



INTERIM REPORT Q1 2019



STOCKMANN

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Stockmann Group's first-quarter adjusted operating result improved

January–March 2019, continuing operations

- Consolidated revenue was EUR 207.2 million (202.4), up 4.2% in comparable currency rates.
- Gross margin was 53.2% (55.1).
- Adjusted operating result was EUR -20.6 million (-24.8, or -29.3 excluding Nevsky Centre).
- Reported operating result was EUR -21.4 million (-26.9).
- Adjusted earnings per share were EUR -0.46 (-0.42).

The Group's Q1 2019 figures include changes due to IFRS 16. Comparison figures for 2018 are not restated. The IFRS 16 items are presented in the table "Impact of IFRS 16".

Guidance for 2019 (updated 24 April 2019)

Stockmann expects the Group's adjusted operating profit, excluding Nevsky Centre but including the impact of IFRS 16, to be on a par with 2018.

Strategy process

Stockmann has reworked its strategy for the Stockmann Retail and Real Estate divisions. The main targets for the rejuvenation have been set and execution of the planned initiatives has started off. The strategic actions aim at returning Stockmann Retail back to a growth trajectory by 2021.

In order to become a healthy business and turn the result into profit, a more sustainable business model and simplified organisational structure will be built. The aim is a cost reduction of at least EUR 40 million by spring 2021, of which a major part would be visible already in the 2020 results. In addition to savings started during the first months of the year, new initiatives will be introduced. As part of the simplified structure, the company is planning to combine its Retail and Real Estate divisions. The plan would also change the Stockmann Group's reporting segments which would in the future be Lindex and Stockmann.

Further information on the strategy and planned changes is available in a press release published on 30 April 2019.

Executive Chairman Lauri Ratia:

Our first-quarter performance was satisfactory and the adjusted operating result improved by EUR 4.2 million. The improvement was due to Lindex's continuously good performance and the timing of the Crazy Days campaign, which this year took place during the first quarter in Finland.

Lindex's sales increased by 3%. The online store in particular continued to perform strongly and achieved a sales growth of 41%. Stockmann Retail's revenue during the first quarter was up by 15% due to the change in the timing of the Crazy Days campaign, but the gross margin declined. Real Estate closed the Nevsky Centre divestment in January as planned. As a result, the amount of the company's debt decreased significantly. In one year the interest-bearing net debt has nearly halved, from EUR 801.8 million to EUR 457.1 million.

Our largest division, Lindex, is estimated to continue its steady performance, but in light of the current earnings trend, it is clear that we need a substantial change in Stockmann's operating model. We are currently in the process of reworking the strategy for Stockmann Retail and Real Estate. We will strengthen the premium high-quality offering in fashion, beauty and home, and secure excellent customer service. Digital acceleration remains in high focus. The strategic actions aim at returning Stockmann Retail to a growth trajectory by 2021.

To simplify business operations, our plan is to combine the Stockmann Retail and Real Estate divisions, which also would provide our customers a more coherent shopping experience to. We will build a new lean organisational structure and sustainable business model. Our aim is to reduce costs by at least EUR 40 million by spring 2021, of which a major part would be visible already in the 2020 results. With these decisive measures we expect Stockmann Retail to become a healthy and profitable business again.

Stockmann's customers will start to see the outcome of the rejuvenated strategy gradually. This transformation will be a demanding journey, but I am confident that the personnel of Stockmann will be able to rejuvenate the company over the next two years.

KEY FIGURES

| Continuing operations | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|--|----------|----------|-----------|
| Revenue, EUR mill. | 207.2 | 202.4 | 1 018.8 |
| Gross margin, % | 53.2 | 55.1 | 56.9 |
| EBITDA, EUR mill. | 14.0 | -12.6 | 76.0 |
| Adjusted EBITDA, EUR mill. | 14.8 | -10.6 | 84.3 |
| Operating result (EBIT), EUR mill. | -21.4 | -26.9 | -5.0 |
| Adjusted operating result (EBIT), EUR mill. | -20.6 | -24.8 | 28.4 |
| Net financial items, EUR mill. | -13.8 | -8.7 | -34.6 |
| Result before tax, EUR mill. | -35.2 | -35.6 | -39.6 |
| Result for the period, EUR mill. | -32.4 | -30.9 | -43.7 |
| Earnings per share, undiluted and diluted, EUR | -0.47 | -0.45 | -0.68 |
| Personnel, average | 6 914 | 7 074 | 7 241 |

| Continuing and discontinued operations | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|---|----------|----------|-----------|
| Net earnings per share, undiluted and diluted, EUR | -0.47 | -0.45 | -0.70 |
| Cash flow from operating activities, EUR mill. | -20.1 | -58.8 | 82.9 |
| Capital expenditure, EUR mill. | 6.5 | 7.8 | 29.3 |
| Equity per share, EUR | 11.11 | 11.78 | 11.71 |
| Net gearing, % | 123.7 | 94.4 | 64.4 |
| Equity ratio, % | 36.7 | 41.6 | 46.2 |
| Number of shares, undiluted and diluted, weighted average, 1 000 pc | 72 049 | 72 049 | 72 049 |
| Return on capital employed, rolling 12 months, % | 0.2 | -8.9 | -0.4 |

ITEMS AFFECTING COMPARABILITY

| EUR million | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|--|-------------|----------|-----------|
| Adjusted EBITDA | 14.8 | -10.6 | 84.3 |
| <i>Adjustments to EBITDA</i> | | | |
| Restructuring arrangements | | -2.0 | -3.3 |
| Fair value gains and losses on investment properties | | | |
| Gain on sale of properties | -0.8 | | 6.8 |
| Value adjustment to assets held for sale | | | -11.9 |
| Adjustments total | -0.8 | -2.0 | -8.4 |
| EBITDA | 14.0 | -12.6 | 76.0 |

| EUR million | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|--|--------------|----------|-----------|
| Adjusted operating result (EBIT) | -20.6 | -24.8 | 28.4 |
| <i>Adjustments to EBIT</i> | | | |
| Goodwill impairment | | | -25.0 |
| Restructuring arrangements | | -2.0 | -3.3 |
| Fair value gains and losses on investment properties | | | |
| Gain on sale of properties | -0.8 | | 6.8 |
| Value adjustment to assets held for sale | | | -11.9 |
| Adjustments total | -0.8 | -2.0 | -33.4 |
| Operating result (EBIT) | -21.4 | -26.9 | -5.0 |

IMPACT OF IFRS 16

| EUR million | Reported Q1/2019 | IFRS 16 items Q1/2019 | Excluding IFRS 16 items Q1/2019 | Reported Q1/2018 |
|-------------------------------------|------------------|-----------------------|---------------------------------|------------------|
| Revenue | 207.2 | -0.5 | 207.8 | 202.4 |
| EBITDA | 14.0 | 25.5 | -11.5 | -12.6 |
| Adjusted EBITDA | 14.8 | 25.5 | -10.7 | -10.6 |
| Depreciation | 35.4 | 21.7 | 13.7 | 14.2 |
| Operating result (EBIT) | -21.4 | 3.8 | -25.2 | -26.9 |
| Adjusted operating result (EBIT) | -20.6 | 3.8 | -24.4 | -24.8 |
| Net financial expenses | 13.8 | 6.7 | 7.1 | 8.7 |
| Net result | -32.4 | -2.2 | -30.1 | -30.9 |
| Assets | 2 186.6 | 532.1 | 1 654.5 | 2 044.0 |
| Interest-bearing net debt | 990.4 | 533.3 | 457.1 | 801.8 |
| Cash flow from operating activities | -20.1 | 18.8 | -38.9 | -58.8 |

Stockmann uses Alternative Performance Measures according to the guidelines of the European Securities and Market Authority (ESMA) to better reflect the operational business performance and to facilitate comparisons between financial periods. Gross profit is calculated by deducting the costs of goods sold from the revenue, and gross margin is calculated by dividing gross profit by the revenue as a percentage. EBITDA is calculated from the operating result excluding depreciation, amortisation and impairment losses. Adjusted EBITDA and adjusted operating result (EBIT) are measures which exclude non-recurring items and other adjustments affecting comparability from the reported EBITDA and the reported operating result (EBIT).

MARKET ENVIRONMENT

The general economic situation remained relatively strong in Finland during the first quarter, and consumer confidence was at a good level. The fashion market in Finland in January–March was +2.7% (Q1 2018: -2.3%, source: Fashion and Sport Commerce Association, TMA).

In Sweden, the general economic situation continued its stable development. The fashion market in January–March was -0.2% (Q1 2018: -5.7%, source: Swedish Trade Federation, Stilindex).

The retail market continued its growth both in Estonia and Latvia.

REVENUE AND EARNINGS IN CONTINUING OPERATIONS

The Group's Q1 2019 figures include changes due to IFRS 16. Comparison figures for 2018 are not restated. Further information on changes in accounting principles can be found in notes to the Interim Report.

January–March 2019

The Stockmann Group's first-quarter revenue was EUR 207.2 million (202.4). Revenue was up by 2.4% on the previous year in euros, or up by 4.2% in comparable currency rates due to the timing of the Crazy Days campaign in Finland and Lindex's good development.

