department store properties in Tallinn, Riga and Helsinki are now sold, and the proceeds from the sale have been used to repay fully both the secured restructuring debts and the undisputed unsecured restructuring debts that were subject to the corporate restructuring payment programme.

After selling the department store properties, Stockmann's balance sheet is stronger, with significantly lower interest-bearing debts as the illustrative balance sheet shows.

I would like to thank our teams in both divisions for their major contributions to the company and efforts to serve our customers, and also for the resilience during the exceptional occurrences in the operating environment which have affected Stockmann operations significantly during the last very challenging years.

KEY FIGURES

	1–3/2022	1–3/2021	1–12/2021
Revenue, EUR mill.	**196.1**	155.7	899.0
Gross margin, %	**57.8**	56.3	58.6
Operating result (EBIT), EUR mill.	**9.8**	−27.6	82.1
Adjusted operating result (EBIT), EUR mill.	**−3.7**	−21.1	68.3
Result for the period, EUR mill.	**2.8**	−29.4	47.9
Earnings per share, undiluted and diluted, EUR	**0.02**	−0.39	0.42
Cash flow from operating activities, EUR mill.	**−57.8**	−17.1	150.4
Capital expenditure, EUR mill.	**6.3**	2.3	16.9
Equity per share, EUR	**1.73**	2.38	1.74
Equity ratio, %	**19.6**	12.7	18.9

Where applicable, figures have been adjusted to correspond the change in accounting policy.

CORPORATE RESTRUCTURING PROGRAMME

Most of the measures and undertakings, as specified in Stockmann plc´s restructuring programme, have already been completed during 2021, and they are explained in the annual report 2021.

The sale and leaseback agreement for Stockmann's Riga department store property was signed in December 2021, but the closure took place in January 2022. Therefore the transaction is booked in the first quarter of 2022, and the proceeds from sale of the property were used, according to the restructuring programme, in full, to reduce the secured restructuring debts.

On 21 March 2022, Stockmann agreed on the sale of its department store property in Helsinki city centre to the pension provider Keva. Stockmann has used the proceeds from the sale of the property, EUR 391.3 million, to repay in full both the secured restructuring debts, EUR 342.6 million, and the undisputed unsecured restructuring debts, EUR 22.7 million, that were subject to the corporate restructuring payment programme. Stockmann will continue its department store operations in the entire building under a long lease-back agreement with the new owner. Leases with Stockmann's tenants will continue with the current concept. On 7 April 2022, Stockmann announced that the sale of the department store property in Helsinki city centre has been completed and in April 2022 all undisputed secured and unsecured debt was paid.

On 23 March 2022, the Company's Board of Directors decided, in accordance with the restructuring programme and pursuant to the authorisation granted by the Annual General Meeting, to issue 284 337 new shares in the company (the "Conversion Shares"), in deviation from the shareholders' pre-emptive subscription rights, to a creditor whose previously conditional or disputed restructuring debts under the restructuring programme have been confirmed in their final amounts by 21 January 2022 (the "Share Issue") and has approved the subscription made in the Share Issue. The subscription price in the Share Issue was EUR 0.9106 per share, which has been paid by setting off restructuring debt in accordance with the restructuring programme. As a result of the Share Issue, the total number of shares in the company increased by 284 337 shares to a total of 154 749 420 shares. (Stock Exchange Release, 23 March 2022)

COVID-19

The Stockmann Group's customer volumes and average purchases have continued to increase during the first quarter and retail sales grew by 27.1% compared to 2021.

In the Lindex division, sales during the first quarter grew strongly and, despite Covid-19 restrictions in some markets at the beginning of the quarter, the fashion company increased its sales significantly. Lindex has increased its sales by 18.7% compared to the same period in 2019, before the pandemic, which is a real strength.

In the Stockmann division, the disbanded COVID-19-related restrictions shifted the visitor traffic from the online store to the brick-and-mortar stores. Increased customer volumes combined with higher average purchases in all channels resulted in first-quarter sales exceeding the previous year's first quarter sales.

REVENUE AND EARNINGS

The Interim Management Statement has been prepared in compliance with the recognition and valuation principles of IFRS but not all the requirements of IAS 34 have been complied with. The accounting policies and calculation methods applied are the same as those in the 2021 financial statements. The figures are unaudited.

January–March 2022

The Stockmann Group's first-quarter revenue amounted to EUR 196.1 million (155.7). Revenue was up by 26.0% on the previous year in euros, or up by 27.1% in comparable currency rates against the Swedish krona.

