FISKARS GROUP

2019

Financial Statements

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Report by the Board of Directors for the year 2019

Fiskars Group is a leading consumer goods company, with a family of lifestyle brands including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood. With the vision to create a positive, lasting impact on the quality of life, the company's brands are present in the garden, at the dinner table and at festivities, everyday activities and rituals.

Fiskars Group's business is based on putting the consumer at the core of everything. A profound insight and understanding of the consumer forms the starting point for the brands as well as product and portfolio development and marketing activities. Consumer insight is critical in order to provide a true omni-channel experience across all channels and platforms, both physical and digital.

The brand, marketing, and product development are ensuring that the offering is relevant to the consumer and represents the uniqueness of Fiskars Group's brands. In addition, the brand's purpose, marketing concepts and activities are defined by brand and marketing in order to present the offering in the most relevant way across all markets and consumer touchpoints.

Striving for quality, cost efficiency and sustainability, the supply chain plays a critical role in manufacturing, sourcing and logistics. Fiskars Group has own manufacturing units in Asia, Europe and North America, which are complemented by a network of suppliers. The supply chain focuses on ensuring that the product quality, production methods and all the social and environmental aspects live up to the requirements of sustainable ways of working.

The key element in the company's business model, sales and distribution, is going through a fundamental change all over the world. Traditional channels are facing challenges, new digital platforms are emerging, and the roles of various players are shifting. For Fiskars Group, own retail is growing in importance and interaction directly with consumers happens more often.

At the same time, Fiskars Group works closely together with customers (e.g. department stores and DIY chains) to develop the offering and consumer relevance of the categories where Fiskars Group is present.
Fiskars Group depends on talented people who contribute to the success of the company, and cultivates a culture of collaboration, innovation and creativity. Developing employees' competences, whether in the field of brand development, R&D, sales, manufacturing or business development, is critical in creating long-term value for stakeholders.

Global megatrends are shaping Fiskars Group's position in the consumer goods business. Digitalization, resource scarcity, and urbanization are transforming the operating environment, creating new opportunities and challenges alike.

Year 2019 in brief: Decrease in comparable net sales, comparable EBITA and cash flow

Fiskars Group continued to make progress on its strategic priorities, supporting the long-term ambitions. Despite the progress the year 2019 was challenging, with decrease in comparable net sales and comparable EBITA.

Net sales in gardening, which is the largest category in Functional, increased across the markets in 2019, demonstrating the strength of the global brand positioning. This positive development was overshadowed by external factors impacting the business throughout the year. The tariffs on imports from China to the U.S. negatively impacted profitability during the year, however, going forward the costs related to the current tariffs are mitigated. Additionally, the unusually rainy weather conditions in the U.S. impacted the watering business during the year. As a result, the comparable net sales and comparable EBITA in Functional decreased.

As a whole, the year 2019 was challenging for the Living business, as comparable net sales and comparable EBITA decreased. The company continued with the strategic channel transformation and net sales in the direct channel increased, particularly in e-commerce. As the retail environment continues to change, the company has taken action to reduce the number of outlet stores and move away from less profitable channels. The company also continued to increase efficiencies and is making good progress in the focus areas.

In December, the group announced the plan to renew the organizational structure and simplify the organization, creating one Fiskars Group. The company is strengthening the competitiveness and focusing on the consumer by planning to remove overlaps and simplify the organization. There is potential to improve the performance, especially by working more closely together in the planned global sales function and strengthening commercial capabilities. The planning proceeds, and the company intends to implement the new structure by the end of the first quarter of 2020.

The planned new structure will help the company leverage the full potential of the strong brands, further develop common ways of working and serve the customers better. Fiskars Group will continue investments in areas it believes will bring sustainable value in the long-term, while driving further cost reductions through the on-going programs.

During 2019, cash flow from operating activities before financial items and taxes amounted to EUR 117.5 million (136.8). Earnings per share were EUR 0.63 (1.00).

Group performance

In 2019, Fiskars Group's organization featured two Strategic Business Units, Living and Functional. The group has three reporting segments: Functional, Living and Other. The Functional segment consists of the Fiskars, Gilmour and other brands in the Americas and Europe, as well as the Outdoor business consisting of the Gerber brand. The Living segment consists of the English & Crystal Living business, including brands such as Waterford, Wedgwood, Royal Albert, and Royal Doulton, and the Scandinavian Living business, including brands such as Iittala, Royal Copenhagen, Rörstrand, and Arabia. Fiskars Group's Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters, and shared services.

NET SALES

EUR MILLION	2019	2018	CHANGE	COMPARABLE CHANGE*
Group	**1,090.4**	1,118.5	-2.5%	-3.9%
Functional	**585.5**	585.2	0.1%	-1.3%
Living	**501.0**	529.6	-5.4%	-6.7%
Other	**3.9**	3.8	4.5%	4.5%

* Using comparable exchange rates and excluding the Leborgne divestment

Fiskars Group's consolidated net sales decreased by 2.5% to EUR 1,090.4 million (2018: 1,118.5). Comparable net sales decreased by 3.9%, impacted by both the Functional segment and to a larger extent the Living segment.

COMPARABLE EBITA

EUR MILLION	2019	2018	CHANGE
Group	**90.6**	121.7	-25.5%
Functional	**64.2**	75.5	-15.0%
Living	**38.9**	57.0	-31.8%
Other	**-12.5**	-10.8	-15.0%

Fiskars Group's comparable EBITA decreased by 25.5% to EUR 90.6 million (121.7). The comparable EBITA decreased in both the Functional and Living segments. Comparable EBITA decreased in the Functional segment. The business faced challenges in the Americas, as unfavorable weather conditions, lower volumes in the watering and crafting categories as well as the increased tariffs impacted profitability. Comparable EBITA in the Living segment decreased from the previous year's level. Increased operational efficiencies were offset by decreased volumes.

Reporting segments and geographies

Functional segment in 2019

The operating environment for the Functional segment in North America improved towards the end of the year. The economy remained strong and unemployment low. On the other hand, there were persisting uncertainties regarding trade issues, particularly between the U.S. and China.

The weather conditions in North America were challenging for the gardening and watering categories, particularly during the first half of the year, with abnormally wet and cold weather conditions across the continent.

In Europe, there were uncertainties regarding the economic outlook, including Brexit, which was delayed. The sentiment in the retail trade continued fairly unchanged. In the Nordics, consumer confidence declined.

EUR MILLION	2019	2018	CHANGE
Net sales	**585.5**	585.2	0.1%
Comparable EBITA	**64.2**	75.5	-15.0%
Capital expenditure	**17.5**	18.9	-7.4%

Net sales in the Functional segment was flat year-on-year and amounted to EUR 585.5 million (2018: 585.2). Comparable net sales decreased by 1.3%.

Comparable net sales increased in Europe. The key driver of growth was the gardening category. Net sales were also supported by the cooking category as well as snowtool sales during the first and fourth quarters. Additionally, watering products were launched in France and Spain during the first half of 2019.

Comparable net sales decreased in the Americas, with adverse weather conditions impacting the watering category in particular. The weak performance during the back-to-school –season and an overall decrease in the school, office and craft category weighed on net sales during the third quarter.

Comparable net sales in the Outdoor business decreased, mainly as result of the decrease in the government channel.

Comparable EBITA in the Functional segment decreased during 2019 and amounted to EUR 64.2 million (75.5). Comparable EBITA decreased due to U.S. tariff costs, costs related to increased inventories and increased logistics costs as well as the impact of decreased volumes in the watering and crafting categories and the Outdoor business.

Living segment in 2019

The operating environment for the Living segment in the Americas was mixed. The economy remained strong and unemployment low. On the other hand, uncertainties regarding trade issues persisted, particularly between the U.S. and China. The department store channel continued to face challenges, and trade players were searching for new store concepts and adapting to the increasing market share of e-commerce.

In Europe, the UK market continued to struggle and the uncertainties regarding the economic outlook continued, including Brexit, which was delayed. The UK retail and consumer spending remained weak. The Nordic markets also faced headwinds, as consumer confidence declined. In the key Asian markets, the operating environment remained fairly stable.

EUR MILLION	2019	2018	CHANGE
Net sales	**501.0**	529.6	-5.4%
Comparable EBITA	**38.9**	57.0	-31.8%
Capital expenditure	**18.3**	23.8	-23.0%

Net sales in the Living segment decreased year-on-year by 5.4% to EUR 501.0 million (2018: 529.6). Comparable net sales decreased by 6.7%. The direct channel showed increased comparable net sales, despite the decrease in the number of outlets.

Comparable net sales in the Scandinavian Living business decreased from the previous year's level. The increase in Asia-Pacific did not quite match the decrease in comparable net sales in Europe.

In the English & Crystal Living business, comparable net sales decreased in the Americas and Europe. This reflects both challenging market conditions as well as the actions taken in the Transformation program, where the retail network is being optimized. In the UK, market conditions were difficult throughout the year. Additionally, the UK figures include the hospitality channel, which decreased. In the Asia-Pacific region comparable net sales remained close to the previous year's level, as the positive development in China and Japan were offset by the challenges faced in Australia.

Comparable EBITA for the Living segment decreased from the previous year's level and amounted to EUR 38.9 million (57.0). The main reason for the decrease in comparable EBITA was the English & Crystal Living business, as lower volumes impacted profitability. The impact from decreased net sales was partly mitigated by efficiency measures. The comparable EBITA decreased also in the Scandinavian Living business, due to a weakened product mix.

OTHER SEGMENT IN 2019

EUR MILLION	2019	2018	CHANGE
Net sales*	**3.9**	3.8	4.5%
Comparable EBITA	**-12.5**	-10.8	-15.0%
Capital expenditure	**4.2**	3.5	18.7%

The Other segment contains the Group's investment portfolio, real estate unit, corporate headquarters, and shared services. Net sales in the Other segment amounted to EUR 3.9 million (2018: 3.8), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -12.5 million (-10.8).

NET SALES BY GEOGRAPHY IN 2019

EUR MILLION	2019	2018	CHANGE	COMPARABLE CHANGE*
Europe	**518.9**	531.2	-2.3%	-0.4%
Americas	**427.5**	444.4	-3.8%	-8.4%
Asia-Pacific	**143.6**	141.7	1.4%	-0.9%
Unallocated**	**0.3**	1.3		

* Using comparable exchange rates and excluding the Leborgne divestment
** Geographically unallocated exchange rate differences

Net sales in Europe decreased by 2.3% and amounted to EUR 518.9 million (2018: 531.2). Comparable net sales remained flat. Throughout the year, Group net sales increased in Germany, while it decreased in the UK.

Net sales in the Americas decreased by 3.8% to EUR 427.5 million (444.4), as a result of the challenges in the U.S. Comparable net sales decreased by 8.4%, as both the Functional segment and the English & Crystal Living business faced challenges.

Net sales in Asia-Pacific increased by 1.4% and amounted to EUR 143.6 million (141.7). Comparable net sales decreased by 0.9%. Net sales increased in Japan and China, whereas it decreased in Australia.

Research and development

The Group's research and development expenditure totaled EUR 18.4 million (2018: 18.4), equivalent to 1.7% (1.6%) of net sales.

Personnel

At the end of 2019, the Group employed 6,984 (2018: 7,615) employees, of whom 1,132 (1,125) were in Finland. The year-on-year change was mainly related to the Living transformation program and the divestment of the Leborgne business.

Planned organizational structure change and restructuring program

In December 2019, Fiskars Group published its plans to change its organizational structure and simplify the organization to continue to build one company with a common purpose, strategy and values.

By the end of Q1 2020, the company plans to complete the integration into one company that would be organized around three Business Areas, global Sales and Consumer Experience & Growth functions, as well as Supply Chain and other Global Functions.

Fiskars Group also launched a company-wide Restructuring Program, aimed at reducing costs. The savings are expected to come from a wide range of areas, including the removal of overlaps in the organization, simplified processes and ways of working, and reduction of workforce. As part of the program, the company will look for synergies and efficiencies in the selling and administrative spending. In addition, the company will evaluate the entire supply and distribution network for efficiency improvements.

The program will target annual net cost savings of approximately EUR 20 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results during the program, which is estimated to be completed by the end of 2021. The total costs of the program are expected to be approximately EUR 30 million by the end of 2021, of which EUR 0.4 million had been recorded by the end of 2019. They will be recorded as items affecting comparability (IAC) and have a cash flow impact. At the same time, Fiskars Group continues the investments in growth initiatives that are expected to add sustainable value in the long-term, e.g. in e-commerce and new business opportunities.

Following the planned changes in the organizational structure, Fiskars Group plans to revise its financial reporting structure. As of Q1 2020, Fiskars Group's four primary reporting segments would be: Vita, Terra, Crea and Other. In addition, Fiskars Group would report group-level net sales for three secondary reporting segments: Americas, Europe and Asia-Pacific. Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

Living Transformation program

In October 2018, Fiskars Group launched a Transformation program in its Living segment aimed at increasing efficiency, reducing complexity and accelerating long-term strategic development.

The program will target annual cost savings of approximately EUR 17 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program is completed, which is estimated to be by the end of 2021. The total costs of the program are approximately EUR 40 million in 2018–2021, of which EUR 19.5 million had been recorded by the end of 2019. The costs are recorded as items affecting comparability (IAC).