The revenue in Finland was up by 14.9%, to EUR 87.1 million (75.8). Revenue in other countries was EUR 120.7 million (126.6); down by 4.7% or up by 1.2% in comparable currency rates excluding the impact of the Nevsky shopping centre.

The gross profit amounted to EUR 110.3 million (111.6) and the gross margin was 53.2% (55.1). The gross margin was up in Lindex, but down in Stockmann Retail.

Operating costs were down by EUR 26.6 million, since rental payments for leased premises are not recognised as a cost due to IFRS 16. Operating costs amounted to EUR 95.5 million (122.2).

The Group's adjusted EBITDA was EUR 14.8 million (-10.6). Depreciation was EUR 35.4 million (14.2). The increase is due to the leases being recognised as right-of-use assets in the balance sheet and depreciated over the contract period as an impact of IFRS 16.

The adjusted operating result for the first quarter was EUR -20.6 million (-24.8, or -29.3 excluding Nevsky Centre). The operating result improved in both Lindex and Stockmann Retail, but was down in Real Estate. The reported operating result for the quarter was EUR -21.4 million (-26.9). The impact of IFRS 16 on the operating result was EUR 3.8 million.

Net financial expenses were EUR 13.8 million (8.7). The increase is due to the impact of IFRS 16. Excluding IFRS 16, financial expenses were down due to decreased interest-bearing liabilities. Foreign exchange losses amounted to EUR 0.1 million (0.3). The result before taxes was EUR -35.2 million (-35.6).

Taxes for the quarter totalled EUR +2.8 million (+4.7). In March 2019, the Swedish Administrative Court issued a decision against Stockmann concerning the Group's tax assessments in Sweden for the years 2013–2016. The case concerns the tax deductibility of the Stockmann Group's internal interest payments after a change in Sweden's tax legislation at the start of 2013. Stockmann made an appeal against the decision to the Administrative Court of Appeal and was granted an extension for the payment of taxes and interest amounting to approximately EUR 20 million until the Court issues its decision. Stockmann has also applied

for a Mutual Agreement Procedure in respect of the double tax treaty between the Nordic countries.

The result for the period was EUR -32.4 million (-30.9). Adjusted earnings per share for the quarter were EUR -0.46 (-0.42). Earnings per share were EUR -0.47 (-0.45). Equity per share was EUR 11.11 (11.78).

FINANCING AND CAPITAL EMPLOYED

Cash flow from operating activities came to EUR -20.1 million (-58.8) in the first quarter. Due to IFRS, lease payments are transferred from cash flow from operating activities to cash flow from financial activities. Inventories were below the previous year's level both in Lindex and Stockmann Retail. Total inventories were EUR 164.8 million (182.6). The decline was partly due to the timing of the Crazy Days campaign. Cash tied in working capital was released mainly due to an ongoing working capital reduction programme.

Interest-bearing liabilities at the end of March were EUR 482.7 million (817.5), of which long-term debt amounted to EUR 423.6 million (447.0). The debt declined mainly due to the sale of the Nevsky Centre and Book House properties and the release of working capital. Part of the short-term debt has been raised in the commercial paper market. The Group has undrawn, long-term committed credit facilities of EUR 168.7 million. In addition, the Group has an uncommitted Commercial Paper programme of EUR 600.0 million of which EUR 56.9 million is in use. Stockmann also has a EUR 84.3 million hybrid bond which is treated as equity. At the end of March, the interest-bearing liabilities including IFRS 16 lease liabilities amounted to EUR 1 033.9 million.

Cash and cash equivalents totalled EUR 25.1 million (13.4) at the end of March. Assets on the balance sheet were EUR 2 186.6 million (2 044.0) at the end of March, up by EUR 532.1 million due to IFRS 16.

The equity ratio at the end of March was 36.7% (41.6), and net gearing was 123.7% (94.4).

The Group's capital employed at the end of March was EUR 1 834.3 million, or EUR 1 302.4 million excluding IFRS 16 (1 666.6).

CAPITAL EXPENDITURE

Capital expenditure totalled EUR 6.5 million (7.8) in the first quarter. Most of the capital expenditure was used for both Lindex's and Stockmann Retail's digitalisation and Lindex's store refurbishments. The digital acceleration in Stockmann continues and a digital market place will be opened in the second quarter 2019.

REVENUE AND EARNINGS BY DIVISION

Stockmann's divisions and reportable segments are Lindex, Stockmann Retail and Real Estate. Stockmann Retail includes non-food department store operations in Finland and non-food and food operations in the Baltic countries. The segments are reported excluding IFRS 16, as the management follow-up and analyses are based on the reporting without the IFRS 16 changes.

LINDEX

| Lindex | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|--------------------------------------|--------------|----------|-----------|
| Revenue, EUR mill. | 114.5 | 114.8 | 589.9 |
| Gross margin, % | 59.2 | 57.7 | 61.7 |
| Operating result, EUR mill. | -12.6 | -16.2 | 28.9 |
| Adjusted operating result, EUR mill. | -12.6 | -15.9 | 30.4 |
| Capital expenditure, EUR mill. | 3.9 | 6.2 | 20.1 |

January–March 2019

Lindex's revenue for the quarter was down by 0.3%, to EUR 114.5 million (114.8). The same-store sales at comparable exchange rates were up by 2.8%. Lindex's main markets, the Nordic countries, had stronger sales growth than the other markets. Growth in the online store was 41%.

The gross margin for the quarter was 59.2% (57.7). The gross margin was up due to fewer markdowns.

Operating costs were down by EUR 1.8 million, and amounted to EUR 75.5 million (77.4). The costs declined mainly due to development in currency rates.

The operating result for the quarter was EUR -12.6 million (-16.2, or adjusted operating result -15.9).

Store network

Lindex opened 2 stores and closed 9 stores during the first quarter. Operations in Poland were ended.

In 2019, Lindex will continue to focus on optimising its store locations. Unprofitable stores will either move to new locations or close down. The total number of stores is estimated to decline slightly, compared to 2018. Expansion into new sales channels will continue.

| Lindex store network | Total 31.12.2018 | Closed stores 1-3/2019 | New stores 1-3/2019 | Total 31.3.2019 |
|-------------------------|---------------------|---------------------------|------------------------|--------------------|
| Finland | 61 | 0 | 0 | 61 |
| Sweden | 204 | 3 | 1 | 202 |
| Norway | 96 | 2 | 0 | 94 |
| Estonia | 9 | 0 | 0 | 9 |
| Latvia | 10 | 0 | 0 | 10 |
| Lithuania | 9 | 0 | 0 | 9 |
| Czech Republic | 28 | 0 | 0 | 28 |
| Slovakia | 12 | 0 | 0 | 12 |
| Poland | 2 | 2 | 0 | 0 |
| UK | 2 | 0 | 0 | 2 |
| Iceland* | 7 | 1 | 0 | 6 |
| Bosnia and Herzegovina* | 7 | 0 | 1 | 8 |
| Serbia* | 5 | 0 | 0 | 5 |
| Kosovo* | 1 | 0 | 0 | 1 |
| Albania* | 1 | 0 | 0 | 1 |
| Saudi Arabia* | 17 | 1 | 0 | 16 |
| Qatar* | 2 | 0 | 0 | 2 |
| Tunisia* | 1 | 0 | 0 | 1 |
| Total | 474 | 9 | 2 | 467 |
| Own stores | 433 | 7 | 1 | 427 |
| Franchising stores (*) | 41 | 2 | 1 | 40 |

STOCKMANN RETAIL

| Stockmann Retail | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|--------------------------------------|----------|----------|-----------|
| Revenue, EUR mill. | 88.0 | 76.3 | 386.2 |
| Gross margin, % | 43.0 | 44.7 | 45.0 |
| Operating result, EUR mill. | -11.5 | -17.2 | -27.5 |
| Adjusted operating result, EUR mill. | -11.5 | -15.5 | -25.7 |
| Capital expenditure, EUR mill. | 1.6 | 0.3 | 3.2 |

January–March 2019

Stockmann Retail's revenue for the quarter was EUR 88.0 million (76.3). Revenue was up by 15.4%. Growth in the online store was 119%, mostly due to the Crazy Days campaign.

Revenue in Finland was EUR 70.3 million (57.1). Revenue was up by 23.2% compared with the previous year, due to the timing of the Crazy Days campaign. Revenue in the Baltic department stores was down by 7.7%, to EUR 17.7 million (19.2). The Crazy Days campaign took place in Finland at the end of March, while in 2018 it was in April. The campaign sales were down by 6% despite a 12% sales growth in the Crazy Days online store. The Crazy Days campaign in the Baltics took place after the reporting period, in April, and the campaign sales were down by 1%. Sales in the Finnish and Baltic brick & mortar stores fell short of the previous year's level and the campaign sales were down by 5% in total.

The gross margin for the quarter was 43.0% (44.7). The gross margin declined mainly due to the effect of the Crazy Days campaign.

Operating costs were up by EUR 0.4 million, and amounted to EUR 46.3 million (45.9). Personnel and support function costs declined but rents were up.

EBITDA was EUR -8.4 million (-13.8). Operating result for the quarter was EUR -11.5 million (-17.2).