Revenue in Finland was up by 6.2% to EUR 60.0 million (56.4). Revenue in the other countries amounted to EUR 136.2 million (99.2), an increase of 37.2%.

Gross profit was EUR 113.4 million (87.6) and the gross margin was 57.8% (56.3). The gross margin was slightly down in Lindex, to 64.4% (64.7), and up in Stockmann, to 43.7% (41.7).

Operating costs increased by EUR 1.6 million, or by EUR 7.6 million including adjustments related to restructuring and other transformation measures. Operating costs totalled EUR 93.1 million (91.6).

The operating result for the first quarter was EUR 9.8 (-27.6) million. The adjusted operating result for the quarter improved and was EUR -3.7 million (-21.1). The adjusted operating result was clearly up for both Lindex and Stockmann.

Net financial expenses amounted to EUR 5.4 million (5.7). The result before taxes was EUR 4.4 million (-33.3).

Operating income for the first quarter included EUR 1.1 million in public funding related to sick leave in Sweden and for lockdowns in Latvia due to the COVID-19 situation.

REVENUE AND EARNINGS BY DIVISION

Stockmann Group's reporting segments are the Lindex and Stockmann divisions. The segments are reported in accordance with IFRS 8. Unallocated items include Corporate Management, Group Finance Management, Group Treasury and Internal Audit.

LINDEX

Lindex	1–3/2022	1–3/2021	1–12/2021
Revenue, EUR mill.	**134.0**	98.7	607.4
Gross margin, %	**64.4**	64.7	65.4
Operating result, EUR mill.	**5.5**	−13.0	74.6
Adjusted operating result, EUR mill.	**5.5**	−7.6	80.3
Capital expenditure, EUR mill.	**4.4**	1.4	12.0

January–March 2022

Lindex's revenue for the quarter was up by 35.7%, to EUR 134.0 million (98.7), or up by 36.3% in local currency rates compared to the previous year. Sales in the brick-and-mortar stores increased by 47.6% due to the lifted COVID-19 restrictions compared to the same period in the previous year. Growth in digital sales was 8.2% and accounted for 23.6% (28.7) of total sales. Total sales for the quarter increased in all channels and business areas.

The gross margin was 64.4% (64.7) and operating costs increased by EUR 1.5 million, to EUR 61.8 million (60.4). The costs increased compared to previous years due to higher sales, fewer closed stores due to the pandemic and continued investments for growth.

Lindex's operating result for the first quarter improved by EUR 18.5 million, to EUR 5.5 million (-13.0). Lindex's strong sales growth in the brick-and-mortar stores during the quarter, together with good margins and good cost control, contributed to the good result.

Lindex store network

Lindex had 439 stores in total at the end of the first quarter: 408 of its own stores and 31 franchise stores. Lindex opened one new store and closed three stores during the quarter. In addition to Lindex's own online store, the division also sells its products on third parties' digital platforms.

Lindex sustainability

To take further steps in accelerating the transformation to a more sustainable and circular business, Lindex has appointed a Director of Sustainability as a new management group member. Lindex has released its sustainability report for 2021. It describes the fashion company's significant progress to keep Lindex's sustainability promise, as well as the challenges and major transformation that impact all parts of the company. During the quarter, Lindex has also taken further steps in upscaling Lindex second hand to include all kids-wear garments. Creating sustainable growth and continuing to develop customer offerings with new services are key in Lindex's way forward to a circular business model.

STOCKMANN

Stockmann	1–3/2022	1–3/2021	1–12/2021
Revenue, EUR mill.	**62.2**	56.9	291.6
Gross margin, %	**43.7**	41.7	44.5
Operating result, EUR mill.	**6.3**	−12.2	11.6
Adjusted operating result, EUR mill.	**−7.3**	−12.1	−9.9
Capital expenditure, EUR mill.	**1.9**	0.9	4.9

January–March 2022

The Stockmann division's first-quarter revenue grew by 9.2% and amounted to EUR 62.2 million (56.9). Sales in the brick-and-mortar stores grew as a consequence of higher visitor volumes combined with an improved conversion rate as well as a larger average purchase by customers. The online store experienced a 36.9% decrease in revenue during the quarter compared to the previous year and accounted for 12.2% (23.7) of total sales.