The proposed changes will involve optimization of global retail, distribution and supply networks as well as organizational structure, and will focus primarily on the English & Crystal Living business, to improve its profitability.

In March, the company announced plans to reduce complexity across its operations in Barlaston, UK. Manufacturing operations in Barlaston will focus on hand crafted, high-end products that are core to the brand and production of some tableware products will be consolidated to other existing manufacturing sites. The changes aim to protect and support the core of the Wedgwood business.

Financial items and net result in 2019

The net change in the fair value of investments through other comprehensive income amounted to EUR -24.3 million (-95.0) in 2019.

Other financial income and expenses amounted to EUR 3.4 million (9.4) for the full year 2019 including EUR 7.8 million (15.0) in dividends received on Wärtsilä shares and EUR -2.1 million (-0.7) of foreign exchange differences.

Profit before taxes was EUR 63.2 million (103.0). Income taxes were EUR -10.8 million (-21.1). Earnings per share were EUR 0.63 (1.00).

Cash flow, balance sheet and financing in 2019

The cash flow from operating activities before financial items and taxes amounted to EUR 117.5 million (2018: 136.8). The change was due to the change in current assets and current liabilities and the application of the IFRS 16 standard. Cash flow from financial items and taxes amounted to EUR -21.0 million (-30.9). Applying IFRS 16, repayments of lease liabilities of EUR 21.6 million are reported in cash flow from financing activities. Previously these used to be reported under cash flow from operating activities.

Cash flow from investing activities was EUR -37.0 million (-28.0), including EUR -40.0 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR -74.5 million (-84.6).

Capital expenditure totaled EUR 40.0 million (46.2), mainly relating to facility expansions and maintenance as well as IT solutions. Depreciation, amortization and impairment were EUR 59.6 million (43.8) in 2019.

Fiskars Group's working capital totaled EUR 194.4 million (197.1) at the end of December. The equity ratio was 56% (70%) and net gearing was 34% (11%). The increase in net gearing is a result of the application of the IFRS 16 accounting standard and the distribution of the Wärtsilä share dividend. Excluding these, the equity ratio in 2019 would have been 71% and the net gearing 12%.

Cash and cash equivalents at the end of the period totaled EUR 9.4 million (24.4). Net interest-bearing debt amounted to EUR 261.1 million (135.4). The increase in interest-bearing debt is a result of the application of the IFRS 16 accounting standard. As a result of the IFRS 16 application, the net debt increased by EUR 111.3 million in 2019 compared to 2018.

Short-term borrowing totaled EUR 108.7 million (9.6) and long-term borrowing totaled EUR 51.4 million (151.3). Short-term borrowing consisted mainly of long-term loans from credit institutions maturing within 12 months. In addition to outstanding loans, Fiskars Group had EUR 300 million of unused long-term committed credit facilities and a commercial paper program of EUR 400 million with Nordic banks.

Reporting of non-financial information

Sustainability in 2019

During 2019 a sustainability assessment was conducted looking beyond Fiskars Group's current business to gain a better understanding of global influences, trends, initiatives and expectations. This included analyzing the opportunities these variables pose for the business - now and in the future.

Based on insights from the assessment, sustainability was embedded more firmly into Fiskars Group's strategic priorities. To follow the progress on the sustainability performance, three long-term sustainability commitments were set: circular products and services, carbon neutral business and positive impact. Short-term and long-term sustainability targets were renewed to support new sustainability commitments.

These commitments are guided by Fiskars Group's vision and inspired by the United Nations Sustainable Development Goals (SDGs). These three commitments will help Fiskars Group grow, provide long-term value and give the focus to reach the vision of creating a positive, lasting impact on the quality of life.

During 2019 Fiskars Group's values were renewed. To discover the values that are already within the company, approach was created to involve people through various interactions and workshops and by using data collected through the employee survey, online dialogue, and local focus groups. Work was led by a group of volunteers, Value Connectors, together with the Fiskars Group Leadership Team and other internal key stakeholders.

Fiskars Group is making the everyday extraordinary through three new values: creating change, celebrating the everyday, and growing with compassion.

Environment

The responsible and reduced use of natural resources, and the careful re-usage and recycling of materials is central to Fiskars Group's supply chain strategy. Fiskars Group' environmental and energy approach is guided by two main principles: supporting long-term competitiveness and reducing negative impacts.

New business models around circular economy, such as extending material cycles, provide opportunities to create value and support Fiskars Group in reducing the use of non-renewable materials. Fiskars Group is committed to promoting efficiency and identifying new solutions throughout the value chain.

Policies and commitments

International standards and guidelines, such as ISO 14001, create an important foundation for Fiskars Group's environmental management. Environmental Policy for the supply chain emphasizes common targets and ways of working within Fiskars Group's manufacturing units. Fiskars Group Supplier Code of Conduct outlines expectations regarding suppliers' energy and emissions management, and every supplier must sign and commit to it to be able to do business with Fiskars Group.

Targets & actions

Target 2030: global concept and capability in place to take-back and recycle, reuse or resell the products, covering all Fiskars Group main brands.

Target 2022: business model for recycling and reselling the products in place in select markets.

Creating new business models is essential to staying relevant in the changing business landscape. The circular economy provides opportunities to create value and support Fiskars Group in resource wisdom: being more efficient and innovating new materials and technologies to mitigate the use of non-renewable materials.

The first new service concept in place is Vintage, which focuses on allowing people to buy and sell previously owned Iittala and Arabia tableware products through existing channels. All of Iittala's own stores in Finland have now the Vintage service and it was also piloted on Iittala's webstore.

The Vintage service has been very well received by consumers and it is planned to be expanded to new categories and markets, aligned with the 2022 target. In 2019, Fiskars Group conducted an assessment with Helsinki Metropolitan Area Reuse Centre Ltd to better understand environmental savings that people do buying previously owned tableware instead of buying new ones. Results showed that all Vintage products sold during 2019 saved over 133 tonnes of solid natural resources and over 45 t CO_2 emissions.

Target 2027 (compared to 2017): To reduce Group-wide energy consumption by 30%

Fiskars Group was able to reduce energy consumption by 9% from the 2017 baseline. Fiskars Group implemented many energy and emission saving activities in 2019 which saved in total 8,864 MWh of energy. Overall energy consumption decreased to 1,023 TJ (1,069 TJ) and energy intensity (MWh/net sales) decreased to 261 (265).

Savings in energy consumption was achieved through energy saving actions and changes in the production mix in some manufacturing units. Energy saving actions in 2019 included initiatives such as installing new air compressors in the Waterford factory in Ireland and Excelsior Springs factory in Missouri, U.S and optimizing the heating/cooling systems of Gerber factory in Oregon, U.S.

Fiskars Group is exploring the opportunities around renewable fuels and electricity. Currently manufacturing units in Finland, Slovenia and Ireland are using renewable electricity and distribution center in Wall, New Jersey, U.S, has solar panels installed. Fiskars Group is looking for opportunities to expand these initiatives to other locations and in 2019 the solar panel investment at Royal Copenhagen factory in Thailand was agreed

ENERGY

GRI 302-1 Energy consumption within the organization, TJ

	2019	2018
Direct energy consumption: non-renewable	**695**	726
Direct energy consumption: renewable	**5**	6
Indirect energy consumption	**323**	336
Total energy consumption	**1,023**	1,069

Targets 2027 (compared to 2017): To reduce Group-wide CO_2 emissions of own production by 50% To reduce scope 3 emissions by 30%

Fiskars Group is currently using the current emission and energy target for 2027 that were set in 2017. In 2020, Fiskars Group is committed to set new emission targets, aligned with the Paris Climate Agreement.

In 2019, Group-wide CO_2 emissions decreased by 2% compared to the previous year. Compared to the 2017 base year, Fiskars Group reached the reduction of 24% as a result from the energy saving activities and investments in renewable electricity in Finland, Slovenia, and Ireland. 2,399 tCO_2 was saved in different energy and emissions saving activities during 2019.

In upstream and downstream transportation the calculation method was developed in 2019. Data is combined by collecting CO_2 emissions data from logistic partners. The company was able to receive 83% of the emissions from partners and 17% is extrapolated to cover CO_2 emissions for the whole year 2019.

EMISSIONS

GRI 305-1 Direct (Scope 1) GHG emissions, 1,000 t CO_2

EUR MILLION	2019	2018
Scope 1 emissions	**38**	40

GRI 305-2 Energy indirect (Scope 2) GHG emissions, 1,000 t CO_2

EUR MILLION	2019	2018
Scope 2 emissions		
Market based	**28**	28
Location based	**34**	34

GRI 305-3 Other indirect (Scope 3) GHG Emissions, 1,000 t CO_2

EUR MILLION	2019	2018
Scope 3 emissions		
Business travel	**5**	**5**
Upstream and downstream transportation	**26**	**26**

Target 2030: All waste from Fiskars Group operations (manufacturing, retail, offices, and DCs) is recovered or recycled, no waste to landfill.

Target 2022: Waste to landfill reduced by 80% in own manufacturing compared to 2017 base year

To reach the target, Fiskars Group's manufacturing units and distribution centers have been on a path of mapping and measuring their waste and investigating opportunities for improvement. Overall reduction of waste to landfill was 61% since the base year 2017. The total amount of landfill was 1,550 (1,899) tonnes.

The main contributors to this reduction are Royal Copenhagen factory in Thailand with a wide-reaching glost ware and biscuit recycling process; PT Doulton ceramics factory in Indonesia with a project to recycle their moulds and pitchers, while Fiskars factory in Poland made improvements by updating their waste process with new management process and recycling bins.

Social and employee related matters

Fiskars Group is committed to inspiring and empowering people to learn, develop as professionals, and bring in new ideas, skills, and views. Fiskars Group is building a globally collaborative culture and needs a diverse team to be able to serve consumers in the best possible way. Fiskars Group wants to attract, develop and retain a diverse team of high-performing people with different backgrounds and cultures.

One of the key priorities in Fiskars Group's operations is to ensure the safety and wellbeing of employees and people involved in the value chain. Fiskars Group promotes a culture of zero harm in order to increase safety and hazard awareness. A continuing focus on reducing incidents and near-misses and promoting the reporting of safety observations, are vital in developing and retaining a team of people engaged and enabled to do their best.

Policies and commitments

Fiskars Group has outlined a set of policies and guidelines related to social and employee related matters, to guide the leadership, employees, and partners in everyday work.

Fiskars Group's Code of Conduct provides a detailed description of Fiskars Group's approach to doing business in an ethical and sustainable manner. Fiskars Group's Supplier Code of Conduct outlines the same expectations for suppliers.

Fiskars Group integrated its Commitment to Inclusion and Diversity to Employment Policy created in 2019. Employment Policy aligns important topics such as employee wellbeing, freedom of association and employee contracts.

Ensuring the safety and wellbeing of employees and people involved in Fiskars Group's value chain is a key priority. In 2017, Fiskars Group published the Occupational Health and Safety Policy for its supply chain to support creating a culture of zero harm. Fiskars Group Supplier Code of Conduct includes health and safety topics, such as workplace safety, emergency preparedness, and management and communication on health and safety.

Targets & actions

Fiskars Group organizes regular mandatory training sessions to help all employees implement the principles and guidelines outlined in the Code of Conduct in their everyday work. Every second year all employees are trained and in the year between, all new employees. In 2019, the Code of Conduct training was updated and it will be implemented to all employees at the beginning of 2020.

Target 2030: zero harm with a zero Lost Time Accident Frequency (LTAF), taking into account not just own employees, but contractors and key suppliers as well.

Target 2022: LTAF reduced by -20% (compared to base year 2017)

In 2019, Fiskars Group was able to lower the LTAF to 4.7 (2018: 5.9) and Lost Day Rate (LDR) to 27.1 (36.9). Many of the manufacturing units and distribution centers created safety improvement plans and focused on safety observations, which helped to improve the safety performance compared to performance in 2018. Compared to the 2017 base year the LTAF was 4% higher.

In 2019, Fiskars Group's second global safety day was celebrated with the theme – 'I care'. The participation was outstanding across the Fiskars Group's locations. This also boosted the safety observation reporting and in total there were 6,470 (2018: 3,080) observations reported during 2019. This is an important way for Fiskars Group to promote safety at work and all these observations are recorded and actions are taken to mitigate the hazards.

During 2019 the safety reporting was expanded to Fiskars Group's offices and retail stores. This is a big step forward towards aligned health and safety reporting and culture across Fiskars Group. For 2020 the plan is to report the figures covering all Fiskars Group's operations.

Fiskars Group's target 2030: People working at Fiskars Group enabled and engaged with high-performing level (employee survey)

Target 2022: People working at Fiskars Group are equally enabled and engaged with performance improving annually (employee survey)

During 2019, Fiskars Group launched new values, developed Group strategy and continued to simplify structures and processes to better guide company going forward. The progress was visible in the employee survey results: the overall enablement of employees increased by four percentage points, with 73% favorable (2018: 69%) and the overall engagement score increased by two percentage points with 74% favorable (72%).

FISKARS GROUP TOPIC: ENABLEMENT AND ENGAGEMENT IN EMPLOYEE SURVEY BY GENDER

	Female, %	Male, %
Enablement	**70 (67)**	**76 (75)**
Engagement	**72 (70)**	**76 (76)**

Great progress was achieved towards the 2022 target to have people equally enabled and engaged with performance improving annually. The gap between the genders was narrowed and difference between females and males in enablement was six percentage points (eight percentage points) and in engagement the gap decreased to four percentage points (six percentage points). This was a great achievement for 2019 and the work continues to further improve the overall enablement and engagement and to close the rest of the gap between female and male enablement and engagement.