REAL ESTATE

| Real Estate | 1-3/2019 | 1-3/2018 | 1-12/2018 |
|---|-------------|----------|-----------|
| Revenue, EUR mill. | 11.8 | 17.9 | 69.0 |
| Net operating income, Stockmann-owned properties, EUR mill. | 8.5 | 13.2 | 50.7 |
| Operating result, EUR mill. | 1.6 | 7.5 | 23.2 |
| Adjusted operating result, EUR mill. | 2.4 | 7.5 | 28.2 |
| Capital expenditure EUR mill. | 0.3 | 0.9 | 3.6 |

January–March 2019

Real Estate's revenue for the quarter was EUR 11.8 million (17.9). The revenue declined mostly due to the divestment of the Book House property in Helsinki in May 2018 and the Nevsky Centre property in St Petersburg in January 2019.

The net operating income of Stockmann-owned properties was EUR 8.5 million (13.2). The decline was due to the divestment of the properties. The average monthly rent from own properties was EUR 37.74 per square metre (38.60).

Operating costs were down by EUR 0.9 million, and amounted to EUR 4.1 million (5.0).

The adjusted operating result for the quarter was EUR 2.4 million (7.5, or 3.0 excluding Nevsky Centre). Reported operating profit was EUR 1.6 million (7.5), including an adjustment of EUR -0.8 million related to the sale of the Nevsky Centre.

Properties

On 1 January 2019, the fair value of Stockmann's three department store properties amounted to EUR 681.0 million. The weighted average market yield requirement used in the fair value calculation was 4.8% (4.6%). During the year, the depreciation of the properties is deducted from the fair value. At the end of the first quarter, the revalued amount of the properties was EUR 676.4 million.

The department store properties have a gross leasable area (GLA) of 88 000 m², of which Stockmann Retail was using 73% at the end of March 2019. The occupancy rate of the properties remained at a high level, at 98.9% (99.4), with an average monthly rent of EUR 37.10 per square metre (37.31).

The value of the Nevsky Centre in St Petersburg was EUR 171.0 million on 1 January 2019. The property was sold to PPF Real Estate in January 2019.

| Property | Gross leasable area. m ² 31.3.2019 | Occupancy rate. % 31.3.2019 | Usage by Stockmann Retail. % 31.3.2019 |
|-----------------------------------|---|-----------------------------------|--|
| Helsinki flagship building | 51 000 | 98,9 | 66 |
| Tallinn department store building | 22 000 | 98,0 | 82 |
| Riga department store building | 15 000 | 100,0 | 86 |
| Total | 88 000 | 98,9 | 73 |

PERSONNEL

The Group's average number of personnel in continuing operations was 6 914 (7 074) in the first quarter. In terms of full-time equivalents, the average number of employees was 4 985 (5 196).

At the end of March, the Group had 6 808 employees (7 017), of whom 2 068 (2 189) were working in Finland. The number of employees working outside Finland was 4 740 (4 828), which represented 70% (69) of the total.

The Group's wages and salaries amounted to EUR 41.2 million in the quarter, compared with EUR 43.3 million in first quarter of 2018. The total employee benefits expenses were EUR 53.5 million (56.5), which is equivalent to 25.8% (27.9) of revenue.

CHANGES IN MANAGEMENT

CEO Lauri Veijalainen resigned from Stockmann and left the company on 31 March 2019. Lauri Ratia, Chairman of the Board of Directors, is acting as Executive Chairman for the time being. The Board of Directors has initiated a search for a new CEO.

Stockmann Group's management team member Tove Westermarck was appointed Stockmann Retail's Chief Operating Officer as of 22 March 2019.

SHARES AND SHARE CAPITAL

Stockmann has two series of shares. Series A shares each confer 10 votes, while Series B shares each confer one vote. The shares carry an equal right to dividends. The par value is EUR 2.00 per share.

Stockmann had 30 530 868 Series A shares and 41 517 815 Series B shares, or a total of 72 048 683 shares at the end of the quarter. The number of votes conferred by the shares was 346 826 495.

The share capital remained at EUR 144.1 million. The market capitalisation was EUR 153.4 million (280.0) at the end of March.

The price of a Series A share was EUR 2.17 at the end of March, compared with EUR 2.00 at the end of 2018, while the price of a Series B share was EUR 2.10, compared with EUR 1.92 at the end of 2018.

A total of 0.4 million (0.3) Series A shares and 4.9 million (4.9) Series B shares were traded on Nasdaq Helsinki during the quarter. This corresponds to 1.4% (0.9) of the average number of Series A shares and 11.9% (11.8) of the average number of Series B shares.

The company does not hold any of its own shares, and the Board of Directors has no valid authorisations to purchase company shares or to issue new shares.

At the end of March, Stockmann had 44 252 shareholders, compared with 46 279 a year earlier.

DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of Stockmann plc, held in Helsinki on 21 March 2019, adopted the financial statements for the financial year 1 January - 31 December 2018, granted discharge from liability to the responsible officers and, in accordance with the proposal of the Board of Directors, resolved not to pay a dividend for the financial year 2018.

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting resolved that eight

members be elected to the Board of Directors. In accordance with the Nomination Board's proposal, Eva Hamilton, Esa Lager, Leena Niemistö, Tracy Stone and Dag Wallgren were re-elected as members of the Board of Directors. Following the announcement by Kaj-Gustaf Bergh, Jukka Hienonen and Michael Rosenlew that they would no longer be available as members, Stefan Björkman, Lauri Ratia and Peter Therman were elected as new Board members. The Board members' term of office will continue until the end of the next Annual General Meeting.

Henrik Holmbom, Authorized Public Accountant, and Marcus Tötterman, Authorized Public Accountant, were re-elected as regular auditors. Audit firm KPMG Oy Ab will continue as the deputy auditor.

The Board of Directors, which convened after the Annual General Meeting, elected Lauri Ratia as its Chairman, and Leena Niemistö as its Vice Chairman.

The Board of Directors decided to establish an Audit Committee and a Compensation Committee from among its members. Esa Lager was elected as Chairman of the Audit Committee, and Peter Therman and Dag Wallgren were elected as the other members of the committee. Lauri Ratia was elected as Chairman of the Compensation Committee, and Stefan Björkman and Leena Niemistö were elected as the other members of the committee.

CORPORATE SOCIAL RESPONSIBILITY

Commitment to responsible operations forms a core part of Stockmann's values and daily operations. The CSR strategy defines Stockmann's priorities and goals of the responsibility work. These goals have been set to support the Group strategy and business operations by enhancing customer focus and improving efficiency. Information about CSR targets and results for 2018 were published in the CSR Review which was made available on the Group's website on 27 February 2019.

RISK FACTORS

Stockmann is exposed to risks that arise from the operating environment, risks related to the company's own operations and financial risks.

The general economic situation affects consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Consumers' purchasing behaviour is also influenced by digitalisation, increasing competition and changing purchasing trends. Rapid and unexpected movements in markets may influence the behaviour of both the financial markets and consumers. Uncertainties related to changes in purchasing behaviour are considered to be the principal risk arising from the operating environment that could affect Stockmann during 2019.

The operating environment may also affect the operations of Stockmann's tenants and consequently may have a negative impact on rental income and the occupancy rate of Stockmann's properties. These, particularly if related to the biggest tenants of the properties, may have an effect on the fair value of the real estate.

Fashion accounts for approximately 80% of the Group's revenue. An inherent feature of the fashion trade is the short lifecycle of products and their dependence on trends, the seasonality of sales and the susceptibility to abnormal changes in weather conditions. These factors may have an impact on the Group's revenue and gross margin. In the retail sector, the products' value chain from raw material to customers often contains many stages and involves risks related to the fulfilment of human rights, good working conditions, and environmental and other requirements set out in Stockmann's Code of Conduct and other policies. Responsible management of the supply chain and sus-

tainable use of natural resources are important for the Group's brands in order to retain customer confidence in Stockmann.

The Group's operations are based on flexible logistics and the efficient flow of goods and information. Delays and disturbances in logistic and information systems, as well as uncertainties related to logistics partners, can have an adverse effect on operations. Every effort is made to manage these operational risks by developing appropriate back-up systems and alternative ways of operating, and by seeking to minimise disturbances to information systems. Operational risks are also met by taking out insurance cover.

The Group's revenue, earnings and balance sheet are affected by changes in exchange rates between the Group's reporting currency, which is the euro, and the Swedish krona, the Norwegian krone, the US dollar, the Russian rouble and certain other currencies. Currency fluctuations may have an effect on the Group's business operations. Financial risks, mainly risks arising from interest rate fluctuations due to the Group's high level of debt and hence high interest costs, and risks related to refinancing, breaching financial covenants under finance agreements and liquidity may have an effect on the financial position. Interest rate fluctuations may also have an impact on goodwill and the valuation of properties owned by the Group, and thus on the fair value of these assets. Financial risks are managed in accordance with the risk policy confirmed by the Board of Directors.

OUTLOOK FOR 2019

In 2019, the retail growth is estimated to decline somewhat due to economic slowdown in Finland, but the growth is expected to continue in Sweden (source: Federation of Finnish Commerce, HUI Research). In the Baltic countries, the outlook for the retail trade is expected to be better than that for the Stockmann Group's other main market areas (source: OECD).

Purchasing behaviour is changing due to digitalisation and increasing competition. E-commerce is expected to grow steadily, but the development in brick and mortar continues to be challenging. The retail industry is facing major structural challenges through digitalisation and further internationalisation.