Revenue in the Finnish department stores came to EUR 46.1 million (45.4), an increase of 2.2% on the previous year. Revenue in department stores in the Baltics increased by 36.4% due to the lifted COVID-19 restrictions, to EUR 16.1 million (11.5).

The Stockmann division's Crazy Days campaign was held as an eight-day-long campaign from 30 March to 6 April 2022. The campaign was arranged both in the department stores and online. Last year, the eight-day-long online campaign was held in March and in comparison the campaign sales improved significantly. The fashion and cosmetics categories performed well in Finland, and grocery in the Baltics.

The gross margin was 43.7% (41.7). The gross margin increased compared to the previous year due to higher sales of full-priced products.

Operating costs decreased by EUR 0.5 million, to EUR 30.1 million (30.7). The decrease mainly derived from lower rents and indirect costs compared to the previous year.

The operating result for the quarter improved by EUR 18.5 million to EUR 6.3 million (-12.2).

When the gain from selling the Riga property is excluded, the adjusted operating result for the quarter increased by EUR 4.8 million to EUR -7.3 million (-12.1). This was an effect of better sales, improved gross margins and cost control.

Stockmann store network

Stockmann had eight department stores and one online store at the end of the first quarter. The department stores are located in Helsinki (2), Vantaa, Espoo, Turku, Tampere, Riga and Tallinn.

Stockmann sustainability

Stockmann is finalising its renewed corporate responsibility strategy and integrating it more closely into the business strategy in order to strive towards a more sustainable business and to respond to the expectations of Stockmann's stakeholders. Since signing the SBTi (Science Based Targets initiative) Commitment in October 2021, Stockmann has now advanced the process of setting science-based emission reduction targets for all dimensions in line with the 1.5°C emission scenarios and SBTi recommendations. The aim is to achieve a positive impact on the various processes in Stockmann business as well as to meet stakeholder expectations for climate action and commitment.

DECISIONS BY THE ANNUAL GENERAL MEETING

The Annual General Meeting of Stockmann plc was held on Wednesday 23 March 2022 at 12:00 at the premises of Roschier, Attorneys Ltd. in Helsinki at the address Kasarmikatu 21 A. Shareholders and their proxy representatives could participate in the meeting and exercise shareholder rights only by voting in advance and by making counterproposals and presenting questions in advance. Participation at the meeting venue was not possible.

A total of 24 shareholders, representing 59 327 233 million shares and votes, were represented at the Annual General Meeting. The Annual General Meeting supported all proposals made by the Board of Directors and the Shareholders' Nomination Board to the Annual General Meeting. The Annual General Meeting adopted the financial statements for the financial year 1 January – 31 December 2021, granted discharge from liability to the persons who had acted as members of the Board of Directors and as CEO during the financial year and, in accordance with the proposal of the Board of Directors, resolved that no dividend shall be paid for the financial year 2021. In addition, the Annual General Meeting resolved to adopt the Remuneration Report for governing bodies presented to the Annual General Meeting in an advisory vote. (Stock Exchange Release, 23 March 2022).

CHANGES IN MANAGEMENT

Stockmann plc's Chief Financial Officer and member of the Group Management Team Pekka Vähähyyppä has resigned from his position, for retirement. He will leave Stockmann on 30 April 2022. Annelie Forsberg (b. 1972), M.Sc. (Econ.), has been appointed the new CFO for Stockmann Group as of 1 April 2022. She is currently working as Lindex CFO and is already a member of the Group's Management Team.

BUSINESS CONTINUITY, RISKS AND FINANCING SITUATION

Total cash as at 31 December 2021 was EUR 213.8 million. Due to normal business seasonality, the figure declined during the first quarter and amounted to EUR 130.8 million at 31 March 2022. During the first quarter, some Covid-19-related extended terms of payment for certain governmental payment in Sweden expired, which had negative impact on cash.

Most of the measures and undertakings, as specified in Stockmann plc's restructuring programme, had already been completed during 2021, and they are explained in the annual report 2021.

The sale and leaseback agreement for Stockmann's Riga department store property was signed in December 2021, but the closing took place in January 2022. The proceeds from the sale of the property were used, according to the restructuring programme, in full to reduce the secured restructuring debts.

The sale and leaseback agreement for Stockmann's Helsinki department store property was signed in March 2022, but the closing took place in April 2022. The proceeds from the sale of the property were used, according to the restructuring programme, to repay in full the secured restructuring debts and the undisputed restructuring debts in April 2022.