There are actions Fiskars Group still need to take and develop to ensure a truly inclusive, equal opportunity company where everyone, regardless of gender, age, ethnicity or beliefs, can feel safe and perform at their best. It is not enough to try to eliminate actual barriers, but to make sure that Fiskars Group is actively creating a culture that is truly inclusive and fair.

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 405-1 Diversity of governance bodies and employees

BOARD OF DIRECTORS			
AGE GROUP	**FEMALE, %**	**MALE, %**	**TOTAL, %**
Under 30	0 (0)	0 (0)	0 (0)
30–50	25.0 (20.0)	12.5 (10.0)	37.5 (30.0)
Over 50	12.5 (20.0)	50.0 (50.0)	62.5 (70.0)
Total	37.5 (40.0)	62.5 (60.0)	100.0 (100.0)

FISKARS GROUP LEADERSHIP TEAM			
AGE GROUP	**FEMALE, %**	**MALE, %**	**TOTAL, %**
Under 30	0 (0)	0 (0)	0 (0)
30–50	22.2 (25.0)	22.2 (38.0)	44.4 (63.0)
Over 50	22.2 (37.0)	33.3 (0)	55.6 (37.0)
Total	44.4 (63.0)	55.6 (37.0)	100.0 (100.0)

MANAGERS			
AGE GROUP	**FEMALE, %**	**MALE, %**	**TOTAL, %**
Under 30	1.3	0.6	1.9 (2.7)
30–50	28.8	39.2	68.0 (64.0)
Over 50	12.9	17.2	30.1 (33.3)
Total	43.0 (45.0)	57.0 (55.0)	100.0 (100.0)

Human rights and anti-corruption & bribery

Fiskars Group has an important opportunity to influence people's lives throughout the value chain. Fiskars Group respects human rights and recognizes the equality of people.

Fiskars Group is committed to the highest possible standards of integrity, accountability and honesty in all its activities with employees and third parties. This is in line with the commitment Fiskars Group expects of its employees, and people involved in the value chain, to act impartially and in good faith at all times.

Policies and commitments

Fiskars Group's commitment to human rights is deeply ingrained in its values and articulated in company policies. The Fiskars Group Code of Conduct provides a detailed description of Fiskars Group's approach to doing business in an ethical and sustainable manner, including working conditions, labor rights, anti-corruption and bribery, and safety at work.

Fiskars Group Supplier Code of Conduct outlines the same expectations for the suppliers. Every supplier must sign and commit to Fiskars Group Supplier Code of Conduct in order to do business with Fiskars.

Fiskars Group is a participant to the United Nations Global Compact, by which Fiskars Group has committed to mitigate adverse human rights and work against corruption and bribery. To support Fiskars Group's commitment, the Fiskars Group Anti-Corruption and Anti-Bribery policy outlines the expectations towards Fiskars Group's employees, and all others that we deal with, to act impartially and in good faith at all times. The policy covers every individual working in or with Fiskars Group, at any level or grade and wherever located. Fiskars Group also expects that all of its business partners should be governed by the same or similar principles stipulated in this Policy. Fiskars Group expects all business partners ensure that those principles are communicated to their employees and sub-contractors.

Targets & actions

Fiskars Group's approach to human rights and anti-corruption and bribery is defined in Fiskars Group's policies, which are also the foundation for the implementation and targets. Fiskars Group has an action plan in place to develop human rights due diligence.

Fiskars Group is currently measuring the awareness and commitment to human rights and anti-corruption and bribery by measuring the percentage of employees that have participated in Code of Conduct training. Every second year all employees trained and in the year between, all new employees. In 2019, the Code of Conduct training was updated which will be implemented to all employees at the beginning of 2020.

In 2019, the human rights assessment was finalized and an action plan created for 2020 to close the gaps and develop a human rights due diligence. Fiskars Group performance has been evaluated against the United Nations Guiding Principles on Business and Human Rights. Based on the findings, Community Engagement Policy and Recruitment Policy were updated to include human rights aspects more comprehensively. A new Employment Policy was developed to cover all Fiskars Group employees.

During 2019, human rights training was conducted to the human resources function. In 2020 the plan is to deepen the understanding on different potential impacts on human rights by conducting a self-assessment on local labor rights practices and pilot a human rights impact assessment in one location.

The Ethics and Compliance Helpline was introduced in 2018. The third party provided platform is a confidential and anonymous channel for all employees to report any workplace-related issues and complaints or suspected violations of the Code of Conduct.

All suspected violations and occurrences of misconduct are handled confidentially by the Internal Audit and Legal and Compliance functions. Relevant other functions are engaged depending on the case, such as HR, to solve the issues. Report on the misconduct cases is provided to the Board's Audit Committee.

During 2019, in total five complaints or suspected violations were reported through the Ethics and Compliance Helpline. The cases were related to termination of employment, information security, managerial challenge and dismissal. Two of the cases were investigated, resolved, and closed during 2019. Three of the cases are still under investigation or being followed up.

The performance of Fiskars Group's suppliers is followed through regular audits, and Fiskars Group supports their development through training sessions and work¬shops. In addition, Fiskars Group has organized training sessions on the Supplier Code of Conduct and the process of managing suppliers' sustainability in order to raise awareness among Fiskars Group employees across different functions.

In 2019, 52 (2018: 66) finished goods suppliers were audited. Since the beginning of the Fiskars Group Auditing Program in 2011, approximately 550 on-site supplier audits have been conducted and over 160 zero tolerance cases have been closed.

Risks

The overall objective of Fiskars Group's risk management is to identify, evaluate, and manage risks that may threaten the achievement of Fiskars Group's business goals. The foregoing topics are screened through and the most material risks for Fiskars Group have been identified. Fiskars Group has several management processes in place to manage risks, such as supplier risk management process and strategic initiatives to lower the emissions and reduce energy consumption.

Climate change, resource scarcity, and changing consumer preferences bring many new strategic, operative, and financial risks as well as opportunities for Fiskars Group. Cost of emissions, non-renewable materials, and waste is expected to increase in the future. Consumers are increasingly interested in new business and service models around circular economy, such as renting and take-back concepts.

Human rights and anti-corruption & bribery related risks are mainly seen as financial, compliance and reputational risks, but Fiskars Group also sees them as an operative risk. The main risks for us are incompliant management of suppliers and the ability to cover also their suppliers, health and safety throughout the value chain and ensuring the zero tolerance in corruption and bribery.

Changes in organization and management

On December 4, 2019, Fiskars Group announced the plan to renew the organizational structure and increase efficiencies. In conjunction with this, a new Group Leadership Team was announced. On August 6, 2019, Fiskars Group announced that Ulla Lettijeff, President of SBU Living, has resigned. Jaana Tuominen, President and CEO, Fiskars Group assumed an interim position to lead the Living business in addition to her duties as the CEO. On February 19, 2019, Fiskars Group announced the appointment of Michael Halak (MBA) as President, SBU Functional and member of the FGLT from March 1, 2019. He reported to the Group's President and CEO Jaana Tuominen, until he left Fiskars Group in December 2019 due to personal reasons. Sari Pohjonen assumed an interim position to lead the Functional business in addition to her duties as the CFO.

The FGLT now consists of:

- Jaana Tuominen, President and CEO
- Sari Pohjonen, Chief Financial Officer and Deputy to the President & CEO
- Tina Andersson, Chief Consumer Officer (starting in May 2020, at the latest)
- Christian Bachler, Executive Vice President
- Risto Gaggl, Chief Supply Chain Officer
- Johan Hedberg, Chief Sales Officer
- Tuomas Hyyryläinen, Executive Vice President
- Niklas Lindholm, Chief People Officer
- Maija Taimi, Chief Communications Officer
- Päivi Timonen, Chief Legal Officer

Other significant events during the reporting period

New performance period to start within the share-based long-term incentive plan – adjustments to on-going share-based plans

New performance period:
The Board of Directors of Fiskars Corporation has approved the launch of the third performance period 2020–2022 and its performance criteria to the share-based long-term incentive plan. The share-based long-term incentive plan 2018–2022 for the Fiskars Group Leadership Team and other key employees was decided by the Board in February 2018.

The long-term incentive plan has three performance periods of three calendar years each, 2018–2020, 2019–2021 and 2020–2022. The plan forms a part of Fiskars remuneration program for its key employees, and the aim of the plan is to support the implementation of the company's strategy and to align the objectives of key employees with the shareholders to increase the value of the company.

The amount of the reward paid to a key person depends on achieving the pre-established targets. No reward will be paid if targets are not met or if the participant's employment or service ends before reward payment. For the 2020–2022 performance period, the plan can have fifty participants at most and the targets relate to the company's total shareholder return, group net working capital and net sales.

If the targets of the plan are reached, rewards will be paid to participants in spring of 2023. The reward will be paid in the company's shares, after the deduction of the relevant cash proportion that is required for covering taxes and tax-related costs due on the basis of the reward. However, the company has the right to pay the reward fully in cash under certain circumstances. If all maximum targets are reached, the maximum reward payable in shares on the basis of the 2020-2022 performance period would amount to a total gross maximum of 600,000 shares in the company. As a starting point, shares to be awarded to key employees will be paid as existing shares of the company and thus the long-term incentive plan is not expected to have a diluting effect on the ownership of the company's shareholders.

Members of the Fiskars Group Leadership Team participating in the long-term incentive plan are subject to a shareholding requirement and must retain at least 50% of the net shares received based on plan until their share ownership in Fiskars corresponds to at least 50% (and for the President and CEO at least 100%) of their annual gross base salary.

Adjustments to the on-going share-based plans:
In June 2019, practically all shares in Wärtsilä held by Fiskars were distributed as an extra dividend to shareholders and thereafter Fiskars' market cap has been based on value of its operations only. As a result, the

initial allocation of shares from the on-going share-based long-term incentive plans does not correspond to the target value of the reward.

The Board of Directors of Fiskars Corporation has approved an adjustment of the initial allocation of shares from the plans for years 2017–2019, 2018–2020 and 2019–2021 by allocating additional shares to the participants. The allocation was completed in January 2020. After the adjustments, the total maximum reward payable in shares amounts to gross maximum of 43,440 on the basis of the 2017–2019 performance period, 284,564 on the basis of performance period 2018–2020 and 540,780 on the basis of 2019–2021 performance period.

The Board of Directors has also approved an adjustment to the calculation method of total shareholder return earning criteria applied to performance periods 2017–2019, 2018–2020 and 2019–2021 to neutralize the divestment of Wärtsilä shares.

The outlook for 2019 was updated on May 17, 2019 and on October 16, 2019

On May 17, 2019 Fiskars Group lowered its comparable EBITA guidance for the full year 2019 and stated: "In 2019, Fiskars expects the Group's comparable net sales to be at the same level as in 2018 and comparable EBITA to be below the previous year's level. The comparable EBITA will be negatively impacted as the U.S. decided to increase tariffs on imports from China."

On October 16, 2019 Fiskars Group lowered its comparable net sales guidance for the full year 2019 and stated: "In 2019, Fiskars expects the comparable net sales and comparable EBITA to be below the previous year's level. The sales performance of the Functional segment in the US has been weaker than expected during the third quarter. Net sales in the watering category did not recover from the soft first half of the year. In the Outdoor business, comparable net sales remained below the previous year's level, primarily in the government channel. Additionally, net sales in the important back-to-school season did not meet expectations. The lower than expected sales in the Functional segment during the third quarter will have a negative impact on the outlook for the full year comparable net sales."

Extra share dividend

The Annual General Meeting of Fiskars Corporation held on March 13, 2019 resolved to authorize the Company's Board of Directors to resolve, in its discretion, on the distribution of up to 32,645,343 shares in Wärtsilä Corporation ("Wärtsilä") held by the Company as an extra dividend to shareholders (the "Authorization"). The full Authorization can be found in the stock exchange release published by the Company on March 13, 2019.

On June 6, 2019, based on the Authorization, the Board of Directors of the Company resolved to distribute up to 32,616,653 Wärtsilä shares held by the Company as an extra dividend to shareholders using the ratio 5:2 whereby each shareholder received two (2) Wärtsilä shares for each five (5) shares held in the Company. Due to rounding differences, the final amount of whole Wärtsilä shares that were distributed to shareholders was determined on the share dividend payment date and was slightly less than the maximum amount that the Board of Directors had resolved to distribute. Fractional entitlements to Wärtsilä shares resulting from the distribution ratio were compensated to shareholders in cash from the Company's funds.

The final amount of Wärtsilä shares distributed was 32,614,026 and thereby a minor amount of Wärtsilä shares remained in the Company's ownership following the distribution. The final value of the share dividend and fractional entitlements paid in cash was EUR 433.0 million (calculated based on the volume weighted average price of Wärtsilä's share on June 11, 2019 on the Nasdaq Helsinki Ltd).

According to the Board of Directors' resolution, the record date for the share dividend was June 10, 2019, the share dividend payment date was June 11, 2019 and the payment date for the fractional entitle June 17, 2019. The ex-dividend date for the share dividend was June 7, 2019.