Stockmann is currently in the process of reworking its strategy with the aim of creating a simple operational structure and sustainable business model that enables profitable growth and strengthens the company's position and competitiveness. The aim is a cost reduction of at least EUR 40 million by spring 2021, of which a major part would be visible already in the 2020 results. Initiatives in the performance improvement programme that was launched in the beginning of 2019 are included in the current savings target.

Reported EBITDA and the operating profit will also improve due to a change in accounting principles when the new IFRS 16 Leases standard was taken into use as of 1 January 2019. The Group applies the standard using the modified retrospective approach, which means that the comparative figures for 2018 are not restated.

Capital expenditure for 2019 is estimated to be approximately EUR 35 million, which is less than the estimated depreciation for the year.

GUIDANCE FOR 2019

Stockmann expects the Group's adjusted operating profit, excluding Nevsky Centre but including the impact of IFRS 16, to be on a par with 2018.

Helsinki, Finland, 29 April 2019

STOCKMANN plc
Board of Directors

CONDENSED FINANCIAL STATEMENTS

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

CONDENSED CONSOLIDATED INCOME STATEMENT

| EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
|--|----------------|----------------|-----------------|
| Continuing operations | | | |
| REVENUE | 207.2 | 202.4 | 1 018.8 |
| Other operating income | 0.0 | 0.0 | 7.0 |
| Fair value changes on investment properties | | 0.0 | -0.3 |
| Materials and consumables | -96.9 | -90.8 | -438.7 |
| Wages, salaries and employee benefit expenses | -53.5 | -56.5 | -222.0 |
| Depreciation, amortisation and impairment losses | -35.4 | -14.2 | -80.9 |
| Other operating expenses | -42.8 | -67.7 | -288.9 |
| Total expenses | -228.6 | -229.2 | -1 030.5 |
| OPERATING PROFIT/LOSS | -21.4 | -26.9 | -5.0 |
| Financial income | 0.3 | 0.2 | 0.6 |
| Financial expenses | -14.1 | -8.9 | -35.3 |
| Total financial income and expenses | -13.8 | -8.7 | -34.6 |
| PROFIT/LOSS BEFORE TAX | -35.2 | -35.6 | -39.6 |
| Income taxes | 2.8 | 4.7 | -4.2 |
| PROFIT/LOSS FROM CONTINUING OPERATIONS | -32.4 | -30.9 | -43.7 |
| Profit/loss from discontinued operations | | | -1.4 |
| NET PROFIT/LOSS FOR THE PERIOD | -32.4 | -30.9 | -45.2 |
| Profit/loss for the period attributable to: | | | |
| Equity holders of the parent company | -32.4 | -30.9 | -45.2 |
| Earnings per share, EUR: | | | |
| From continuing operations (undiluted and diluted) | -0.47 | -0.45 | -0.68 |
| From discontinued operations (undiluted and diluted) | | | -0.02 |
| From the period result (undiluted and diluted) | -0.47 | -0.45 | -0.70 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
|---|----------------|----------------|-----------------|
| PROFIT/LOSS FOR THE PERIOD | -32.4 | -30.9 | -45.2 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Changes in revaluation surplus (IAS 16), before tax | | | 8.7 |
| Changes in revaluation surplus (IAS 16), tax | | | -1.7 |
| Changes in revaluation surplus (IAS 16), net of tax | | | 6.9 |
| Items that may be subsequently reclassified to profit and loss | | | |
| Exchange differences on translating foreign operations, before tax | -4.3 | 1.1 | 2.8 |
| Exchange differences on translating foreign operations, net of tax | -4.3 | 1.1 | 2.8 |
| Cash flow hedges, before tax | 0.1 | 0.4 | 0.6 |
| Cash flow hedges, tax | 0.0 | -0.1 | -0.1 |
| Cash flow hedges, net of tax | 0.0 | 0.3 | 0.5 |
| Other comprehensive income for the period, net of tax | -4.3 | 1.4 | 10.3 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | -36.6 | -29.5 | -34.9 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the parent company, continuing operations | -36.6 | -29.5 | -33.5 |
| Equity holders of the parent company, discontinued operations | | | -1.4 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Intangible assets | | | |
| Goodwill | 509.0 | 539.6 | 516.1 |
| Trademark | 87.4 | 88.4 | 88.7 |
| Intangible rights | 38.4 | 37.4 | 39.6 |
| Other intangible assets | 2.1 | 2.6 | 2.3 |
| Advance payments and construction in progress | 2.4 | 0.7 | 0.9 |
| Intangible assets, total | 639.4 | 668.7 | 647.5 |
| Property, plant and equipment | | | |
| Land and water | 102.5 | 103.9 | 102.5 |
| Buildings and constructions | 573.9 | 582.5 | 578.5 |
| Machinery and equipment | 61.0 | 73.1 | 64.1 |
| Modification and renovation expenses for leased premises | 4.9 | 4.2 | 5.1 |
| Right-of-use assets | 513.5 | | |
| Advance payments and construction in progress | 1.0 | 1.4 | 0.8 |
| Property, plant and equipment, total | 1 256.7 | 765.2 | 751.1 |
| Investment properties | 0.5 | 0.5 | 0.5 |
| Non-current receivables | 0.6 | 2.9 | 0.6 |
| Non-current lease receivables | 16.6 | | |
| Other investments | 0.3 | 0.3 | 0.3 |
| Deferred tax assets | 16.3 | 38.1 | 14.7 |
| NON-CURRENT ASSETS, TOTAL | 1 930.4 | 1 475.6 | 1 414.7 |
| CURRENT ASSETS | | | |
| Inventories | 164.8 | 182.6 | 141.9 |
| Current receivables | | | |
| Interest-bearing receivables | 0.2 | 1.4 | 0.8 |
| Lease receivables | 1.2 | | |
| Income tax receivables | 11.8 | 6.5 | 7.8 |
| Non-interest-bearing receivables | 53.1 | 78.7 | 43.7 |
| Current receivables, total | 66.4 | 86.6 | 52.2 |
| Cash and cash equivalents | 25.1 | 13.4 | 43.4 |
| CURRENT ASSETS, TOTAL | 256.2 | 282.6 | 237.6 |
| ASSETS CLASSIFIED AS HELD FOR SALE | | 285.8 | 175.7 |
| ASSETS, TOTAL | 2 186.6 | 2 044.0 | 1 827.9 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 144.1 | 144.1 | 144.1 |
| Share premium fund | 186.1 | 186.1 | 186.1 |
| Revaluation surplus | 333.6 | 418.6 | 358.2 |
| Invested unrestricted equity fund | 250.4 | 250.4 | 250.4 |
| Other funds | 44.3 | 44.0 | 44.2 |
| Translation reserve | -16.0 | -13.3 | -11.6 |
| Retained earnings | -226.3 | -265.2 | -212.1 |
| Hybrid bond | 84.3 | 84.3 | 84.3 |
| Equity attributable to equity holders of the parent company | 800.4 | 849.0 | 843.7 |
| EQUITY, TOTAL | 800.4 | 849.0 | 843.7 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | 128.9 | 128.1 | 128.3 |
| Non-current interest-bearing financing liabilities | 423.6 | 447.0 | 359.9 |
| Non-current lease liabilities | 460.0 | | |
| Non-current non-interest-bearing liabilities and provisions | 2.9 | 20.5 | 17.5 |
| NON-CURRENT LIABILITIES, TOTAL | 1 015.4 | 595.7 | 505.7 |
| CURRENT LIABILITIES | | | |
| Current interest-bearing financing liabilities | 59.2 | 370.5 | 227.9 |
| Current lease liabilities | 91.1 | | |
| Current non-interest-bearing liabilities | | | |
| Trade payables and other current liabilities | 196.8 | 155.5 | 190.1 |
| Income tax liabilities | 21.6 | 15.0 | 20.9 |
| Current provisions | 2.1 | 4.6 | 5.0 |
| Current non-interest-bearing liabilities, total | 220.5 | 175.1 | 215.9 |
| CURRENT LIABILITIES, TOTAL | 370.8 | 545.5 | 443.8 |
| LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE | | 53.7 | 34.7 |
| LIABILITIES, TOTAL | 1 386.2 | 1 195.0 | 984.3 |
| EQUITY AND LIABILITIES, TOTAL | 2 186.6 | 2 044.0 | 1 827.9 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
|--|----------------|----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/loss for the period | -32.4 | -30.9 | -45.2 |
| Adjustments for: | | | |
| Depreciation, amortisation and impairment losses | 35.4 | 14.2 | 80.9 |
| Gains (-) and losses (+) of disposals of fixed assets and other non-current assets | 0.8 | 0.1 | 5.6 |
| Interest and other financial expenses | 14.1 | 8.9 | 35.3 |
| Interest income | -0.3 | -0.2 | -0.6 |
| Income taxes | -2.8 | -4.7 | 4.2 |
| Other adjustments | -0.2 | -1.1 | -3.0 |
| Working capital changes: | | | |
| Increase (-) / decrease (+) in inventories | -24.0 | -24.7 | 16.3 |
| Increase (-) / decrease (+) in trade and other current receivables | -8.1 | 3.3 | 11.9 |
| Increase (+) / decrease (-) in current liabilities | 14.2 | -13.6 | 10.5 |
| Interest expenses paid | -17.0 | -4.5 | -24.4 |
| Interest received from operating activities | 0.3 | 0.1 | 0.6 |
| Income taxes paid from operating activities | -0.2 | -5.8 | -9.2 |
| Net cash from operating activities | -20.1 | -58.8 | 82.9 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of tangible and intangible assets | -7.6 | -7.4 | -28.1 |
| Proceeds from sale of tangible and intangible assets | 140.5 | 15.5 | 122.5 |
| Exchange rate gain on the hedge of a net investment and internal loan* | 0.3 | -3.1 | 31.6 |
| Net cash used in investing activities | 133.3 | 5.0 | 126.0 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from current liabilities | 56.9 | 109.7 | 79.9 |
| Repayment of current liabilities | -226.9 | -141.0 | -249.1 |
| Proceeds from non-current liabilities | 65.0 | 90.0 | 215.0 |
| Repayment of non-current liabilities | -2.1 | -0.1 | -213.8 |
| Payment of lease liabilities | -18.9 | | |
| Interest on hybrid bond | -6.6 | -6.6 | -6.6 |
| Net cash used in financing activities | -132.6 | 52.1 | -174.6 |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS | -19.4 | -1.7 | 34.3 |
| Cash and cash equivalents at the beginning of the period | 43.4 | 21.0 | 21.0 |
| Cheque account with overdraft facility | -0.4 | -12.2 | -12.2 |
| Cash and cash equivalents at the beginning of the period | 43.0 | 8.8 | 8.8 |
| Net increase/decrease in cash and cash equivalents | -19.4 | -1.7 | 34.3 |
| Effects of exchange rate fluctuations on cash held | -0.4 | -0.1 | -0.1 |
| Cash and cash equivalents at the end of the period | 25.1 | 13.4 | 43.4 |
| Cheque account with overdraft facility | -1.8 | -6.4 | -0.4 |
| Cash and cash equivalents at the end of the period | 23.3 | 7.0 | 43.0 |