Lindex opened foreign exchange hedging limits in September 2021 and has increased the hedging levels to the normal level. The Group's scope for arranging new financing is limited during the execution of the corporate restructuring programme. This may have an effect on the sufficiency of liquidity and on the financial position.

The prolonged effects of the COVID-19 pandemic will have an impact on Stockmann's liquidity and financial position and the value of its assets. Risks related to production and supply may arise from unusual situations such as an escalation in the COVID-19 pandemic or a new epidemic leading to government-imposed restrictions, a lack of transport capacity, strikes and political uncertainties.

The current geopolitical situation may cause inflation which can affect sales negatively due to the consumer confidence level, as well as increased buying prices and operating costs. Further it might cause delays in the supply chains due to issues in production and freight. The management and the Board of Directors regularly assess the operational and strategic risks associated with the current situation.

In response to the Russian invasion of Ukraine, Stockmann removed products of Russian origin from sale in February. As a result, about 200 products of Russian origin were removed from Stockmann's selections. Stockmann also discontinued selling merchandise to the Russian partner Debruss. The impact on Stockmann Group is limited.

The Swedish tax authorities have taken a negative stance on the taxation of Stockmann's subsidiary Stockmann Sverige AB regarding its right to deduct interest expenses during the years 2013–2019 for a loan raised for the acquisition of AB Lindex. In their reply, the Swedish tax authorities concluded that Stockmann does not have the right to appeal to the European Court of Justice to gain the rejected interest deductions, and that the decision of the European Court of Justice of 20 January 2021 is of no significance regarding Stockmann's right to deduct these interest expenses. The processing of the case continues in the Court of Appeal (Stock Exchange Release, 14 May 2021).

Stockmann has paid all undisputed external restructuring debt, but still has disputed claims (described below). At the end of December 2021, the amount of disputed claims was EUR 103 million, mainly related to the termination of long-term leases with premises. The administrator of the restructuring programme has disputed the claims and considered it justified to pay 18 months' rent for the leases instead of all the years left in the lease contract. Most of the claims will be settled by arbitration proceedings. Stockmann has made a provision of EUR 16.3 million, which corresponds to the company's estimate of the probable amount relating to the claims. The creditors of such restructuring debt will be entitled to convert 20% of their receivables to shares and bonds after their respective receivables have been confirmed.

LähiTapiola Keskustakiinteistöt Ky, the landlord of Stockmann's Tapiola department store, has initiated arbitration proceedings against Stockmann in which the company demands up to EUR 43.4 million compensation from Stockmann in accordance with section 27, subsection 1 of the Restructuring Act. The administrator of the restructuring proceedings has disputed the demand of LähiTapiola Keskustakiinteistöt Ky in the restructuring programme to the extent that it exceeds EUR 3.5 million. In connection with the same, LähiTapiola Keskustakiinteistöt Ky has filed a claim against Stockmann, Stockmann AS and the administrator and/or the supervisor at Helsinki District Court to leave the matter in abeyance.

Nordika II SHQ Oy, the landlord of Stockmann's Takomotie office space, has filed a claim with Helsinki District Court in which the company demands compensation amounting to a maximum of EUR 14.5 million from Stockmann in accordance with section 27, subsection 1 of the Restructuring Act. This claim has been disputed by the supervisor of the restructuring programme to the extent that it exceeds EUR 1.2 million. The EUR 1.2 million has been converted to shares in March 2022, but the difference is still a claim. In the same claim, Nordika II SHQ Oy has named the administrator and Stockmann as respondents.

Mutual Insurance Fund Fennia, the lessor of the Tampere department store, has commenced arbitration proceedings against Stockmann, in which the company demands up to EUR 11.9 million in compensation from Stockmann in accordance with section 27, subsection 1 of the Restructuring Act. The administrator of the restructuring proceedings has disputed the claim to the extent that it exceeds EUR 2.8 million. In addition, Mutual Insurance Fund Fennia has filed two claims with Helsinki District Court with Stockmann, with the administrator and the supervisor as respondents in the first claim and Stockmann as respondent in the other claim. In the claims to Helsinki District Court, Mutual Insurance Fund Fennia requests the court to confirm that the damages payable to Fennia are the maximum amount of EUR 12 million.

Tampereen Seudun Osuuspankki, the second lessor of the Tampere department store, has initiated proceedings at Pirkanmaa District Court, in which the company demands up to EUR 20.3 million compensation from Stockmann in accordance with section 27, subsection 1 of the Restructuring Act. In the restructuring programme, the supervisor has disputed the claim presented by Tampereen Seudun Osuuspankki during the restructuring proceedings (at which time the maximum amount of the claim was EUR 17.7 million) to the extent that it exceeds EUR 2.0 million.