In accordance with the Authorization, the Board of Directors also resolved to pay the transfer tax resulting from the distribution of the share dividend on behalf of shareholders following the payment of the share dividend. The transfer tax amounts to 1.6% of the value of the share dividend.

Corporate Governance

Fiskars Corporation is a Finnish public limited company in which duties and responsibilities are defined according to the Finnish law. Fiskars Group comprises the parent company Fiskars Corporation, and its subsidiaries. The statutory governing bodies of Fiskars Corporation are the General Meeting of Shareholders, the Board of Directors, the Managing Director (President and CEO), and the Auditor. Other Group management supports the statutory governing bodies of Fiskars Corporation. The Company's domicile is Raseborg, Finland.

Corporate governance at Fiskars Corporation is based on the Finnish Limited Liability Companies Act, the rules and regulations concerning publicly listed companies, the Company's Articles of Association, the charters of the Company's Board of Directors and its Committees, and the rules and guidelines of Nasdaq Helsinki Ltd. Fiskars Corporation is a member of the Finnish Securities Market Association and complies, with an exception concerning the Nomination Committee, with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on January 1, 2020 and can be reviewed at www.cgfinland.fi. In terms of the composition of the Nomination Committee, the Company has departed from the Recommendation 15 of Finnish Corporate Governance Code as explained in more detail in the Corporate Governance Statement 2019.

Dividend for the financial year 2018

The Annual General Meeting decided in accordance with the proposal by the Board of Directors to pay dividend as follows for the financial period that ended on December 31, 2018:
a) Cash dividend. A cash dividend of EUR 0.27 per share was paid on March 22. In addition, an additional cash dividend of EUR 0.27 per share was paid on September 16.
b) Extra dividend in the form of Wärtsilä Corporation's shares, where a shareholder received 2 Wärtsilä shares for each 5 shares held in the company. The extra share dividend was paid on June 11.

Shares and shareholders

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. Fiskars Corporation held 408,677 of its own shares at the end of the year. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The volume weighted average share price was EUR 14.75 (2018: 18.73) in 2019. At the end of December, the closing price was EUR 11.26 (EUR 15.04) per share and Fiskars had a market capitalization of EUR 917.7 million (1,226.9). In 2019, the number of shares traded on Nasdaq Helsinki and in alternative market places was 9.1 million (3.1), which represents 11.2% (3.9%) of the total number of shares. The total number of shareholders was 23,495 (20,013) at the end of 2019.

Flagging notifications

Fiskars was not informed of any significant changes among its shareholders during the year.

Purchase of own shares

On August 26, 2019, the Board of Directors of Fiskars Corporation decided to commence acquiring the company's own shares on the basis of the authorization given by the Annual General Meeting held on March 13, 2019.
The maximum number of shares to be acquired is 200,000, corresponding to approximately 0.2% of the total number of shares. The shares will be acquired through public trading on the Nasdaq Helsinki exchange at the market price prevailing at the time of purchase. The share buyback started on August 28, 2019 and will end by the end of the next Annual General Meeting in 2020, at the latest.

Board authorizations

Authorizing the Board of Directors to decide on the acquisition of the company's own shares

The Annual General Meeting decided to authorize the Board of Directors to decide on the acquisition in total of a maximum of 4,000,000 own shares, in one or several installments, using the unrestricted shareholders' equity of the company.

The company's own shares may be acquired in public trading on Nasdaq Helsinki Ltd at a price formed in public trading on the date of the acquisition. The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system and otherwise for further transfer, retention or cancellation.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition of the company's own shares. Based on the authorization, the acquisition of company's own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition).
The authorization is effective until June 30, 2020 and cancels the corresponding authorization granted to the Board of Directors by the Annual General Meeting on March 14, 2018.

Authorizing the Board of Directors to decide on the transfer of the company's own shares

The Annual General Meeting decided to authorize the Board of Directors to decide on the transfer of own shares (share issue) held as treasury shares of a maximum of 4,000,000 shares, in one or several installments, either against or without consideration.

The company's own shares held as treasury shares may be transferred for example as consideration in corporate acquisitions or industrial reorganizations or for the development of the capital structure of the company, or as part of its incentive system.

The Board of Directors is authorized to decide on all other terms and conditions regarding the transfer of own shares held as treasury shares. The transfer of own shares may also be carried out in deviation from the shareholders' pre-emptive rights to the company's shares (directed issue).

The authorization is effective until June 30, 2020 and cancels the corresponding authorization granted to the Board of Directors by the Annual General Meeting on March 14, 2018.

Board and Board Committees

The Annual General Meeting decided that the number of members of the Board of Directors shall be eight (8). Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Jyri Luomakoski, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were re-elected. The term of the Board members will expire at the end of the Annual General Meeting in 2020.

Convening after the Annual General Meeting held on March 13, 2019 the Board of Directors elected Paul Ehrnrooth as its Chairman and Jyri Luomakoski as the Vice Chairman. The Board decided to establish an Audit Committee, a Human Resources and Compensation Committee as well as a Nomination Committee.

The Board appointed Jyri Luomakoski (Chairman), Albert Ehrnrooth, Louise Fromond and Ritva Sotamaa as members of the Audit Committee. Paul Ehrnrooth (Chairman), Inka Mero and Peter Sjölander were appointed as the members of the Human Resources and Compensation Committee. The Board appointed Paul Ehrnrooth (Chairman), and Fabian Månsson as the members of the Nomination Committee and Alexander Ehrnrooth as an external member of the Nomination Committee.

Risks and business uncertainties

Fiskars Group has identified several uncertainties that could have an adverse impact on Fiskars Group's business, net sales, and financial performance. Key risks and risk management practices are defined in the Corporate Governance Statement and on the company's website.

Fiskars Group's global operations are subjected to the macroeconomic and geopolitical uncertainties, as well as megatrends that may shape consumer behavior. A long-term economic downturn, decrease in consumer confidence and increasing protectionism, including changes in tariffs and customs procedures, can have an adverse impact on Fiskars Group's comparable net sales and comparable EBITA.

Fiskars Group is also exposed to a complex and changing legal and regulatory environment and tax legislation in the operating countries. Presumed non-compliance with laws and regulations exposes Fiskars Group to litigation risks and may materially impact business and reputation.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes, double taxation and additional costs. Fiskars Group has appealed against tax reassessment claim raised by the Finnish Large Taxpayers' Office in 2016, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases.

Climate change is one of the most pervasive global issues. New regulations on renewable energy, emissions and use of raw materials may increase costs and cause temporary production interruptions. Failure to comply with sustainability matters could also lead to compliance costs and cause severe damage to reputation.

Prolonged unfavorable weather conditions, such as cold spring and snowless winter, may also adversely affect demand of some products. The sale of homeware products is heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.

Most of Fiskars Group's suppliers are in Asia and own manufacturing takes place in the USA, Europe and Asia. Fiskars Group's products are primarily sold to wholesaler and retailer customers and directly to consumers. Interruptions in production or supply and rapid changes in the marketplace may negatively impact timely delivery of products to the customers. Loss of a large customer or loss of significant category listings at key channels as well as consolidation among retailers may impact Fiskars Group's comparable net sales and comparable EBITA.

The goal is to deliver high-quality and functional products that are fit for the purpose. Products that fail to meet safety and quality requirements could expose Fiskars Group to liability penalties, product recall, and reputation loss. Fiskars Group's well-known brands can also be a potential target for infringement of intellectual property rights.

Fiskars Group is dependent on several centralized information technology systems that hold a vast amount of sensitive data and information critical to the business. Breaches, malfunctions and disruptions may cause interruptions to the operations and lead to potential penalties. Cyberattacks are a growing and evolving global concern, despite of control mechanisms, Fiskars Group is not entirely immune to the malicious breach and fraud attempts.

Global operations expose Fiskars Group to changes in exchange rates, which can have an adverse impact on the reported net sales, operating results, balance sheets and cash flow. The most significant transaction risk relates to the appreciation of THB and IDR and depreciation of JPY, AUD and SEK. The most significant translation risks relate to depreciation of USD.

Acquisitions are a part of Fiskars Group's growth strategy. Despite a careful due diligence process, all acquisitions and integration of acquired business include risks and may not perform as expected.

Fiskars Group people are the most important asset, not only they promote an appropriate risk culture, but seek to explore opportunities along with identified risks. Fiskars Group must promote sustainable and ethical business practices, respect human rights, prevent corruption and bribery, eliminate health and safety risks and provide an inspiring and motivating working environment with strong leadership. Failure to do so puts Fiskars Group at risk of not being able to attract and retain talented and committed professionals.

The corona virus is causing global concerns and uncertainty. If the virus continues to spread rapidly and globally over a long-period of time it can be assumed that Fiskars Group's operations and financial performance will be impacted. It is difficult to estimate the future implications for the company at this point. As a top priority, Fiskars Group continues to ensure health and wellbeing of its people.

Events after the reporting period

There were no significant events after the reporting period.

Outlook for 2020

In 2020, Fiskars expects the comparable EBITA to increase from 2019. Fluctuations in currency rates might have a considerable impact on comparable EBITA.

Fiskars continues to invest in future growth and is focused on improving profitability through the ongoing transformation programs, which are expected to be completed by the end of 2021.Therefore, the company is not providing an outlook for comparable net sales for 2020.

Furthermore, there are uncertainties in several key markets, such as potential changes in tariffs or repercussions from the novel corona virus outbreak that could have an impact on the full year development.

Items affecting comparability in EBITA includes restructuring costs, impairment charges, integration related costs, acquisitions and divestments, and gain and loss from the sale of businesses.

Proposal for distribution of dividend

Fiskars Group's aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2019, the distributable equity of the parent company was EUR 428.6 million (2018: EUR 894.7 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.56 per share shall be paid for the financial period that ended on December 31, 2019. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.28 per share shall be on March 12, 2020. The first instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date March 13, 2020. The payment date proposed by the Board for this instalment is March 20, 2020.

The second instalment of EUR 0.28 per share shall be paid in September 2020. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date, which, together with the payment date, shall be decided by the Board of Directors in its meeting scheduled for September 8, 2020. The ex-dividend date for the second instalment would be September 9, 2020, the dividend record date for the second instalment would be September 10, 2020 and the dividend payment date September 17, 2020, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,494,565. The proposed distribution of dividends would thus be EUR 45.6 million (EUR 483.9 million including total amount of 32,614,026 Wärtsilä shares were distributed as extra dividend). This would leave EUR 383.0 million (410.8) of distributable earnings in the parent company.

No material changes have taken place in the financial position of the company since the end of the financial period. The financial standing of the company is good and, according to the Board of Directors' assessment, distributing the proposed dividend will not compromise the company's solvency.

Helsinki, Finland, February 4, 2020

FISKARS CORPORATION
Board of Directors

Consolidated Financial Statements, IFRS

CONSOLIDATED INCOME STATEMENT

EUR MILLION	Note	2019		2018	
Net sales	2	**1,090.4**		1,118.5	
Cost of goods sold	5	**-643.1**		-633.5	
Gross profit		**447.3**	**41%**	485.1	43%
Other operating income	4	**2.0**		5.2	
Sales and marketing expenses	5	**-284.3**		-281.4	
Administration expenses	5	**-86.2**		-90.1	
Research and development costs	5	**-18.4**		-18.4	
Goodwill and trademark amortization and impairment	5			-8.6	
Other operating expenses	5	**-0.3**		-0.2	
Operating profit		**60.1**	**6%**	91.6	8%
Change in fair value of biological assets	13	**-0.2**		2.0	
Other financial income and expenses	7	**3.4**		9.4	
Profit before taxes		**63.2**	**6%**	103.0	9%
Income taxes	8	**-10.8**		-21.1	
Profit for the period		**52.4**	**5%**	81.7	7%

EUR MILLION	Note	2019	2018
Attributable to:			
Equity holders of the parent company		**51.7**	81.6
Non-controlling interest		**0.7**	0.2
		52.4	81.7
Earnings for equity holders of the parent company per share, euro (basic and diluted)	9	**0.63**	1.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR MILLION	Note	2019	2018
Profit for the period		**52.4**	81.7
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		**9.3**	8.3
Cash flow hedges		**0.2**	0.2
Items that will not be reclassified to profit or loss:			
Defined benefit plan actuarial gains (losses) net of tax	20	**2.0**	0.5
Net change of investments at fair value through comprehensive income		**-24.3**	-95.0
Other comprehensive income for the period net of tax		**-12.9**	-86.0
Total comprehensive income for the period		**39.5**	-4.2
Attributable to:			
Equity holders of the parent company		**38.5**	-4.6
Non-controlling interest		**1.0**	0.4
		39.5	-4.2

CONSOLIDATED BALANCE SHEET

EUR MILLION	NOTE	31.12.2019		31.12.2018	
ASSETS					
NON-CURRENT ASSETS					
Goodwill	10	**219.6**		217.4	
Other intangible assets	10	**288.7**		280.5	
Property, plant & equipment	11	**162.2**		159.5	
Right-of-use assets	12	**108.6**			
Biological assets	13	**43.4**		43.6	
Investment property	14	**3.6**		3.9	
Financial assets					
Financial assets at fair value through profit or loss	15	**28.9**		25.3	
Other investments	15	**7.9**		8.8	
Deferred tax assets	8	**27.9**		30.2	
Non-current assets total		**890.7**	**65%**	769.4	45%
CURRENT ASSETS					
Inventories	16	**232.1**		219.9	
Trade and other receivables	17	**203.2**		220.4	
Income tax receivables		**28.8**		31.3	
Interest bearing receivables		**0.0**		0.0	
Financial assets at fair value through comprehensive income	15	**0.0**		453.6	
Cash and cash equivalents	15	**9.4**		24.4	
Current assets total		**473.5**	**35%**	949.7	55%
Assets total		**1,364.3**	**100%**	1,719.2	100%