*Realised foreign exchange rate gain on the hedge of a net investment in a foreign operation and internal loan

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR mill. | Share capital | Share premium fund | Revaluation surplus | Hedging reserve | Reserve for un-restricted equity | Other reserves | Translation differences | Retained earnings | Hybrid bond | Total |
|--|---------------|--------------------|---------------------|-----------------|----------------------------------|----------------|-------------------------|-------------------|-------------|--------------|
| EQUITY 1.1.2018 | 144.1 | 186.1 | 418.6 | -0.1 | 250.4 | 43.8 | -14.5 | -227.6 | 84.3 | 885.1 |
| Profit/loss for the period | | | | | | | | -30.9 | | -30.9 |
| Exchange differences on translating foreign operations | | | | | | | 1.1 | | | 1.1 |
| Cash flow hedges | | | | 0.3 | | | | | | 0.3 |
| Total comprehensive income for the period, net of tax | | | | 0.3 | | | 1.1 | -30.9 | | -29.5 |
| Interest paid on hybrid bond | | | | | | | | -6.6 | | -6.6 |
| Other changes in equity total | | | | | | | | -6.6 | | -6.6 |
| EQUITY 31.3.2018 | 144.1 | 186.1 | 418.6 | 0.2 | 250.4 | 43.8 | -13.3 | -265.2 | 84.3 | 849.0 |

| EUR mill. | Share capital | Share premium fund | Revaluation surplus | Hedging reserve | Reserve for un-restricted equity | Other reserves | Translation differences | Retained earnings | Hybrid bond | Total |
|--|---------------|--------------------|---------------------|-----------------|----------------------------------|----------------|-------------------------|-------------------|-------------|--------------|
| EQUITY 1.1.2018 | 144.1 | 186.1 | 418.6 | -0.1 | 250.4 | 43.8 | -14.5 | -227.6 | 84.3 | 885.1 |
| Profit/loss for the period | | | | | | | | -45.2 | | -45.2 |
| Changes in revaluation surplus (IAS 16) | | | 6.9 | | | | | | | 6.9 |
| Exchange differences on translating foreign operations | | | | | | | 2.8 | | | 2.8 |
| Cash flow hedges | | | | 0.5 | | | | | | 0.5 |
| Total comprehensive income for the period, net of tax | | | 6.9 | 0.5 | | | 2.8 | -45.2 | | -34.9 |
| Disposal of revalued assets | | | -58.4 | | | | | 58.4 | | |
| Interest paid on hybrid bond | | | | | | | | -6.6 | | -6.6 |
| Other changes | | | -8.9 | | | | | 8.9 | | |
| Other changes in equity total | | | -67.3 | | | | | 60.7 | | -6.6 |
| EQUITY 31.12.2018 | 144.1 | 186.1 | 358.2 | 0.4 | 250.4 | 43.8 | -11.6 | -212.1 | 84.3 | 843.7 |

| EUR mill. | Share capital | Share premium fund | Revaluation surplus | Hedging reserve | Reserve for un-restricted equity | Other reserves | Translation differences | Retained earnings | Hybrid bond | Total |
|--|---------------|--------------------|---------------------|-----------------|----------------------------------|----------------|-------------------------|-------------------|-------------|--------------|
| EQUITY 1.1.2019 | 144.1 | 186.1 | 358.2 | 0.4 | 250.4 | 43.8 | -11.6 | -212.1 | 84.3 | 843.7 |
| Profit/loss for the period | | | | | | | | -32.4 | | -32.4 |
| Exchange differences on translating foreign operations | | | | | | | -4.3 | | | -4.3 |
| Cash flow hedges | | | | 0.0 | | | | | | 0.0 |
| Total comprehensive income for the period, net of tax | | | | 0.0 | | | -4.3 | -32.4 | | -36.6 |
| Disposal of revalued assets | | | -24.7 | | | | | 24.7 | | |
| Interest paid on hybrid bond | | | | | | | | -6.6 | | -6.6 |
| Other changes in equity total | | | -24.7 | | | | | 18.1 | | -6.6 |
| EQUITY 31.3.2019 | 144.1 | 186.1 | 333.6 | 0.4 | 250.4 | 43.8 | -16.0 | -226.3 | 84.3 | 800.4 |

NOTES TO THE FINANCIAL STATEMENTS, CONDENSED

CHANGES IN ACCOUNTING PRINCIPLES

As from 1 January 2019, the Stockmann Group has applied the IFRS 16 Leases standard.

IFRS 16 replaces the standard IAS 17 and the related interpretations. The IFRS 16 requires lessees to recognise leases on the balance sheet as a lease liability and as a right-of-use asset. The Stockmann Group applies the standard using the modified retrospective approach, which means that the comparative figures for the year preceding adoption are not restated. Stockmann uses the exemption provided by IFRS 16 not to recognize in the balance sheet lease liability for leases which have a lease term of 12 months or less, and for leases in which the underlying asset is of low value. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if it is reasonably certain to exercise that option. In the Stockmann Group Lindex uses a scoring system based on the operating profit to determine if prolongation of original rental period is included in the lease term. Operating profit is measured as a percentage compared to turnover and the higher the percentage the more likely the option to extend will be exercised. Lessor accounting remains substantially unchanged from the IAS 17.

IFRS 16 has a significant impact on the Group's assets and liabilities. The right-of-use asset and lease liability in the Group is composed of leased business premises, warehouses, cars, and other machinery and equipment. At the time the standard is initially applied, the lease liability is recognised at the present value of the minimum lease payments payable on the basis of leases, discounted using the incremental borrowing rate. The average weighted discounting rate at the time the standard initially applied was 5.2% in the Stockmann Group. The amount of lease liability is included in the acquisition cost of right-of-use assets at the date of initial application. Right-of-use assets transferred to the lessee under a sublease agreement and classified as a finance lease are derecognised and presented as a net investment in a sublease in the balance sheet. At the time the standard is initially applied on 1 January 2019 the lease liability in the Group was EUR 552.7 million.

The reporting of leases in accordance with the IFRS 16 has also a significant impact on the consolidated income statement. The lessee doesn't recognise any lease payment as a cost, but instead depreciation or a possible impairment loss for the period is recognised through profit or loss. The interest on lease liability, which is calculated using the discount rate at the lease commencement date, is recognised as a financial expense; and variable lease payments that are not included in the lease liability is recognised as lease expenses. Lease income from a sublease classified as a finance lease are not included in the profit or loss, instead the interest income from a net investment in a sublease is included in financial items. Stockmann Group's EBITDA increased EUR 25.5 million, the operating result increased EUR 3.8 million and financial expenses increased EUR 6.7 million whereas the net result for the first quarter of the financial period 2019 decreased EUR 2.2 million as a result of adopting of the standard.

The adoption of IFRS 16 has also impact on the presentation of net cash flows from operating and financing activities, as the lease payments, earlier affecting operating activities only, are under the new standard presented as the amortisation of lease liabilities in cash flows from financing activities and as interest expenses in operating activities. The Group's net cash flows from operating activities increased by EUR 18.8 million and the cash flows from financing activities decreased accordingly in the first quarter of the financial period 2019 as a result of adopting of the standard. The IFRS 16 has also a significant impact on certain key figures: with the standard the Group's equity ratio at 31 December 2018 would have been 35.4% (reported 46.2%) and the net gearing 129.9% (reported 64.5%).