Pirkanmaan Osuuskauppa, the former subtenant of the Tampere department store, has initiated arbitration proceedings in which it demands up to EUR 5.4 million compensation from Stockmann in accordance with, among others, section 27, subsection 1 of the Restructuring Act. The supervisor of the restructuring proceedings has disputed the claim for the most part. Pirkanmaan Osuuskauppa has also appealed regarding the decision of Helsinki District Court on 9 February 2021 to certify the restructuring programme to the extent that Helsinki District Court viewed that the damages payable to Pirkanmaan Osuuskauppa are restructuring debt instead of debt that has arisen after the application for restructuring proceedings came into force pursuant to section 32 of the Restructuring Act. Helsinki Court of Appeal rejected Pirkanmaan Osuuskauppa's appeal in its court decision on 4 November 2021. The Supreme Court has granted Pirkanmaan Osuuskauppa leave to appeal to the extent that the appeal concerns the claim for damages arising from the termination of the sublease agreement are restructuring debt or debt that has arisen during the corporate restructuring proceedings.

Regarding the other disputed receivables mentioned in the restructuring programme, conciliation negotiations are underway and some of them have already been settled amicably.

MARKET OUTLOOK FOR 2022

Uncertainty in the global economy is expected to persist throughout 2022. The geopolitical instability will affect the supply chains and international logistics and the COVID-19 pandemic will continue to have an impact on the economy across the world until the coronavirus situation is under better control. Additionally the accelerating inflation has an impact on households and consumption and will also lead to increased operating costs. The retail market is expected to remain challenging due to changes in consumer behaviour and confidence.

The Stockmann division will continue to execute the restructuring programme and Lindex to explore new growth opportunities.

Helsinki, 28 April 2022

STOCKMANN plc
Board of Directors

FINANCIAL INFORMATION

This Interim Management Statement has been prepared in compliance with IAS 34. The figures are unaudited.

CONSOLIDATED INCOME STATEMENT

EUR mill.	**1.1.–31.3.2022**	1.1.–31.3.2021	1.1.–31.12.2021
REVENUE	**196.1**	155.7	899.0
Other operating income	**15.2**	1.5	31.9
Materials and consumables	**−82.7**	−68.0	−372.0
Wages, salaries and employee benefit expenses	**−52.2**	−45.6	−194.6
Depreciation, amortisation and impairment losses	**−25.7**	−25.1	−102.9
Other operating expenses	**−40.9**	−46.0	−179.4
Total expenses	**−201.6**	−184.8	−848.9
OPERATING PROFIT/LOSS	**9.8**	−27.6	82.1
Financial income	**0.3**	1.0	2.7
Financial expenses	**−5.7**	−6.7	−19.6
Total financial income and expenses	**−5.4**	−5.7	−16.9
PROFIT/LOSS BEFORE TAX	**4.4**	−33.3	65.2
Income taxes	**−1.6**	3.8	−17.3
NET PROFIT/LOSS FOR THE PERIOD	**2.8**	−29.4	47.9
Profit/loss for the period attributable to:			
Equity holders of the parent company	**2.8**	−29.4	47.9
Earnings per share, EUR:			
From the period result (undiluted and diluted)*	**0.02**	−0.39	0.42

* Earnings per share for comparable periods has been restated to reflect the changes in number of shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	**1.1.–31.3.2022**	1.1.–31.3.2021	1.1.–31.12.2021
PROFIT/LOSS FOR THE PERIOD	**2.8**	−29.4	47.9
Other comprehensive income:			
Items that may be subsequently reclassified to profit and loss			
Exchange differences on translating foreign operations, before tax	**−2.6**	−5.7	−6.0
Exchange differences on translating foreign operations, net of tax	**−2.6**	−5.7	−6.0
Cash flow hedges, before tax	**−0.5**		1.1
Cash flow hedges, net of tax	**−0.5**		1.1
Other comprehensive income for the period, net of tax	**−3.1**	−5.7	−4.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**−0.3**	−35.1	43.0
Total comprehensive income attributable to:			
Equity holders of the parent company	**−0.3**	−35.1	43.0