EUR MILLION	NOTE	31.12.2019		31.12.2018	
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the equity holders of the parent company		**760.9**		1,207.0	
Non-controlling interest		**3.6**		2.7	
Equity total	18	**764.5**	**56%**	1,209.7	70%
NON-CURRENT LIABILITIES					
Interest bearing liabilities	19	**51.4**		151.3	
Lease liabilities	12	**88.4**		0.0	
Other liabilities		**4.4**		6.8	
Deferred tax liabilities	8	**32.8**		43.9	
Pension liability	20	**13.2**		12.7	
Provisions	21	**4.1**		5.1	
Non-current liabilities total		**194.3**	**14%**	219.9	13%
CURRENT LIABILITIES					
Interest bearing liabilities	19	**108.7**		9.4	
Lease liabilities	12	**22.9**		0.0	
Trade and other payables	22	**267.7**		268.2	
Income tax liabilities		**2.1**		6.5	
Provisions	21	**4.1**		5.4	
Current liabilities total		**405.5**	**30%**	289.7	17%
Equity and liabilities total		**1,364.3**	**100%**	1,719.2	100%

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR MILLION	2019	2018
Cash flow from operating activities		
Profit before taxes	**63.2**	103.0
Adjustments for		
Depreciation, amortization and impairment	**59.6**	43.8
Gain/loss on sale and loss on scrap of non-current assets	**-0.2**	-1.9
Other financial items	**-4.0**	-9.4
Change in fair value of biological assets	**0.2**	-2.0
Change in provisions and other non-cash items	**-4.7**	-9.4
Cash flow before changes in working capital	**114.1**	124.1
Changes in working capital		
Change in current assets, non-interest bearing	**23.0**	-2.6
Change in inventories	**-6.6**	-8.5
Change in current liabilities, non-interest bearing	**-12.9**	23.8
Cash flow from operating activities before financial items and taxes	**117.5**	136.8
Financial items paid (net)	**-2.5**	-4.7
Taxes paid	**-18.4**	-26.2
Cash flow from operating activities (A)	**96.5**	105.9

EUR MILLION	2019	2018
Cash flow from investing activities		
Investments in financial assets	**-8.2**	-0.9
Capital expenditure on fixed assets	**-40.0**	-46.2
Proceeds from sale of fixed assets	**0.9**	2.7
Proceeds from sale of investments at fair value through other comprehensive income	**0.5**	0.0
Other dividends received	**7.8**	15.0
Cash flow from other investments	**1.9**	1.5
Cash flow from investing activities (B)	**-37.0**	-28.0
Cash flow from financing activities		
Purchase of treasury shares	**-1.1**	-2.8
Change in current receivables	**0.0**	20.0
Change in non-current debt	**0.8**	0.6
Change in current debt	**-2.2**	-43.1
Payment of finance lease liabilities	**-21.6**	-0.3
Cash flow from other financing items	**0.7**	0.5
Dividends paid	**-51.0**	-59.5
Cash flow from financing activities (C)	**-74.5**	-84.6
Change in cash and cash equivalents (A+B+C)	**-15.1**	-6.6
Cash and cash equivalents at beginning of period	**24.4**	31.1
Cash and cash equivalents at end of period	**9.4**	24.4

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY								
EUR MILLION	SHARE CAPITAL	TREASURY SHARES	CUMUL. TRANSL. DIFF.	FAIR VALUE RESERVE	ACTUARIAL GAINS AND LOSSES	FINANCIAL ASSETS AT FVTOCI	RETAINED EARNINGS	NON-CONTROLLING INTEREST	TOTAL
Dec 31, 2017	**77.5**	**-3.2**	**3.0**	**-0.6**	**-4.4**		**1,197.1**	**2.8**	**1,272.1**
Adoption of IFRS 9							**-1.0**		**-1.0**
Adoption of amendment to IFRS 2							**0.5**		**0.5**
Opening Balance Jan 1, 2018	**77.5**	**-3.2**	**3.0**	**-0.6**	**-4.4**		**1,196.5**	**2.8**	**1,271.6**
Translation differences			8.1					0.2	8.3
Cash flow hedges				0.2					0.2
Defined benefit plan, actuarial gains (losses), net of tax					0.5				0.5
Net change of investments at fair value through comprehensive income						-95.0			-95.0
Other comprehensive income for the period, net of tax, total	**0.0**	**0.0**	**8.1**	**0.2**	**0.5**	**-95.0**	**0.0**	**0.2**	**-86.0**
Profit for the period							81.6	0.2	81.7
Total comprehensive income for the period	**0.0**	**0.0**	**8.1**	**0.2**	**0.5**	**-95.0**	**81.6**	**0.4**	**-4.2**
Purchase and issue of treasury shares		-2.8					0.3		-2.5
Dividends paid							-59.1	-0.5	-59.5
Other changes							4.4		4.4
Dec 31, 2018	**77.5**	**-6.0**	**11.1**	**-0.4**	**-3.9**	**-95.0**	**1,223.6**	**2.7**	**1,209.7**

	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY								
EUR MILLION	SHARE CAPITAL	TREASURY SHARES	CUMUL. TRANSL. DIFF.	FAIR VALUE RESERVE	ACTUARIAL GAINS AND LOSSES	FINANCIAL ASSETS AT FVTOCI	RETAINED EARNINGS	NON-CONTROLLING INTEREST	TOTAL
Opening Balance Jan 1, 2019	77.5	-6.0	11.1	-0.4	-3.9	-95.0	1,223.6	2.7	1,209.7
Translation differences			8.9					0.3	9.3
Cash flow hedges				0.2					0.2
Defined benefit plan, actuarial gains (losses), net of tax					2.0				2.0
Net change of investments at fair value through comprehensive income						-24.3			-24.3
Other comprehensive income for the period, net of tax, total	0.0	0.0	8.9	0.2	2.0	-24.3	0.0	0.3	-12.9
Profit for the period							51.7	0.7	52.4
Total comprehensive income for the period	0.0	0.0	8.9	0.2	2.0	-24.3	51.7	1.0	39.5
Purchase and issue of treasury shares		-1.1					0.5		-0.6
Dividends paid						119.3	-603.3	-0.1	-484.1
Dec 31, 2019	77.5	-7.1	20.1	-0.2	-1.9	0.0	672.5	3.6	764.5

Dividends

The Annual General Meeting has proposed a total dividend of EUR 0.56 per share to be paid for the 2019 result.
A cash dividend of EUR 0.54 per share was paid for the 2018 result. In addition, total amount of 32,614,026 Wärtsilä shares were distributed as extra dividend corresponding 5.31 EUR per share.

The notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Accounting principles for the consolidated financial statements, IFRS

Fiskars Corporation is a Finnish public limited liability company listed on Nasdaq Helsinki and domiciled in Raasepori, Finland. The registered address of Fiskars Corporation is Hämeentie 135 A, Helsinki, Finland. Fiskars Corporation is the parent company of the group. The group manufactures and markets branded consumer goods globally. Fiskars Group's primary reporting segments are Living, Functional and Other. In addition, Fiskars reports group-level net sales for three geographies: Europe, Americas, and Asia-Pacific. The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services. The group's international key brands are Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood.

The financial statements are authorized for issue by the Board of Directors of Fiskars Corporation. According to the Finnish Limited Liability Companies' Act, the shareholders have a possibility to approve or reject or make a decision on altering the financial statements in the Annual General Meeting to be held after the publication of the financial statements.

Basis of preparation

The consolidated financial statements of Fiskars Corporation ("Fiskars Group" or "the group") are prepared in accordance with International Financial Reporting Standards (IFRS) in force at December 31, 2019 as adopted by the European Union. International Financial Reporting Standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements are prepared on historical cost basis except for financial assets and financial liabilities which are presented at fair value through profit or loss, and biological assets as well as assets and liabilities related to defined benefit pension plans that are measured at fair value.

Items included in the financial statements of each of the group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the parent company's functional currency. The presentation is in millions of euro with one decimal. Figures presented have been rounded and therefore the sum of individual figures might differ from the presented total figure.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the management to make judgments and assumptions that affect the recognition and measurement of financial statement items. These estimates and associated assumptions are based on historical experience and other justified assumptions that are believed to be reasonable under the circumstances at the end of the reporting period. These estimates form the basis for judgments of the items in the financial statements. Development of markets and general economic situation may affect the variables underlying the estimates and actual results may differ significantly from these estimates. Such estimates mainly relate to the assumptions made in

- impairment testing (Note 10),
- amount of obsolete inventory (Note 16),
- recognition of impairment losses on trade receivables (Note 17),
- restructuring provisions (Note 21),
- determination of defined benefit pension obligations (Note 20),
- value appraisement of biological assets (Note 13) and
- the probability of deferred tax assets being recovered against future taxable profits (Note 8).

Consolidated financial statements

The consolidated financial statements include the parent company, Fiskars Corporation, and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. Acquired or established subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

Subsidiaries are consolidated using the acquisition method. Intra-group transactions, profit distribution, receivables, liabilities and unrealized gains between group companies are eliminated in consolidation. The profit or loss for the financial year attributable to the owners and non-controlling interest is presented in the income statement and the total comprehensive income for the financial year attributable to the owners and non-controlling interest is presented in the statement of comprehensive income. The non-controlling interest in equity is presented within equity, separately from the equity of the owners of the parent.

Investments in associates in which Fiskars Group has a significant influence but not control are accounted for using the equity method. Significant influence usually exists when the group holds over 20% of the voting power of the entity or when the group otherwise has significant influence but not control.

Translation of foreign currency items

TRANSACTIONS IN FOREIGN CURRENCIES

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period monetary assets and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Exchange differences arising from translation are recognized in the income statement and presented under financial items, except for exchange differences related to trade receivables and trade payables that are presented within operating profit. Non-monetary items denominated in foreign currencies are translated using the exchange rate at the date of the transaction, except for those items carried at fair value that are translated using rates prevailing at the date when the fair value was determined.

TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

In the consolidated financial statements income statements, statements of comprehensive income and cash flows of foreign subsidiaries are translated into the parent company's currency at the average exchange rates for the period. Their balance sheet items are translated at exchange rates prevailing at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and presented under translation differences in equity. Exchange differences resulting from the translation of profit or loss and comprehensive income at the average rate in the income statement and in the statement of comprehensive income, and the balance sheet at the closing rate, are recognized in other comprehensive income and they are included under translation differences in equity.
The effective portions of the gains or losses on those financial instruments hedging net investments in foreign operations are recognized similarly. When the group disposes of all, or part of that subsidiary, the translation differences accumulated in equity are transferred to profit or loss as part of the gain or loss on disposal.

Net sales and revenue recognition principles

Net sales are shown net of indirect taxes, rebates, and exchange differences on trade receivables denominated in foreign currencies. Revenue from the sale of goods is recognized when performance obligation is satisfied, i.e. when "control" of the good or service underlying the particular performance obligation is transferred to the customer,.i.e. when a product has been delivered to the client in accordance with the terms of delivery. There are no such long-term projects in the group for which the revenue would be recognized using the percentage-of-completion (POC) method.

Other operating income and expenses

Other operating income includes income other than that associated with the sale of goods or services, such as gain on disposal or sale of fixed assets, rental income, releases of certain provisions and other similar income not classified to revenue. Other operating expenses as well include losses on the disposal or sale of fixed assets, integration costs and other similar expenses not classified to other cost items.

Pension obligations

Group companies have various pension plans in accordance with local conditions and practices in the countries in which they operate. The plans are classified as either defined contribution plans or defined benefit plans.
Under a defined contribution plan the group pays fixed contributions into a separate entity. If the entity does not hold sufficient assets to pay all employees the benefits in question, the group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. Most of the plans that group companies have are classified as defined contribution plans and related contributions are charged to the income statement in the year in which the payment obligation has arisen.

The costs for defined benefit pension plans are calculated and recognized under the terms of the plan based on actuarial calculations. Pension costs are recognized as expenses over the employees' service period. The pension obligation is measured as the present value of the estimated future contributions deducted by the fair value of plan assets at the end of the reporting period. Changes in the estimates in the actuarial calculations may influence the reported pension obligations and pension costs. Actuarial gains and losses are recognized in other comprehensive income.

Operating profit

IAS 1 Presentation of Financial Statements does not give a definition for operating profit. In Fiskars Group the operating profit (EBIT) is the net of revenues and other operating income, material purchases and change of inventories, production for own use, employee benefits, depreciations, amortizations and possible impairments and other operating expenses. The operating profit includes operating results of Fiskars Group's primary reporting segments Living, Functional and Other. EBITA is calculated from EBIT by adding back amortization. Change in fair value of biological assets is presented as a separate line item below EBIT in the income statement.

