

H&M Group

Press release

18 July 2022

H&M Group takes steps to exit Russia

As communicated on March 2, 2022, H&M Group paused all sales in Russia. Given current operational challenges and an unpredictable future, the company today announces that it has decided to initiate a process of winding down the business in the country.

H&M Group has run operations in Russia since 2009. The company regrets that the business cannot continue under the current circumstances and that many colleagues are affected as a consequence. The focus now is to ensure a responsible wind down of operations and support all colleagues concerned in the best possible way over the coming months.

“After careful consideration, we see it as impossible given the current situation to continue our business in Russia. We are deeply saddened about the impact this will have on our colleagues and very grateful for all their hard work and dedication. Furthermore, we wish to thank our customers for their support throughout the years”, says Helena Helmersson, CEO H&M Group.

As part of the winding down process, the intention is to temporarily reopen physical stores for a limited period of time to sell remaining inventory in Russia. The entire wind-down is expected to lead to costs for the H&M group amounting to a total of approximately 2 BSEK, of which approximately 1 BSEK will have a cash flow impact. The full amount will be included as one-time costs in the results for the third quarter 2022. A reversal of the SEK 353 m in unrealized exchange gains in respect to intragroup receivables in Russian rubles from the second quarter 2022 is included in the one-time cost.

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For more information from the H&M group and press images visit hmgroupp.com/media.

The information in this press release is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the EU Market Abuse Regulation (EU) No 596/2014. The information was submitted for publication by the abovementioned person at 08.45 CEST on 18 July 2022. This press release, along with additional information about the H&M group, is available at hmgroupp.com.

H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, & Other Stories, H&M HOME and ARKET as well as Afound. For further information, visit hmgroupp.com.