1.1.–31.3.2021 figures are restated according to IFRIC agenda decision on configuration and customisation costs in cloud computing arrangements (IAS 38).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	31.3.2022	31.3.2021	31.12.2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	**270.2**	271.8	271.5
Trademark	**88.0**	88.8	88.7
Intangible rights	**26.8**	24.9	27.6
Other intangible assets	**1.0**	1.3	1.1
Advance payments and construction in progress	**2.7**	1.6	2.1
Intangible assets, total	**388.7**	388.4	391.1
Property, plant and equipment			
Machinery and equipment	**39.2**	41.0	40.6
Modification and renovation expenses for leased premises	**4.5**	4.1	4.8
Right-of-use assets	**322.6**	320.2	296.6
Advance payments and construction in progress	**1.6**	12.8	1.2
Property, plant and equipment, total	**368.0**	378.1	343.2
Investment properties	**0.5**	0.5	0.5
Non-current receivables	**3.5**	1.4	3.8
Other investments	**0.2**	0.2	0.2
Deferred tax assets	**24.2**	28.3	23.8
NON-CURRENT ASSETS, TOTAL	**785.2**	797.0	762.6
CURRENT ASSETS			
Inventories	**178.8**	160.4	154.8
Current receivables			
Interest-bearing receivables	**0.5**	1.2	0.0
Income tax receivables	**1.4**	0.2	0.1
Non-interest-bearing receivables	**48.0**	33.8	45.7
Current receivables, total	**49.8**	35.2	45.8
Cash and cash equivalents	**130.8**	115.4	213.7
CURRENT ASSETS, TOTAL	**359.5**	311.1	414.3
ASSETS CLASSIFIED AS HELD FOR SALE	**227.2**	247.1	239.5
ASSETS, TOTAL	**1 371.8**	1 355.2	1 416.5

EUR mill.	31.3.2022	31.3.2021	31.12.2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**77.6**	144.1	77.6
Share premium fund		186.1	
Invested unrestricted equity fund	**72.3**	250.4	72.0
Other funds	**0.7**	43.8	1.2
Translation reserve	**11.8**	14.8	14.4
Retained earnings	**105.7**	−520.9	102.9
Hybrid bond		52.9	
Equity attributable to equity holders of the parent company	**268.2**	171.2	268.2
EQUITY, TOTAL	**268.2**	171.2	268.2
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**39.6**	35.5	40.6
Non-current interest-bearing financing liabilities	**66.1**		66.0
Non-current lease liabilities	**299.6**	260.0	264.3
Non-current non-interest-bearing liabilities and provisions	**17.7**	100.6	37.8
NON-CURRENT LIABILITIES, TOTAL	**423.0**	396.1	408.6
CURRENT LIABILITIES			
Current interest-bearing financing liabilities	**342.6**	430.0	381.5
Current lease liabilities	**76.7**	76.5	72.9
Current non-interest-bearing liabilities			
Trade payables and other current liabilities	**210.1**	224.4	223.1
Income tax liabilities	**35.0**	36.5	46.4
Current provisions	**0.0**	3.4	0.0
Current non-interest-bearing liabilities, total	**245.0**	264.3	269.6
CURRENT LIABILITIES, TOTAL	**664.4**	770.7	724.0
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**16.3**	17.2	15.7
LIABILITIES, TOTAL	**1 103.7**	1 184.0	1 148.3
EQUITY AND LIABILITIES, TOTAL	**1 371.8**	1 355.2	1 416.5

31.3.2021 figures are restated according to IFRIC agenda decision on configuration and customisation costs in cloud computing arrangements (IAS 38).

CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	**1.1.–31.3.2022**	1.1.–31.3.2021	1.1.–31.12.2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the period	**2.8**	−29.4	47.9
Adjustments for:			
Depreciation, amortisation and impairment losses	**25.7**	25.1	102.3
Gains (-) and losses (+) of disposals of fixed assets and other non-current assets	**−14.0**	0.0	−21.6
Interest and other financial expenses	**5.7**	6.7	19.6
Interest income	**−0.3**	−1.0	−2.7
Income taxes	**1.6**	−3.8	17.3
Other adjustments	**0.0**	−0.1	0.6
Working capital changes:			
Increase (-) /decrease (+) in inventories	**−24.8**	−27.0	−21.5
Increase (-) / decrease (+) in trade and other current receivables	**−3.6**	10.7	−10.1
Increase (+) / decrease (-) in current liabilities	**−32.0**	8.8	48.4
Interest expenses paid	**−4.8**	−7.0	−28.7
Interest received from operating activities	**0.0**	0.0	1.0
Income taxes paid from operating activities	**−14.1**	0.0	−2.0
Net cash from operating activities	**−57.8**	−17.1	150.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of tangible and intangible assets	**38.4**		48.3
Purchase of tangible and intangible assets	**−5.0**	−2.6	−17.0
Security deposit			−2.3
Net cash used in investing activities	**33.4**	−2.6	28.9
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan conversion costs			−0.4
Repayment of current liabilities	**−38.8**		−48.5
Payment of lease liabilities	**−17.6**	−15.6	−66.3
Net cash used in financing activities	**−56.5**	−15.6	−115.2
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**−80.8**	−35.3	64.1
Cash and cash equivalents at the beginning of the period	**213.7**	152.3	152.3
Cash and cash equivalents at the beginning of the period	**213.7**	152.3	152.3
Net increase/decrease in cash and cash equivalents	**−80.8**	−35.3	64.1
Effects of exchange rate fluctuations on cash held	**−2.1**	−1.6	−2.7
Cash and cash equivalents at the end of the period	**130.8**	115.4	213.7
Cash and cash equivalents at the end of the period	**130.8**	115.4	213.7

1.1.–31.3.2021 figures have been restated on configuration and customisation costs in cloud computing arrangements from cash flows from investing activities to cash flows from operating activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR mill.	Share capital	Share premium fund	Hedging reserve	Reserve for un-restricted equity	Other reserves	Translation differences	Retained earnings	Total	Hybrid bond	**Total**
EQUITY 1.1.2021	144.1	186.1		250.4	43.8	20.3	−544.4	100.4	105.8	**206.2**
Profit/loss for the period							−29.4	−29.4		**−29.4**
Exchange differences on translating foreign operations						−5.6		−5.6		**−5.6**
Total comprehensive income for the period, net of tax						−5.6	−29.4	−35.0		**−35.0**
Hybrid bond cut							52.9	52.9	−52.9	
Other changes in equity total							52.9	52.9	−52.9	
EQUITY 31.3.2021	144.1	186.1		250.4	43.8	14.8	−520.9	118.3	52.9	**171.2**

EUR mill.	Share capital	Share premium fund	Hedging reserve	Reserve for un-restricted equity	Other reserves	Translation differences	Retained earnings	Total	Hybrid bond	**Total**
EQUITY 1.1.2021	144.1	186.1		250.4	43.8	20.3	−544.4	100.4	105.8	**206.2**
Profit/loss for the period							47.9	47.9		**47.9**
Exchange differences on translating foreign operations						−5.9	−0.1	−6.0		**−6.0**
Cash flow hedges			1.1					1.1		**1.1**
Total comprehensive income for the period, net of tax			1.1			−5.9	47.8	43.0		**43.0**
Reduction of share capital to cover losses	−66.5						66.5			
Usage of funds to cover losses		−186.1		−250.4	−43.7		480.2			
Share issue to creditors for unsecured restructuring debt				72.0				72.0	−53.1	**18.9**
Hybrid bond cut							52.7	52.7	−52.7	
Other changes in equity total	−66.5	−186.1		−178.4	−43.7		599.5	124.8	−105.8	**18.9**
EQUITY 31.12.2021	77.6		1.1	72.0	0.1	14.4	102.9	268.2		**268.2**

EUR mill.	Share capital	Share premum fund	Hedging reserve	Reserve for un-restricted equity	Other reserves	Translation differences	Retained earnings	Total	Hybrid bond	**Total**
EQUITY 1.1.2022	77.6		1.1	72.0	0.1	14.4	102.9	268.2		**268.2**
Profit/loss for the period							2.8	2.8		**2.8**
Exchange differences on translating foreign operations						−2.6		−2.6		**−2.6**
Cash flow hedges			−0.5					−0.5		**−0.5**
Total comprehensive income for the period, net of tax			−0.5			−2.6	2.8	−0.3		**−0.3**
Share issue to creditors for unsecured restructuring debt				0.3				0.3		**0.3**
Other changes in equity total				0.3				0.3		**0.3**
EQUITY 31.3.2022	77.6		0.6	72.3	0.1	11.8	105.7	268.2		**268.2**

Retained earnings for prior year 31.3.2021 figures are restated according to IFRIC agenda decision on configuration and customisation costs in cloud computing arrangements (IAS 38).