Intangible assets

An intangible asset is initially capitalized in the balance sheet at cost if the cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the group. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

GOODWILL

Goodwill represents the group's share of difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired measured at the acquisition date. Goodwill is stated at historical cost less any accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least annually. For this purpose goodwill has been allocated to cash-generating units or, in case of an associate, the goodwill is included within the carrying amount of the associate in question. The recoverable amount of the unit is compared annually or more often if there are indications of impairment, with its carrying amount to determine potential impairment.

Contingent consideration will be measured at fair value and subsequently re-measured through profit or loss. All acquisition-related costs, such as experts' fees, will be expensed instead of capitalization. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as they are incurred, except for those development costs that are capitalized if the criteria in IAS 38 are met. Capitalized development costs consisting of mainly direct labor costs and external services are recognized as intangible assets. In 2019, research and development expenses amounted to EUR 18.4 million (2018: 18.4).

Intangible assets not yet available for use are tested annually for impairment. Subsequent to initial recognition capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis over their useful lives, from 3 to 6 years.

OTHER INTANGIBLE ASSETS

Other intangible assets include among other patents, capitalized development costs, software, as well as trademarks and customer relationships acquired in business combinations. Intangible assets are stated at cost less accumulated amortization and any accumulated impairment. Intangible assets in this class are amortized on a straight-line basis over their known or expected useful lives. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- Software 3–10 years
- Customer relationships 5–15 years
- Other 3–10 years

Intangible assets with an indefinite useful life such as trademarks or brand names acquired in business combinations are not amortized but they are tested at least annually for impairment.

Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses, if applicable. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- Buildings 20–40 years
- Machinery and equipment 3–10 years
- Land and water No depreciation

Gains and losses on sales and disposals of items of property, plant, and equipment are presented under other operating income and other operating expenses.

Leases

Fiskars Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

RIGHT-OF-USE ASSETS

Fiskars Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, generally as follows:

- Real estate 3–15 years
- Other leases 3–5 years

LEASE LIABILITIES

At the commencement date of the lease, Fiskars Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing liabilities (see Note 19).

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value (i.e., those leased assets with asset value below 5,000 euros). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Investment property

The properties that are not used in the group's operations or which are held to earn rental revenue or increase in value are classified as investment property. These properties are measured at cost less accumulated depreciation and impairment. Investment properties are depreciated over 20–40 years on a straight-line basis. Land is not depreciated.

Impairment of property, plant and equipment and intangible assets

The Group operations have been divided into cash-generating units (CGU) that are similar to the primary reporting segments. The carrying amounts of the assets relating to these CGUs are reviewed for impairment indicators annually at the end of the reporting period. The recoverable amounts of the following assets are also estimated annually irrespective whether there is any indication for impairment: goodwill, intangible assets with indefinite useful lives and unfinished intangible assets.

To determine a potential impairment the carrying amount of the asset is compared or the carrying amounts of the CGU's net assets are compared against the recoverable amount of that asset or CGU. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value less costs to sell. An impairment loss is recognized for an asset when its carrying amount exceeds its recoverable amount. An impairment loss previously recognized for items of property, plant, and equipment as well as for intangible assets other than goodwill is reversed subsequently only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization or depreciation, if no impairment loss had been recognized for the asset in prior years. An impairment loss recognized for goodwill is not reversed.

Biological assets

Biological assets are measured at their fair value less costs to sell them. Biological assets consist of growing stock of Group's forest assets in Finland. The change in fair value resulting from both growth and change in the market value of standing timber is presented as a separate line item in the income statement after operating profit (EBIT). The revenue from the sale of standing timber is presented in the income statement within the operating profit.

There are no existing active markets for forest assets. Therefore, the biological asset valuation is made by using the discounted future cash flows. Cash flows are based on forest management plan taking into account forestry costs and harvesting incomes from one growth cycle. For valuing harvesting incomes, Fiskars applies a three-year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, adjusted with company specific price components.

Non-current assets held for sale and discontinued operations

A non-current asset (or a disposal group) as well as assets and liabilities associated with a discontinued operation are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The recognition criteria are regarded to be met when a sale is highly probable, the asset (or a disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to take place within one year from the date of classification.

As from classification date a non-current asset (or a disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and it is not depreciated or amortized any more. Assets classified as held for sale, disposal groups, items recognized in other comprehensive income associated with the assets classified as held for sale as well as liabilities included in the disposal group are presented separately in the balance sheet.

A discontinued operation is a component of the group's business that has been disposed of or will be disposed of in accordance with a coordinated plan. It represents a separate major line of business or geographical area of operations. The profit or loss of a discontinued operation is reported separately from the continuing operations in the consolidated statement of comprehensive income.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in first-out (FIFO) method. The cost of finished goods and work-in-progress comprise direct purchase and manufacturing cost, other direct costs and a proportion of the related production overheads based on normal operating capacity. Net realizable value is the estimated amount that can be realized from the sale in normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are presented net of an impairment loss recognized for obsolete and slow-moving inventories.

Financial instruments

FINANCIAL ASSETS

Fiskars classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at fair value through OCI and loans and other receivables. Financial assets are classified at initial recognition based on their purpose of use. For investments not at fair value through profit or loss, the directly attributable transaction costs are included in the original costs of the financial assets. All purchases or sales of financial assets are recognized or derecognized using trade date accounting. The Group derecognizes financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards to an external party.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS / OCI

In this category are classified such financial assets that are held for trading or are designated as financial assets at fair value through profit or loss upon initial recognition (the fair value option). In Fiskars Group this category comprises those derivative instruments that do not meet the hedge accounting criteria or for which hedge accounting is not applied. Based on the new IFRS 9 standard that Fiskars Group adopted on January 1, 2018, Fiskars Group records the change in fair value of the Wärtsilä holding in other comprehensive income instead of recognizing fair value changes in the income statement.

These financial assets are measured at fair value both at initial recognition and subsequently. The fair values of the listed securities are based on quoted rates at the end of the reporting period and fair value changes, both realized and unrealized gains and losses are recognized in the income statement under financial items. The fair value measurement principles of derivative instruments are described below under Derivatives and hedge accounting.

LOANS AND OTHER RECEIVABLES

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The group does not hold them for trading or designate them as available for sale upon initial recognition. This category comprises trade receivables and other receivables under current receivables as well as non-current loan receivables that are presented under the item Other investments in the consolidated balance sheet.

Loans and other receivables are measured at amortized cost. The estimate made for doubtful receivables is based on the risks of individual items. Resulting from this assessment the carrying amounts of receivables are adjusted to measure their probable value. Loans and receivables are included in current or non-current assets based on their nature; in the latter class for maturities greater than 12 months after the end of the reporting period.

CASH AND CASH EQUIVALENTS

The balance sheet item Cash and cash equivalents includes cash, i.e. cash in hand and deposits held at call with banks, and cash equivalents. Cash equivalents comprise highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The items included in cash equivalents have original maturities of maximum three months from the date of acquisition. Bank overdrafts are included within current interest-bearing financial liabilities.

FINANCIAL LIABILITIES AND BORROWING COSTS

Fiskars Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (includes derivative liabilities) and financial liabilities measured at amortized cost. A financial liability is recognized initially at fair value. For financial liabilities measured at amortized cost, the directly attributable transaction costs are included in the original cost. Subsequently financial liabilities are carried at amortized cost using the effective interest method, except for derivative liabilities that are measured at fair value. Financial liabilities are classified as non-current or current; the latter group comprises all those financial liabilities for which the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. The group removes a financial liability (or a part of it) from its balance sheet only when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Credit fees related to loan commitments are treated as transaction costs to the extent it is likely that the loans will not be drawn down. Remaining credit fees are amortized over the expected loan term.

DERIVATIVES AND HEDGE ACCOUNTING

Derivatives not designated as hedging instruments are recognized at fair value through profit and loss. Derivatives are initially valued at cost and subsequently at fair value determined at the end of each reporting period. The fair value of derivatives is based on prevailing market rates or rates derived from the prevailing market rates at the end of the reporting period. Fair value changes are recognized in financial items.

Fiskars Group has applied hedge accounting to changes in the fair value of derivatives designated, qualifying, and effective as cash flow hedges. The changes are recognized in Other comprehensive income. On balance sheet date, such derivatives consisted of interest derivatives hedging certain loans.

FAIR VALUE CATEGORIES

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. This category includes listed shares. Level 2 includes financial assets and liabilities measured using directly observable market inputs. All interest bearing debts and derivatives fall within this category. Level 3 includes financial assets and liabilities measured using non-market observable inputs. The asset classes in this category are unlisted equity investments and funds.

Provisions and contingent liabilities

A provision is recognized when the group as a result of a past event has a present legal or constructive obligation, it is probable that the obligation will be realized and a reliable estimate can be made of the amount of the obligation. A provision for restructuring is recognized when a detailed formal plan has been prepared and when there is a valid expectation relating those affected that the plan will be carried out. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is possible to receive compensation for part of the obligation from a third party, the compensation is recognized as a separate asset, but only when receipt of the compensation is virtually certain.

Fiskars Group may be a party to lawsuits and legal processes concerning the group's business operations. A related provision is recognized in the financial statements when the amount of the expenditure can be estimated reliably and it is more likely than not that they will be realized. Otherwise these contingent liabilities are disclosed in the notes.

Income taxes

The Group's tax expense comprises current and deferred taxes. The current tax charge is calculated using the tax rate enacted or substantively enacted at the end of the reporting period. Deferred tax liabilities and deferred tax assets are accounted for temporary differences between the carrying amounts and tax basis of assets and liabilities using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax liability is recorded to its full amount on taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences, unutilized tax losses and unused tax credits to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences, unutilized tax losses and unused tax credits can be utilized. Deferred tax assets are assessed for realizability at the end of each reporting period. If it is no longer probable that sufficient taxable profit will be available to allow deferred tax asset utilization, carrying amount of deferred tax asset is reduced. Correspondingly, if it is probable that sufficient taxable profit will be available, reduction to deferred tax asset value is reversed.

Dividends

Dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

New and amended standards applied in financial year ended

IFRS 16 LEASES

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. According to the new standard IFRS16, all the lessees' lease agreements will be booked as fixed assets in the balance sheet, except short-term contracts with a duration of less than 12 months and lease contracts for which the underlying asset has a low value. The new standard transfers off-balance sheet commitments to the balance sheet, which results in an increase of fixed assets and liabilities and moves former lease expenses to Depreciation and Interest expenses. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17 ie. lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. The value of contracts where Fiskars acts as a lessor is not relevant.

Based on Fiskars Group's industry and business model, it acts mostly as lessee in numerous contracts. Fiskars Group has lease contracts for various items of real estate, machinery, vehicles and other equipment used in its operations. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this approach, a lessee does not restate comparative information. After adoption all the lessees' lease agreements are booked as right-of-use assets and lease liabilities in the balance sheet. Exceptions are short-term contracts with a duration of less than 12 months and lease contracts for which the underlying asset has a low value.

The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is, as follows:

EUR MILLION	1.1.2019
ASSETS	
Right-of-use assets	119.3
Total assets	119.3
LIABILITIES	
Interest-bearing liabilities	120.7
Total liabilities	120.7

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

Operating lease commitments as at 31 December 2018	89.5
Effect on discounting operating lease commitments as at 1 January 2019	-8.2
Adjustments as a result of a different treatment of extension and termination options	39.1
Effect of commitments relating to short-term and low-value leases	-1.7
Other	2.1
IFRS 16 Lease liabilities as at 1 January 2019	120.7
Weighted average incremental borrowing rate as at 1 January 2019	2.56

Other new or amended standards or interpretations had no impact on the consolidated financial statements.

Adoption of new and amended standards 1st Jan 2020

Amended standards or interpretations will have no impact on the consolidated financial statements of the group.

2. Segment information

Fiskars Group's organizational structure features two Strategic Business Units (SBU): Living and Functional. As of January 1, 2017 Fiskars Group's three primary reporting segments have been Living, Functional, and Other. In addition, Fiskars reports net sales for three geographical areas: Europe, Americas and Asia-Pacific. Fiskars Group plans to renew the reporting structure as of Q1,2020.

Operating segments

SBU Living offers premium and luxury products for tabletop, giftware and interior décor. It consists of the English & Crystal Living and Scandinavian Living businesses. English & Crystal Living business includes brands such as Waterford, Wedgwood, Royal Albert, and Royal Doulton. Scandinavian Living business includes brands such as Iittala, Royal Copenhagen, Rörstrand, and Arabia.

SBU Functional provides tools for use in and around the house as well as outdoors. SBU Functional consists of Functional Americas, Functional EMEA and Outdoor businesses, and includes brands such as Fiskars, Gerber, and Gilmour.

The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

Business activities between the segments are not significant. Inter-segment sales are made on an arm's length basis. Real Estate owns real estates in Finland and leases them to subsidiaries in Finland e.g. for use as production facilities.

President and CEO monitors the operating results of the segments separately for the purpose of making decisions. Financial income and costs and income taxes are managed on group basis and accordingly not allocated to operating segments.

Fiskars Group reports net sales for three geographical areas: Europe, Americas, and Asia-Pacific. In the Americas the Fiskars branded products' distribution, logistics and consumer preferences are managed centrally for the business units. In the Europe & Asia-Pacific area the markets and distribution are more diversified, but from the customer point of view the business units operate in a common environment.