The segment information presented by the Stockmann Group is based on the management's internal reporting, whereby the highest level of operational decision-making and the other Group's management examine the profitability of the operating segments. The impact of the IFRS 16 is not allocated to the operating segments in the management's internal reporting and thus in the Group's segment reporting the IFRS 16 impact is presented as a reconciling item in a Group level.

The lease liability as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

| | |
|---|--------------|
| EUR mill. | |
| Operating lease commitment at 31 December 2018 as disclosed in the Group's financial statements | 583.6 |
| Discounting using the incremental borrowing rate | -105.9 |
| Extension options reasonably certain to be exercised | 151.9 |
| Other fixed costs | -29.4 |
| Leases not yet commenced to which the Group is committed | -22.1 |
| Short-term leases | -12.6 |
| Variable lease payments | -6.1 |
| Other differences | -6.7 |
| Lease liability recognised at 1 January 2019 | 552.7 |

GROUP'S OPERATING SEGMENTS

| | | | |
|--|-----------------------|-----------------------|------------------------|
| Revenue, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Lindex | 114.5 | 114.8 | 589.9 |
| Stockmann Retail | 88.0 | 76.3 | 386.2 |
| Real Estate | 11.8 | 17.9 | 69.0 |
| Unallocated | 0.1 | 0.1 | 0.4 |
| IFRS 16/subleases affecting rent income | -0.5 | | |
| Eliminations | -6.6 | -6.7 | -26.6 |
| Group total | 207.2 | 202.4 | 1 018.8 |
| Reported operating profit/loss, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Lindex | -12.6 | -16.2 | 28.9 |
| Stockmann Retail | -11.5 | -17.2 | -27.5 |
| Real Estate | 1.6 | 7.5 | 23.2 |
| Unallocated | -2.8 | -0.9 | -4.5 |
| Goodwill impairment | | | -25.0 |
| IFRS 16 impact | 3.8 | | |
| Group total | -21.4 | -26.9 | -5.0 |
| Financial income excluding IFRS 16 interest income | 0.0 | 0.2 | 0.6 |
| Interest income from IFRS 16 contracts | 0.2 | | |
| Financial expenses excluding IFRS 16 interest expenses | -7.1 | -8.9 | -35.3 |
| Interest expenses from IFRS 16 contracts | -6.9 | | |
| Consolidated profit/loss before taxes | -35.2 | -35.6 | -39.6 |
| Adjustments to operating profit/loss, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Lindex | | -0.3 | -1.5 |
| Stockmann Retail | | -1.7 | -1.8 |
| Real Estate | -0.8 | | -5.0 |
| Goodwill impairment | | | -25.0 |
| Group total | -0.8 | -2.0 | -33.4 |
| Adjusted operating profit/loss, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Lindex | -12.6 | -15.9 | 30.4 |
| Stockmann Retail | -11.5 | -15.5 | -25.7 |
| Real Estate | 2.4 | 7.5 | 28.2 |
| Unallocated | -2.8 | -0.9 | -4.5 |
| IFRS 16 impact | 3.8 | | |
| Group total | -20.6 | -24.8 | 28.4 |
| Depreciation, amortisation and impairment losses, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Lindex | 4.9 | 5.1 | 19.7 |
| Stockmann Retail | 3.0 | 3.4 | 13.2 |
| Real Estate | 5.3 | 5.3 | 21.3 |
| Unallocated | 0.5 | 0.4 | 1.7 |
| Goodwill impairment | | | 25.0 |
| IFRS 16 impact | 21.7 | | |
| Group total | 35.4 | 14.2 | 80.9 |
| Capital expenditure, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Lindex | 3.9 | 6.2 | 20.1 |
| Stockmann Retail | 1.6 | 0.3 | 3.2 |
| Real Estate | 0.3 | 0.9 | 3.6 |
| Unallocated | 0.7 | 0.4 | 2.5 |
| Group total | 6.5 | 7.8 | 29.3 |
| IFRS 16 additions | 21.9 | | |
| Total | 28.4 | 7.8 | 29.3 |
| Assets, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Lindex | 793.8 | 808.2 | 802.6 |
| Stockmann Retail | 162.7 | 190.9 | 138.0 |
| Real Estate | 673.4 | 682.0 | 678.2 |
| Unallocated | 24.6 | 77.0 | 33.4 |
| Assets classified as held for sale | | 285.8 | 175.7 |
| IFRS 16 impact | 532.1 | | |
| Group total | 2 186.6 | 2 044.0 | 1 827.9 |
| IFRS 16 impact on revenue, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Lindex | | | |
| Stockmann Retail | -0.5 | | |
| Total | -0.5 | | |
| IFRS 16 impact on operating profit/loss, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Lindex | 1.7 | | |
| Stockmann Retail | 2.2 | | |
| Total | 3.8 | | |
| IFRS 16 impact on depreciation, amortisation and impairment losses, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Lindex | 16.1 | | |
| Stockmann Retail | 5.6 | | |
| Total | 21.7 | | |

INFORMATION ON MARKET AREAS

| Revenue, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
|--|-----------------------|-----------------------|------------------------|
| Finland | 87.1 | 75.8 | 386.2 |
| Sweden*) and Norway | 87.4 | 87.1 | 449.1 |
| Baltic countries, Russia and other countries | 33.3 | 39.5 | 183.5 |
| Market areas total | 207.8 | 202.4 | 1 018.8 |
| IFRS 16 impact | -0.5 | | |
| Group total | 207.2 | 202.4 | 1 018.8 |
| Finland % | 41.9% | 37.4% | 37.9% |
| International operations % | 58.1% | 62.6% | 62.1% |
| Operating profit/loss, EUR mill. | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| Finland | -12.0 | -17.1 | -27.0 |
| Sweden*) and Norway | -13.0 | -10.1 | 26.1 |
| Baltic countries, Russia and other countries | -0.2 | 0.3 | 20.9 |
| Market areas total | -25.2 | -26.9 | 20.0 |
| Goodwill impairment | | | -25.0 |
| IFRS 16 impact | 3.8 | | |
| Group total | -21.4 | -26.9 | -5.0 |
| Non-current assets, EUR mill. | 31.3.2019 | 31.3.2018 | 1.1.–31.12.2018 |
| Finland | 637.9 | 786.3 | 642.9 |
| Sweden and Norway | 632.9 | 639.4 | 642.5 |
| Baltic countries, Russia and other countries | 113.5 | 295.5 | 287.3 |
| Market areas total | 1 384.2 | 1 721.2 | 1 572.8 |
| IFRS 16 impact | 529.8 | | |
| Group total | 1 914.1 | 1 721.2 | 1 572.8 |
| Finland % | 46.1% | 45.7% | 40.9% |
| International operations % | 53.9% | 54.3% | 59.1% |

*) Includes franchising income

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

| EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|--|-----------|--------------|--------------|
| Discontinued operations | | | |
| Profit/loss for the financial period from discontinued operations | | | |
| Income | | | 0.0 |
| Expenses | | | -1.5 |
| Profit/loss before and after taxes | | | -1.4 |
| Cash flows from discontinued operations | | | |
| Cash flow from investments | | 15.5 | 14.3 |
| Cash flow total | | 15.5 | 14.3 |
| Other assets classified as held for sale and the relating liabilities | | | |
| Intangible assets and property, plant and equipment | | 283.7 | 172.8 |
| Other receivables | | 1.2 | 0.5 |
| Cash and cash equivalents | | 0.9 | 2.4 |
| Other liabilities | | 53.7 | 34.6 |
| Net assets | | 232.1 | 141.1 |

KEY FIGURES OF THE GROUP

| | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|---|------------------|-----------|------------|
| Equity ratio, % | 36.7 | 41.6 | 46.2 |
| Net gearing, % | 123.7 | 94.4 | 64.4 |
| Cash flow from operating activities per share, year-to-date, EUR | -0.28 | -0.86 | 1.15 |
| Interest-bearing net debt, EUR mill. | 990.4 | 801.8 | 543.3 |
| Number of shares at the end of the period, thousands | 72 049 | 72 049 | 72 049 |
| Weighted average number of shares, undiluted and diluted, thousands | 72 049 | 72 049 | 72 049 |
| Market capitalisation, EUR mill. | 153.4 | 280.0 | 140.8 |
| Operating profit/loss, % of revenue | -10.3 | -13.3 | -0.5 |
| Equity per share, EUR | 11.11 | 11.78 | 11.71 |
| Return on equity, rolling 12 months, % *) | -5.3 | -22.3 | -5.2 |
| Return on capital employed, rolling 12 months, % *) | 0.2 | -8.9 | -0.4 |
| Average number of employees, converted to full-time equivalents | 4 985 | 5 196 | 5 299 |
| Capital expenditure, year-to-date, EUR mill. | 6.5 | 7.8 | 29.3 |

*) Excluding IFRS 16 impact

DEFINITIONS OF KEY FIGURES**Performance measures according to IFRS**

Earnings per share =
$$\frac{\text{Result for the period attributable to the parent company's shareholders} - \text{tax-adjusted interest on hybrid bond}}{\text{Average number of shares}}$$

Alternative performance measures

Equity ratio, % =
$$\frac{\text{Equity total}}{\text{Total assets} - \text{advance payments received}} \times 100$$

Net gearing, % =
$$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents} - \text{interest-bearing receivables}}{\text{Equity total}} \times 100$$