RESTRUCTURING DEBT

EUR mill.	**31.3.2022**
Current interest-bearing restructuring debt, secured	**342.6**
Current non-interest-bearing restructuring debt, unsecured *)	**22.7**
Restructuring debt total	**365.4**
Provisions related to restructuring debt **)	**16.3**
Total	**381.7**

Stockmann plc's intra-group restructuring liabilities amount to EUR 63.9 million.
*) Remaining confirmed unsecured restructuring debt, which will be paid in April 2022.
**) Consists of disputed landlords' claims for terminated lease agreements.

CASH FLOWS BASED ON AGREEMENTS IN FINANCIAL LIABILITIES AT 31 MARCH 2022

EUR mill.	Carrying amount	1.4.2022–31.3.2023	1.4.2023–31.3.2024	1.4.2024–31.3.2025	1.4.2025–31.3.2026	1.4.2026–	Total
Current restructuring debts	365.4	−366.7					−366.7
Restructuring debts total	365.4	−366.7					−366.7
Non-current Bond (5-y Bullet)	66.1	−0.1	−0.1	−0.1	−0.1	−66.3	−66.6
Current trade payables and other current liabilities	99.1	−99.1					−99.1
Non-current lease liabilities	299.6		−87.8	−79.4	−75.5	−663.4	−906.1
Current lease liabilities	76.7	−99.8					−99.8
Lease liabilites, total	376.3	−99.8	−87.8	−79.4	−75.5	−663.4	−1 005.9
Total	906.9	−565.7	−87.9	−79.5	−75.6	−729.7	−1 538.3

The cash flows presented are based on the restructuring programme approved on 9 February 2021 and they include financing costs.
In July 2021 EUR 66.1 mill. of the restructuring debt was converted into a new bond, which will be repaid in 2025 and to which annual interest of EUR 0.1 mill. will be paid. Secured restructuring debt was reduced in January 2022 by EUR 38.5 mill. with proceeds from sales of Riga real estate. EUR 365.4 mill. presented as current restructuring debt will be paid in April 2022. Provisions regarding disputed landlords' claims are not included in the cash flows.
Carrying amount of lease liabilities is discounted in accordance with IFRS 16. Annual cash flows are presented in nominal values.

FINANCIAL INCOME AND EXPENSES

EUR mill.	**1.1.–31.3.2022**	1.1.–31.3.2021	1.1.–31.12.2021
Interest income on bank deposits, other investments and currency derivatives	**0.0**	0.0	1.0
Other financial income	**0.3**	1.0	1.7
Financial income, total	**0.3**	1.0	2.7
Interest expenses on financial liabilities measured at amortised cost	**−1.7**	−3.6	−7.2
Interest expenses from lease contracts	**−3.9**	−2.9	−12.2
Foreign exchange differences	**−0.1**	−0.2	−0.2
Financial expenses, total	**−5.7**	−6.7	−19.6
Financial income and expenses, total	**−5.4**	−5.7	−16.9

ILLUSTRATIVE BALANCE SHEET ITEMS AFTER THE REPORTING PERIOD

EUR mill.	**Reported 31.3.2022**	Sale of Helsinki department store	Repayments of liabilities	**Illustrative balance sheet**
Right-of-use assets	**322.6**	111.7		**434.4**
Deferred tax assets	**24.2**	3.6		**27.9**
Current receivables	**49.8**	−1.4		**48.4**
Cash and cash equivalents	**130.8**	391.3	−366.7	**155.4**
Assets classified as held for sale	**227.2**	−227.2		
ASSETS	**1 371.8**	278.1	−366.7	**1 283.3**

EUR mill.	**Reported 31.3.2022**	Sale of Helsinki department store	Repayments of liabilities	**Illustrative balance sheet**
EQUITY	**268.2**	61.0		**329.2**
Non-current lease liabilities	**299.6**	186.7		**486.4**
Current interest-bearing financing liabilities	**342.6**		−342.6	
Current lease liabilities	**76.7**	5.7		**82.4**
Trade payables and other current liabilities	**210.1**		−24.0	**186.0**
Income tax liabilities	**35.0**	40.9		**75.8**
Liabilities directly associated with assets classified as held for sale	**16.3**	−16.3		
EQUITY AND LIABILITIES	**1 371.8**	278.1	−366.7	**1 283.3**

STOCKMANN
Stockmann plc
Aleksanterinkatu 52 B. P.O. Box 220
FI-00101 HELSINKI, FINLAND
Tel. +358 9 1211
stockmanngroup.com