Unallocated items

The unallocated items of the Income Statement contain corporate level costs and income. Unallocated assets comprise items related to corporate administration, tax receivables, loan receivables and equity instruments. Unallocated liabilities comprise non-current and current debt and tax liabilities. Also, part of the restructuring costs are unallocated.

No single customer of Fiskars Group accounts for more than 10% share of the Group's total net sales.

OPERATING SEGMENTS

2019

EUR MILLION	LIVING	FUNCTIONAL	OTHER	UNALLOCATED AND ELIMINATIONS	GROUP TOTAL
Net sales	501.0	585.5	3.9	0.1	1,090.4
EBITA excl. Items affecting comparability in operating profit	38.9	64.2	-12.5	0.0	90.6
Items affecting comparability in EBITA*	-17.1	-0.5	0.0	-0.1	-17.7
EBITA	21.8	63.7	-12.5	0.0	72.9
Amortization				-12.9	-12.9
Impairments					0.0
Change in fair value of biological assets			-0.2		-0.2
Financial income and expenses				3.4	3.4
Profit before taxes					63.2
Income taxes				-10.8	-10.8
Profit for the period					52.4
Capital expenditure	18.3	17.5	4.2	0.0	40.0
Depreciations, amortizations and impairment	33.7	21.7	4.1	0.0	59.6

* Includes EUR 17.0 million related to the Transformation program in Living segment, EUR 0.8 million related to the divestment of the Leborgne business, as well as some other adjustments.

2018

EUR MILLION	LIVING	FUNCTIONAL	OTHER	UNALLOCATED AND ELIMINATIONS	GROUP TOTAL
Net sales	529.6	585.2	3.8	-0.1	1 118.5
EBITA excl. Items affecting comparability in operating profit	57.0	75.5	-10.70	-0.1	121.7
Items affecting comparability in EBITA*	-2.6	-3.3	-3.3	0	-9.2
EBITA	54.4	72.3	-14.0	-0.2	112.5
Amortization					-12.3
Impairments					-8.6
Change in fair value of biological assets			2.0	0	2.0
Financial income and expenses					9.4
Profit before taxes					103.0
Income taxes					-21.1
Profit for the period					81.7
Capital expenditure	23.8	18.9	3.5	0.3	46.2
Depreciations, amortizations and impairment	19.0	23.8	1.1	-0.1	43.8

* Includes EUR 2.5 million related to the Transformation program in Living, EUR 2.5 million costs related to the proposed divestment of the Leborgne business and EUR 2.9 million related to the Alignment program as well as some other adjustments.

NET SALES BY GEOGRAPHY

EUR MILLION	2019	2018
Europe	**518.9**	531.2
Americas	**427.5**	444.4
Asia-Pacific	**143.6**	141.7
Unallocated*	**0.3**	1.3
Total	**1,090.4**	1,118.5

* Geographically unallocated exchange rate differences.

ADDITIONAL INFORMATION ABOUT GEOGRAPHICAL AREAS

EUR MILLION	2019	2018
Net sales in Finland	**112.9**	111.9
Net sales in the U.S.	**411.1**	425.3
Net sales in other countries	**566.4**	581.3
Total	**1,090.4**	1,118.5

EUR MILLION	2019	2018
Assets in Finland*	**280.0**	249.5
Assets in the U.S.*	**161.2**	70.6
Assets in other countries*	**421.6**	419.1
Total	**862.8**	739.2

* Non-current assets other than deferred tax assets.

3. Acquisitions and divestments

2019

Fiskars Group sold Leborgne business to MOB MONDELIN on April 1, 2019, consisting of manufacturing and sale of hand tools to construction and gardening customers in France. The transaction was structured as an asset sale and included the Leborgne brand, inventory, fixed assets and personnel working for the business. Transaction did not have significant impact on Fiskars Group's financial position or result during 2019. Leborgne goodwill (EUR 6.7 million) and trademark value (EUR 1.8 million) was written-off in 2018 due to the the sale of the business.

2018

No acquisitions or divestments were carried out in 2018.

4. Other operating income

EUR MILLION	2019	2018
Net gain on disposal of fixed assets	**0.5**	2.6
Rental income	**0.3**	0.0
Other income	**1.2**	2.5
Total	**2.0**	5.2

5. Total expenses

TOTAL EXPENSES BY NATURE

EUR MILLION	2019	2018
Materials and supplies*	**440.7**	519.4
Change in inventory	**-9.2**	-11.5
External services	**62.2**	61.1
Employee benefits	**311.9**	307.9
Depreciation and amortization	**59.6**	35.3
Impairments	**0.0**	8.6
Other expenses*	**167.1**	111.5
Total	**1,032.3**	1,032.1

* Comparison figures have been restated.

OTHER OPERATING EXPENSES

EUR MILLION	2019	2018
Loss on sale of fixed assets	**0.1**	0.1
Loss on scrap of fixed assets	**0.2**	0.6
Alignment program		-0.1
Other operating costs	**-0.1**	-0.5
Total	**0.3**	0.2

DEPRECIATION, AMORTIZATION AND IMPAIRMENT BY ASSET CLASS

EUR MILLION	2019	2018
Buildings	**26.1**	4.1
Machinery and equipment	**20.3**	18.4
Intangible assets	**11.9**	12.8
Investment property	**0.5**	0.4
Goodwill and trademark amortization and impairment	**0.8**	8.6
Total	**59.6**	43.8

FEES PAID TO COMPANIES' AUDITORS

EUR MILLION	2019	2018
Audit fees	**1.1**	1.4
Audit related fees	**0.0**	0.0
Tax consultation	**0.2**	1.6
Other non-audit fees	**0.0**	0.1
Total	**1.3**	3.0

The appointed auditor for the financial year 2019 was EY and for the financial year 2018 KPMG. Ernst & Young Oy has provided non-audit services to the entities of Fiskars Group in total of EUR 0.2 million during the financial year 2019.

6. Employee benefits and number of personnel

EMPLOYEE BENEFITS

EUR MILLION	2019	2018
Wages and salaries	**247.5**	250.6
Other compulsory personnel costs	**36.1**	36.6
Pension costs, defined contribution plans	**17.4**	16.8
Pension costs, defined benefit plans	**1.6**	1.8
Other post employment benefits	**1.1**	1.2
Termination benefits	**8.2**	0.9
Total	**311.9**	307.9

PERSONNEL AT THE END OF PERIOD

	2019	2018
Finland	**1,132**	1,125
Slovenia	**788**	907
UK	**402**	532
Other Europe	**1,273**	1,368
USA	**984**	1,017
Indonesia	**749**	979
Thailand	**657**	626
Other	**999**	1,061
Total	**6,984**	7,615

PERSONNEL (FTE) IN AVERAGE

EUR MILLION	2019	2018
Direct	**2,453**	2,615
Indirect	**4,387**	4,604
Total	**6,840**	7,219

Fiskars Group has adopted the following definitions for employee reporting:
Personnel, end of period = active employees in payroll at the end of period.
Personnel (FTE), average = full-time equivalent number of employees according to worked volume during the period.
Direct = production staff
Indirect = other employees than production staff

7. Financial income and expenses

EUR MILLION	2019	2018
Dividends received from investments at other comprehensive income or fair value through profit and loss	**7.8**	15.0
Interest income on cash and bank	**0.0**	0.0
Net change in fair value of other investments at fair value through profit or loss	**3.8**	3.4
Derivative revaluation gains, at fair value through profit or loss		0.3
Other exchange gains	**1.6**	
Financial income total	**13.2**	18.7
Interest expenses on debt at amortized cost	**-1.4**	-3.6
Interest cost on lease liability at amortized cost	**-2.8**	0.0
Derivative revaluation losses, at fair value through profit or loss	**-0.4**	0.0
Exchange losses on commercial hedges	**-3.7**	-1.1
Other exchange losses		-3.7
Other financial expenses	**-1.5**	-1.0
Financial expense total	**-9.8**	-9.4
Financial income and expenses total	**3.4**	9.4

8. Income taxes

INCOME TAXES IN THE INCOME STATEMENT

EUR MILLION	2019	2018
Current taxes	**-16.5**	-24.8
Deferred taxes	**5.7**	3.7
Total income tax expense	**-10.8**	-21.1

INCOME TAX RECONCILIATION

Reconciliation of income taxes at statutory tax rate in Finland (20%) and income taxes recognized in the consolidated income statement.

EUR MILLION	2019	2018
Profit before taxes	**63.2**	103.0
Income taxes at Finnish statutory tax rate	**-12.6**	-20.6
Difference between Finnish and foreign tax rates	**-0.5**	-3.2
Effect of deferred taxes not recognized	**-3.9**	-2.7
Benefit arising from previously unrecognized deferred tax asset	**5.0**	11.4
Prior year income taxes	**-2.6**	-0.9
Effect of changes of tax rates	**0.0**	0.1
Income taxes on undistributed earnings	**0.2**	-7.4
Tax exempt dividends	**1.6**	3.0
Other items	**2.1**	-0.8
Total income tax expense	**-10.8**	-21.1

Deferred tax assets have been recognized for deductible temporary differences, unutilized tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilized tax losses and unused tax credits can be utilized. Deferred tax assets have been assessed for realizability and if it has been no longer probable that sufficient taxable profit will be available to allow deferred tax asset utilization, carrying amount of deferred tax asset has been reduced. Correspondingly, if it has been probable that sufficient taxable profit has been available, reduction to deferred tax asset value has been reversed. Deferred tax liability has been booked fully on undistributed earnings of subsidiaries.

DEFERRED TAXES

EUR MILLION	2019	2018
Deferred tax assets		
Intangible assets and property, plant and equipment	**14.1**	10.2
Inventories	**4.1**	4.3
Post-employment liabilities	**2.8**	3.2
Tax loss carried forward	**15.6**	8.9
Other temporary differences	**14.3**	16.2
Total	**50.9**	42.8
Offset against deferred tax liabilities	**-23.0**	-12.6
Total deferred tax assets	**27.9**	30.2

EUR MILLION	2019	2018
Deferred tax liabilities		
Intangible assets and property, plant and equipment	**35.9**	32.8
Investments at fair value	**5.6**	11.2
Undistributed earnings	**7.2**	7.4
Other temporary differences	**7.0**	5.1
Total	**55.8**	56.5
Offset against deferred tax assets	**-23.0**	-12.6
Total deferred tax liabilities	**32.8**	43.8
Net deferred tax assets(+) and liabilities(-)	**-4.9**	-13.7

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

MOVEMENTS IN THE NET DEFERRED TAX BALANCE

EUR MILLION	2019	2018
Net defered tax asset(+)/liability (-) at January 1	**-13.7**	-43.9
Recognized in income statement	**5.7**	3.7
Recognized in other comprehensive income*	**3.7**	23.4
Recognized in equity	**0.0**	2.9
Translation differences	**-0.5**	0.2
Net defered tax asset(+)/liability (-) at December 31	**-4.9**	-13.7

* Decrease in deferred tax liability relates to Wärtsilä shares measured at fair value.

Wärtsilä shares have been disposed during financial year 2019.

Amount of tax losses carried forward, tax credits and temporary differences for which no deferred tax asset has been recognized due to uncertainty of utilization:

EUR MILLION	2019	2018
Tax losses carried forward		
Expiring within 10 years	**0.5**	1.7
No expiry	**150.3**	137.5
Total	**150.8**	139.3
Tax credits		
Expiring within 10 years	**0.8**	0.5
Temporary differences	**0.0**	4.8

TAXES IN OTHER COMPREHENSIVE INCOME

2019

EUR MILLION	GROSS	TAX	NET
Translation differences	9.3	0.0	9.3
Cash flow hedges	0.2	0.0	0.2
Defined benefit plan actuarial gains (losses)	2.4	-0.4	2.0
Fair value measurement	-28.4	4.1	-24.3
Total other comprehensive income	-16.6	3.7	-12.9

2018

EUR MILLION	GROSS	TAX	NET
Translation differences	8.3	0.0	8.3
Cash flow hedges	0.2	0.0	0.2
Defined benefit plan actuarial gains (losses)	0.7	-0.4	0.3
Fair value measurement	-118.8	23.8	-95.0
Total other comprehensive income	-109.6	23.4	-86.1

Income taxes

Fiskars Group's tax expense comprises current and deferred taxes. The current tax charge is calculated using the tax rate enacted or substantively enacted at the end of the reporting period. Deferred tax liabilities and deferred tax assets are accounted for temporary differences between the carrying amounts and tax basis of assets and liabilities using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax liability is recorded to its full amount on taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences, unutilized tax losses and unused tax credits to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences, unutilized tax losses and unused tax credits can be utilized. Deferred tax assets are assessed for realizability at the end of each reporting period. If it is no longer probable that sufficient taxable profit will be available to allow deferred tax asset utilization, carrying amount of deferred tax asset is reduced. Correspondingly, if it is probable that sufficient taxable profit will be available, reduction to deferred tax asset value is reversed.

9. Earnings per share

The basic earnings per share is the annual net profit attributable to ordinary shareholders of the parent company divided by the weighted average number of shares outstanding during the year. Fiskars Group does not have any current share option programs or other diluting financial instruments, so the diluted earnings per share is the same as basic.