Cash flow from operating activities per share =
$$\frac{\text{Cash flow from operating activities}}{\text{Average number of shares}}$$

Interest-bearing net debt = Interest-bearing liabilities – cash and cash equivalents – interest-bearing receivables

Market capitalisation = Number of shares multiplied by the quotation for the respective share series on the balance sheet date

Equity per share =
$$\frac{\text{Equity attributable to the parent company's shareholders}}{\text{Number of shares on the balance sheet date}}$$

Return on equity, % *) =
$$\frac{\text{Result for the period (12 months)}}{\text{Equity total (average over 12 months)}} \times 100$$

Return on capital employed, % *) =
$$\frac{\text{Result before taxes} + \text{interest and other financial expenses}}{\text{Capital employed (average over 12 months)}} \times 100$$

Capital employed *) = Total assets – deferred tax liabilities and other non-interest-bearing liabilities (average over 12 months)

*) Calculated without the IFRS 16 impact since the comparison figures have not been restated

EXCHANGE RATES OF EURO

| Closing rate for the period | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|------------------------------------|-----------------------|----------------|-----------------|
| RUB | 75.1113 | 70.8897 | 79.7153 |
| NOK | 9.6590 | 9.6770 | 9.9483 |
| SEK | 10.3980 | 10.2843 | 10.2548 |
| Average rate for the period | 1.1.–31.3.2019 | 1.1.–31.3.2018 | 1.1.–31.12.2018 |
| RUB | 76.3055 | 69.9378 | 74.0687 |
| NOK | 9.7418 | 9.6329 | 9.6002 |
| SEK | 10.4198 | 9.9742 | 10.2584 |

INFORMATION PER QUARTER

Consolidated income statement per quarter

| EUR mill. | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 |
|--|--------------|---------|---------|---------|---------|---------|---------|---------|
| Continuing operations | | | | | | | | |
| Revenue | 207.2 | 304.5 | 232.5 | 279.4 | 202.4 | 315.7 | 242.0 | 281.3 |
| Other operating income | 0.0 | 0.0 | 0.0 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fair value changes on investment properties | | 0.0 | -0.2 | 0.0 | 0.0 | 3.9 | -0.2 | 0.0 |
| Materials and consumables | -96.9 | -135.3 | -95.9 | -116.7 | -90.8 | -136.5 | -106.0 | -123.4 |
| Wages, salaries and employee benefit expenses | -53.5 | -58.3 | -51.3 | -55.9 | -56.5 | -61.5 | -57.2 | -59.1 |
| Depreciation, amortisation and impairment losses | -35.4 | -38.9 | -13.9 | -13.9 | -14.2 | -20.6 | -165.5 | -14.9 |
| Other operating expenses | -42.8 | -74.7 | -76.2 | -70.3 | -67.7 | -87.5 | -64.6 | -69.3 |
| Operating profit/loss | -21.4 | -2.8 | -4.9 | 29.6 | -26.9 | 13.6 | -151.4 | 14.6 |
| Financial income | 0.3 | 0.3 | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 | -0.3 |
| Financial expenses | -14.1 | -9.5 | -7.9 | -8.9 | -8.9 | -11.3 | -4.9 | -10.5 |
| Total financial income and expenses | -13.8 | -9.2 | -7.8 | -8.8 | -8.7 | -10.9 | -4.8 | -10.8 |
| Profit/loss before tax | -35.2 | -12.0 | -12.7 | 20.8 | -35.6 | 2.6 | -156.2 | 3.8 |
| Income taxes | 2.8 | 5.0 | -1.1 | -12.8 | 4.7 | -14.8 | -1.8 | -4.9 |
| Profit/loss from continuing operations | -32.4 | -7.0 | -13.8 | 8.0 | -30.9 | -12.2 | -158.0 | -1.1 |
| Profit/loss from discontinued operations | | -1.4 | | | | -1.2 | -3.1 | -4.3 |
| Net profit/loss for the period | -32.4 | -8.4 | -13.8 | 8.0 | -30.9 | -13.3 | -161.1 | -5.4 |

Earnings per share per quarter

| EUR | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| From continuing operations (undiluted and diluted) | -0.47 | -0.12 | -0.21 | 0.09 | -0.45 | -0.19 | -2.21 | -0.03 |
| From the period result (undiluted and diluted) | -0.47 | -0.14 | -0.21 | 0.09 | -0.45 | -0.20 | -2.25 | -0.09 |

Segment information per quarter

| EUR mill. | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 |
|---|--------------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | | | | | | | | |
| Lindex | 114.5 | 164.3 | 147.0 | 163.8 | 114.8 | 169.6 | 151.1 | 162.1 |
| Stockmann Retail | 88.0 | 129.8 | 75.4 | 104.7 | 76.3 | 136.2 | 81.2 | 109.1 |
| Real Estate | 11.8 | 16.9 | 16.7 | 17.5 | 17.9 | 16.8 | 16.5 | 16.8 |
| Unallocated | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| IFRS 16/subleases affecting rent income | -0.5 | | | | | | | |
| Eliminations | -6.6 | -6.6 | -6.6 | -6.7 | -6.7 | -6.8 | -6.8 | -6.9 |
| Group total | 207.2 | 304.5 | 232.5 | 279.4 | 202.4 | 315.7 | 242.0 | 281.3 |
| Reported operating profit/loss | | | | | | | | |
| Lindex | -12.6 | 14.8 | 10.8 | 19.6 | -16.2 | 10.0 | 5.5 | 12.6 |
| Stockmann Retail | -11.5 | 3.3 | -10.0 | -3.6 | -17.2 | 7.5 | -10.8 | -2.6 |
| Real Estate | 1.6 | 5.6 | -4.3 | 14.3 | 7.5 | 9.8 | 6.3 | 6.6 |
| Unallocated | -2.8 | -1.4 | -1.4 | -0.8 | -0.9 | -13.7 | -2.4 | -2.0 |
| Goodwill impairment | | -25.0 | | | | | -150.0 | |
| IFRS 16 impact | 3.8 | | | | | | | |
| Group total | -21.4 | -2.8 | -4.9 | 29.6 | -26.9 | 13.6 | -151.4 | 14.6 |
| Adjustments to operating profit/loss | | | | | | | | |
| Lindex | | 0.0 | 0.0 | -1.2 | -0.3 | -2.7 | | |
| Stockmann Retail | | -0.1 | | 0.0 | -1.7 | | | |
| Real Estate | -0.8 | -1.2 | -10.8 | 7.0 | | 4.0 | | |
| Unallocated | | | | | | -11.9 | | |
| Goodwill impairment | | -25.0 | | | | | -150.0 | |
| Group total | -0.8 | -26.3 | -10.8 | 5.7 | -2.0 | -10.6 | -150.0 | |
| Adjusted operating profit/loss | | | | | | | | |
| Lindex | -12.6 | 14.8 | 10.7 | 20.8 | -15.9 | 12.7 | 5.5 | 12.6 |
| Stockmann Retail | -11.5 | 3.4 | -10.0 | -3.6 | -15.5 | 7.5 | -10.8 | -2.6 |
| Real Estate | 2.4 | 6.8 | 6.5 | 7.4 | 7.5 | 5.8 | 6.3 | 6.6 |
| Unallocated | -2.8 | -1.4 | -1.4 | -0.8 | -0.9 | -1.7 | -2.4 | -2.0 |
| IFRS 16 impact | 3.8 | | | | | | | |
| Group total | -20.6 | 23.5 | 5.9 | 23.8 | -24.8 | 24.2 | -1.4 | 14.6 |

Information on market areas

| EUR mill. | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 | Q4 2017 | Q3 2017 | Q2 2017 |
|--|--------------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | | | | | | | | |
| Finland | 87.1 | 124.1 | 80.4 | 106.0 | 75.8 | 129.7 | 83.5 | 108.1 |
| Sweden*) and Norway | 87.4 | 126.6 | 110.9 | 124.5 | 87.1 | 131.8 | 117.9 | 127.7 |
| Baltic countries, Russia and other countries | 33.3 | 53.9 | 41.2 | 48.9 | 39.5 | 54.3 | 40.7 | 45.5 |
| Market areas total | 207.8 | 304.5 | 232.5 | 279.4 | 202.4 | 315.7 | 242.0 | 281.3 |
| IFRS 16 impact | -0.5 | | | | | | | |
| Group total | 207.2 | 304.5 | 232.5 | 279.4 | 202.4 | 315.7 | 242.0 | 281.3 |
| Finland % | 41.9% | 40.7% | 34.6% | 37.9% | 37.4% | 41.1% | 34.5% | 38.4% |
| International operations % | 58.1% | 59.3% | 65.4% | 62.1% | 62.6% | 58.9% | 65.5% | 61.6% |
| Operating profit/loss | | | | | | | | |
| Finland | -12.0 | 3.4 | -19.0 | 5.7 | -17.1 | -3.8 | -11.2 | -3.0 |
| Sweden*) and Norway | -13.0 | 10.0 | 8.9 | 17.3 | -10.1 | 9.8 | 7.1 | 13.1 |
| Baltic countries, Russia and other countries | -0.2 | 8.9 | 5.1 | 6.6 | 0.3 | 7.6 | 2.7 | 4.4 |
| Market areas total | -25.2 | 22.2 | -4.9 | 29.6 | -26.9 | 13.6 | -1.4 | 14.6 |
| Goodwill impairment | | -25.0 | | | | | -150.0 | |
| IFRS 16 impact | 3.8 | | | | | | | |
| Group total | -21.4 | -2.8 | -4.9 | 29.6 | -26.9 | 13.6 | -151.4 | 14.6 |

*) Includes franchising income

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS

| Contingent liabilities of the Group, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|---|------------------|------------------|-------------------|
| Mortgages on land and buildings *) | 1 671.7 | 1 971.7 | 1 671.7 |
| Pledges and guarantees | 1.9 | 2.8 | 1.9 |
| Electricity commitments | 1.5 | 1.6 | 1.3 |
| Liabilities of adjustments of VAT deductions made on investments to immovable property | 3.6 | 5.5 | 5.7 |
| Total | 1 678.7 | 1 981.7 | 1 680.6 |
| *) Fair value of land and buildings | 676.9 | 967.9 | 852.5 |
| On 17 December 2015 Stockmann issued a hybrid bond of EUR 85 mill. The accrued interest on the bond at the end of period was: | 1.1 | 1.1 | 6.0 |
| Lease agreements on the Group's business premises, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Minimum rents payable on the basis of binding lease agreements on business premises | | | |
| Within one year | 9.6 | 127.0 | 122.7 |
| After one year | | 537.4 | 458.7 |
| Total | 9.6 | 664.4 | 581.4 |
| Group's lease payments, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Within one year | 0.4 | 0.7 | 0.7 |
| After one year | 0.6 | 1.7 | 1.4 |
| Total | 1.0 | 2.3 | 2.2 |
| Group's derivative contracts, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
| Nominal value | | | |
| Currency derivatives | 417.3 | 794.4 | 470.1 |
| Electricity derivatives | 2.1 | 1.7 | 1.4 |
| Total | 419.4 | 796.1 | 471.5 |

CONSOLIDATED ASSETS AND GOODWILL

| Assets, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|---|-----------|-----------|------------|
| Acquisition cost at the beginning of the period | 2 032.3 | 2 169.8 | 2 169.8 |
| Right-of-use assets 1.1. | 517.5 | | |
| Fair value change from revaluation of the real estates | | 0.0 | 8.4 |
| Translation difference +/- | -16.5 | -34.0 | -38.6 |
| Increases during the period | 28.4 | 7.8 | 29.3 |
| Decreases during the period | -2.0 | -9.7 | -136.6 |
| Transfers to non-current assets classified as held for sale | | -114.6 | 0.0 |
| Acquisition cost at the end of the period | 2 559.7 | 2 019.1 | 2 032.3 |
| Accumulated depreciation and impairment losses at the beginning of the period | -633.3 | -598.0 | -598.0 |
| Translation difference +/- | 3.6 | 4.6 | 11.1 |
| Depreciation on reductions during the period | 2.0 | 9.2 | 34.6 |
| Accumulated depreciation on transfers to non-current assets classified as held for sale | | 13.7 | 0.0 |
| Depreciation, amortisation and impairment losses during the period | -35.4 | -14.2 | -80.9 |
| Accumulated depreciation and impairment losses at the end of the period | -663.1 | -584.8 | -633.3 |
| Carrying amount at the beginning of the period | 1 399.1 | 1 571.8 | 1 571.8 |
| Carrying amount at the end of the period | 1 896.6 | 1 434.3 | 1 399.1 |

The calculation of consolidated assets includes following changes in consolidated goodwill:

| Goodwill, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|--|-----------|-----------|------------|
| Carrying amount at the beginning of the period | 516.1 | 563.8 | 563.8 |
| Translation difference +/- | -7.2 | -24.3 | -22.7 |
| Impairment losses | | | -25.0 |
| Carrying amount at the end of the period | 509.0 | 539.6 | 516.1 |

RIGHT-OF-USE ASSETS

| 31.3.2019, EUR mill. | Buildings | Machinery and equipment | Total |
|---|--------------|-------------------------|--------------|
| Right-of-use assets 1.1. | 515.8 | 1.8 | 517.5 |
| Translation difference +/- | -4.2 | 0.0 | -4.3 |
| Increases during the period | 21.9 | 0.0 | 21.9 |
| Decreases during the period | | 0.0 | 0.0 |
| Acquisition cost at the end of the period | 533.5 | 1.7 | 535.2 |
| Depreciation on reductions during the period | | 0.0 | 0.0 |
| Depreciation, amortisation and impairment losses during the period | -21.5 | -0.2 | -21.7 |
| Accumulated depreciation and impairment losses at the end of the period | -21.5 | -0.2 | -21.7 |
| Carrying amount at the end of the period | 511.9 | 1.6 | 513.5 |

FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY AND HIERARCHICAL CLASSIFICATION OF FAIR VALUES

| Financial assets, EUR mill. | Level | Carrying amount 31.3.2019 | Fair value 31.3.2019 | Carrying amount 31.3.2018 | Fair value 31.3.2018 | Carrying amount 31.12.2018 | Fair value 31.12.2018 |
|--|-------|------------------------------|-------------------------|------------------------------|-------------------------|-------------------------------|--------------------------|
| Derivative contracts, hedge accounting applied | 2 | 2.9 | 2.9 | 0.6 | 0.6 | 0.6 | 0.6 |
| Financial assets at fair value through profit or loss | | | | | | | |
| Derivative contracts, hedge accounting not applied | | | | | | | |
| Currency derivatives | 2 | 0.1 | 0.1 | 31.6 | 31.6 | 0.2 | 0.2 |
| Electricity derivatives | 1 | 0.4 | 0.4 | 0.1 | 0.1 | 0.6 | 0.6 |
| Financial assets at amortised cost | | | | | | | |
| Non-current receivables | | 0.6 | 0.6 | 2.9 | 2.9 | 0.6 | 0.6 |
| Non-current lease receivables | | 16.6 | 16.6 | | | | |
| Current receivables, interest-bearing | | 0.2 | 0.2 | 1.4 | 1.4 | 0.8 | 0.8 |
| Current lease receivables | | 1.2 | 1.2 | | | | |
| Current receivables, non-interest-bearing | | 49.8 | 49.8 | 46.5 | 46.5 | 42.3 | 42.3 |
| Cash and cash equivalents | | 25.1 | 25.1 | 13.4 | 13.4 | 43.4 | 43.4 |
| Other investments | 3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Financial assets by measurement category, total | | 97.2 | 97.2 | 96.7 | 96.7 | 88.8 | 88.8 |

| Financial liabilities, EUR mill. | Level | Carrying amount 31.3.2019 | Fair value 31.3.2019 | Carrying amount 31.3.2018 | Fair value 31.3.2018 | Carrying amount 31.12.2018 | Fair value 31.12.2018 |
|---|-------|------------------------------|-------------------------|------------------------------|-------------------------|-------------------------------|--------------------------|
| Derivative contracts, hedge accounting applied | 2 | 1.5 | 1.5 | 0.3 | 0.3 | 3.0 | 3.0 |
| Financial liabilities at fair value through profit or loss | | | | | | | |
| Derivative contracts, hedge accounting not applied | | | | | | | |
| Currency derivatives | 2 | 0.0 | 0.0 | 0.2 | 0.2 | 0.0 | 0.0 |
| Electricity derivatives | 1 | 0.1 | 0.1 | | | | |
| Financial liabilities at amortised cost | | | | | | | |
| Non-current interest-bearing liabilities | 2 | 423.6 | 402.9 | 447.0 | 437.5 | 359.9 | 339.0 |
| Non-current lease liabilities | | 460.0 | 460.0 | | | | |
| Current liabilities, interest-bearing | 2 | 59.2 | 59.2 | 370.5 | 371.0 | 227.9 | 228.1 |
| Current lease liabilities | | 91.1 | 91.1 | | | | |
| Current liabilities, non-interest-bearing | | 195.3 | 195.3 | 154.9 | 154.9 | 187.0 | 187.0 |
| Financial liabilities by measurement category, total | | 1 782.0 | 1 210.2 | 973.0 | 964.0 | 777.9 | 757.2 |

The Group uses the following hierarchy of valuation techniques to determine and disclose the fair value of financial instruments:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets.

Level 2: The valuation techniques use as input data quoted market prices which are regularly available from stock exchanges, brokers or pricing services. Level 2 financial instruments are over-the-counter (OTC) derivative contracts which are classified either for recognition at fair value on the income statement or as hedging instruments.

Level 3: Techniques, which require most management's judgment.

There were no transfers between levels during the financial year.

Financial assets on level 3 are investments in shares of unlisted companies. The fair value of the shares is determined by techniques based on the management's judgment. Profits or losses from the investments are recorded to other operating income or expenses in the income statement, because acquisition and divestment decisions on the investments are made for business reasons. The following calculation illustrates changes in financial assets valued at fair value during the reporting period.

| Change in fair value of other investments, EUR mill. | 31.3.2019 | 31.3.2018 | 31.12.2018 |
|--|------------|-----------|------------|
| Carrying amount Jan. 1 | 0.3 | 0.3 | 0.3 |
| Translation difference +/- | 0.0 | 0.0 | 0.0 |
| Total | 0.3 | 0.3 | 0.3 |



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