	2019	2018
Net profit attributable to the ordinary shareholders of the Parent company, EUR million	**51.7**	81.6
Number of shares	**81,905,242**	81,905,242
Weighted average number of shares outstanding	**81,603,359**	81,670,458
Earnings per share, EUR (basic and diluted)	**0.63**	1.00

10. Intangible assets

2019

EUR MILLION	GOODWILL	TRADEMARKS, PATENTS AND DOMAIN NAMES	SOFTWARE	OTHER INTANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	229.8	244.8	83.1	58.6	13.0	629.4
Translation differences	2.3	5.5	0.7	1.1	0.0	9.5
Additions		0.8	9.2	0.0	7.9	17.8
Decreases		-0.2	-0.6	-0.5	0.1	-1.2
Transfers between asset groups			10.6	0.0	-10.6	0.1
Historical cost, Dec 31	232.1	250.9	103.0	59.2	10.5	655.7
Accumulated amortization and impairment, Jan 1	12.4	9.6	67.4	42.1	0.0	131.5
Translation differences	0.1	2.1	0.7	1.3		4.1
Amortization for the period		0.8	9.4	2.6		12.7
Impairment for the period	0.0	0.0	0.0	0.0		0.0
Decreases	0.0	-0.2	-0.5	-0.1		-0.8
Accumulated amortization and impairment, Dec 31	12.5	12.3	76.9	45.8		147.6
Net book value, Dec 31	**219.6**	**238.6**	**26.1**	**13.4**	**10.5**	**508.2**

2018

EUR MILLION	GOODWILL	TRADEMARKS, PATENTS AND DOMAIN NAMES	SOFTWARE	OTHER INTANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	227.7	243.5	76.4	61.5	4.0	613.0
Translation differences	2.1	1.0	1.1	-0.6	0.0	3.6
Additions		0.3	2.9	0.0	12.6	15.9
Decreases		0.0	0.1	-3.4	0.0	-3.2
Transfers between asset groups			2.6	1.0	-3.6	0.0
Historical cost, Dec 31	229.8	244.8	83.1	58.6	13.0	629.4
Accumulated amortization and impairment, Jan 1	5.7	5.3	57.3	43.3		111.5
Translation differences	0.0	1.3	0.9	0.0		2.1
Amortization for the period		1.2	9.2	2.4		12.8
Impairment for the period	6.7	1.8	0.0	0.0		8.6
Decreases	0.0	0.0	0.0	-3.5		-3.5
Accumulated amortization and impairment, Dec 31	12.4	9.6	67.4	42.1		131.5
Net book value, Dec 31	**217.4**	**235.2**	**15.8**	**16.5**	**13.0**	**497.9**
Investment commitments for intangible assets						0.0

IMPAIRMENT TESTS

Goodwill is not amortized but is tested at least annually for impairment. Goodwill has been allocated to cash-generating units as follows:

EUR MILLION	2019	2018
Living	**217.8**	215.6
Functional	**1.8**	1.8
Total	**219.6**	217.4

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The primary reporting segments, which form the CGUs, are Living and Functional. The recoverable amounts from CGUs are determined with value in use method, using fiveyear discounted cash flow projections, based on strategic plans approved by management for years 2020-2022, and after this cash flows are estimated for two year period before calculating the terminal value. Cash flows for the period extending over the five year planning period are calculated using the terminal value method. The discount rate is the weighted average post-tax cost of capital (WACC) as defined by Fiskars Group. The components of the WACC are risk-free rate, market risk premium, company-specific risk premium, industry specific equity beta, cost of debt and debt to equity ratio. On the basis of the impairment calculations made, there has been no need for other impairment of goodwill for any CGU for the period ended December 31, 2019 and 2018.

Fiskars Group has 9 trademarks whose aggregate carrying amount is EUR 214.3 million (2018: 214.1). Total EUR 106.9 million of trademarks, patents and domain names was recorded in the consolidated balance sheet with relation of WWRD acquisition (English Crystal & Living business) in 2015. Since the benefits from trademarks are indefinite, they are not amortized but are tested at least annually for impairment using a relief from royalty method. An exception for this principle is trademark Hackman for which amortization has begun during 2017 (amortization period 20 years). Cash flows attributable to trademarks are derived by identifying revenues from sales of products belonging to each trademark. The value in use of trademarks is determined on a discounted cash flow method basis, derived from five-year cash flow projections, based on strategic plans approved by the management. Cash flows for the period extending over the planning period are calculated using the terminal value method. On the basis of the impairment calculations made there has been no need for impairment of trademarks for the periods ended December 31, 2019 and 2018. Leborgne goodwill (EUR 6.7 million) and trademark value (EUR 1.8 million) was written-off in 2018 due to the the sale of the business.

Sensitivity analyses

Sensitivity analyses of goodwill have been carried out for the valuation of each CGU by making downside scenarios for key parameters. The management views that no reasonably possible change in any of the key parameters would lead to impairment as the recoverable amounts exceed the carrying amounts considerably.

Sensitivity analyses of trademarks have been carried out for the valuation of each trademark by making downside scenarios for key parameters. The management views that excluding the Gingher trademark, no reasonably possible change in any of the key parameters would lead to impairment. The recoverable amount of the Gingher trademark currently exceeds its carrying amount of EUR 3.3 million by EUR 0.1 million, and a decrease of 1.0 percentage in terminal growth or an increase of 1.0 percentage point in pre-tax discount rate would result in the recoverable amount being lower than the carrying amount.

KEY PARAMETERS APPLIED IN IMPAIRMENT TESTING

	2019		2018	
%	GOODWILL	TRADEMARKS*	GOODWILL	TRADEMARKS*
Increase in net sales on average	**2.7**	**1.0**	2.9	1.0
Steady growth rate in projecting terminal value	**1.0**	**1.0**	2.0	2.0
Discount rate, pre-tax, average	**6.4**	**8.0**	7.0	9.4

* Used one percentage point higher risk premium than in goodwill testing

11. Property, plant and equipment

2019

EUR MILLION	LAND AND WATER	BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	22.3	85.0	138.4	18.8	264.6
Translation differences	0.1	1.2	2.2	-0.3	3.2
Additions		2.7	7.0	14.1	23.8
Decreases	0.0	-4.0	-36.6	-0.2	-40.8
Transfers between asset groups		7.0	14.7	-21.7	0.0
Historical cost, Dec 31	22.4	92.0	125.7	10.7	250.8
Accumulated depreciation and amortization, Jan 1	0.8	26.0	78.0		104.8
Translation differences		-0.3	-0.3		-0.6
Depreciation for the period		4.9	18.4		23.3
Impairment for the period			0.0		0.0
Decreases		-4.2	-33.5	-1.2	-38.9
Transfers between asset groups		0.0	0.0		0.0
Accumulated depreciation and impairment, Dec 31	0.8	26.4	62.7	-1.2	88.6
Net book value, Dec 31	21.6	65.7	63.0	11.9	162.2
Investment commitments for tangible assets					2.4

2018

EUR MILLION	LAND AND WATER	BUILDINGS	LEASED REAL ESTATE	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	22,4	87,5	0,0	140,4	14,2	264,5
Translation differences	0,1	0,3	0,0	4,9	-1,3	4,0
Additions	0,0	2,6		8,5	17,5	28,6
Decreases	-0,4	-6,9		-26,8	1,5	-32,5
Transfers between asset groups	0,1	1,5		11,4	-13,0	0,0
Historical cost, Dec 31	22,3	85,0	0,0	138,4	18,8	264,6
Accumulated depreciation and amortization, Jan 1	0,8	27,4	0,0	81,1		109,4
Translation differences		0,3	0,0	1,8		2,1
Depreciation for the period		4,1		18,4		22,5
Impairment for the period				-0,1		-0,1
Decreases		-5,8		-23,3		-29,1
Accumulated depreciation and impairment, Dec 1	0,8	26,0	0,0	78,0		104,8
Net book value, Dec 31	21,4	59,1	0,0	60,4	18,8	159,8
Investment commitments for tangible assets						4.3

12. Right-of-use assets

Fiskars Group has lease contracts for various items of real estate, machinery, vehicles and other equipment used in its operations. Real estate leases generally have lease terms between 3 and 15 years, while other leases generally have lease terms between 3 and 5 years. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

CARRYING AMOUNTS OF RIGHT-OF-USE ASSETS:

2019

EUR MILLION	REAL ESTATE	OTHER	TOTAL
Book value, Jan 1	**115.6**	**3.7**	**119.3**
Currency translation adjustment	0.8	-0.1	0.7
Additions	22.8	2.4	25.2
Depreciation	-21.1	-1.8	-22.9
Decreases	-13.6	-0.2	-13.7
Book value, Dec 31	104.7	4.0	108.6

CARRYING AMOUNTS OF LEASE LIABILITIES:

EUR MILLION	TOTAL
Book value, Jan 1	**120.7**
Currency translation adjustment	0.9
Additions	25.2
Accretion of interest	-2.8
Payments	-18.9
Disposals	-13.7
Book value, Dec 31	111.3
Current lease liability	22.9
Non-current lease liability	88.4

Maturity analysis of lease liabilities is included in the note 19 Finance table Maturity of liabilities.

AMOUNTS RECOGNISED IN INCOME STATEMENT:

EUR MILLION	TOTAL
Depreciation expense of right-of-use assets	-18.0
Interest expense on lease liabilities	-2.8
Expense relating to short-term leases	-0.6
Expense relating to leases of low-value assets	-0.3
Total amount recognised in profit or loss	-21.8

Fiskars Group's total cash outflow for leases amounted to EUR -21.6 million in 2019. The future cashflow relating to leases that have not yet commenced are disclosed in note 23 Commitments and contingencies.

13. Biological assets

EUR MILLION	2019	2018
Fair value, Jan 1	**43.6**	41.6
Increase due to growth	**1.9**	1.9
Decrease due to harvested timber	**-1.3**	-1.7
Change in fair value	**-0.8**	1.9
Fair value, Dec 31	**43.4**	43.6

Fiskars Group has around 11,000 hectares of productive forest land in Finland. Biological assets consist of growing stock. The harvested amount in 2019 was approximately 46,000 m³ (2018: 50,000 m³).

The biological asset valuation is made by using the discounted future cash flows. Cash flows are based on forest management plan taking into account forestry costs and harvesting incomes from one growth cycle. For valuing harvesting incomes, Fiskars Group applies a three-year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, adjusted with company specific price components.

The fair value measurements of biological assets are categorized within level 3 of the fair value hierarchy.

14. Investment property

EUR MILLION	2019	2018
Historical cost, Jan 1	**10.9**	10.6
Translation differences	**0.1**	0.0
Additions	**0.2**	0.2
Decreases		-0.1
Transfers from tangible assets	**0.0**	0.2
Historical cost, Dec 31	**11.1**	10.9
Accumulated depreciation, Jan 1	**7.0**	6.7
Translation differences	**0.0**	0.0
Depreciation and impairment for the period	**0.5**	0.4
Decreases	**0.0**	-0.1
Accumulated depreciation and impairment, Dec 31	**7.5**	7.0
Net book value, Dec 31	**3.6**	3.9

Investment Property comprises the parent company's buildings and zoned and unbuilt lots for detached houses in Fiskars Village, Finland.

Fair value

Properties in Fiskars Village are unique in their cultural and historical values. Therefore it is not possible to determine a comparable market value on those properties. The book value of these properties, located in Finland, were EUR 3.6 million on Dec 31, 2019 (2018: 3.9).

15. Financial assets

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	LEVEL 1		LEVEL 3	
EUR MILLION	2019	2018	2019	2018
Book value, Jan 1			**25.3**	21.7
Additions			**8.2**	0.9
Decreases			**-1.7**	-1.5
Transfers				
Change in fair value			**-2.9**	4.2
Book value, Dec 31			**28.9**	25.3

Investments at fair value through profit or loss comprise unlisted funds. Risk associated to investments into short interest rate funds are considered to be low. The fair value of unlisted funds is based on the market value reported by the funds (level 3). Changes in the fair value are recognized in the income statement. Wärtsilä shares were reclassified to Investments at fair value through other comprehensive income (next table) in connection with the adoption of IFRS 9 on Jan 1, 2018.

INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	LEVEL 1	
EUR MILLION	2019	2018
Book value, Jan 1	**453.6**	572.4
Additions		
Decreases	**-433.3**	
Transfers		
Change in fair value	**-20.3**	-118.8
Book value, Dec 31	**0.0**	453.6

Investments at fair value through other comprehensive income (FVTOCI) consist of holdings in Wärtsilä Corporation. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). In June 2019 Fiskars Corporation distributed 32,614,026 of its Wärtsilä shares as an extra dividend to shareholders. Market value of the shares on the date of distribution was EUR 432.9 million and the change of the value has been reported in other comprehensive income. The remaining 31,317 shares were sold in September 2019.

OTHER INVESTMENTS

	LEVEL 1		LEVEL 3	
EUR MILLION	2019	2018	2019	2018
Book value, Jan 1	**0.4**	0.4	**8.4**	8.5
Decreases			**-0.4**	
Change in fair value	**-0.1**	0.0	**-0.4**	-0.1
Book value, Dec 31	**0.3**	0.4	**7.6**	8.4

Other financial assets comprise listed and unlisted shares as well as non-current receivables. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (level 1). Unlisted shares and other investments are measured at the lower of cost and fair value (level 3).

CASH AND CASH EQUIVALENTS

EUR MILLION	2019	2018
Cash at bank	**9.4**	24.4
Other current investments		0.0
Total, Dec 31	**9.4**	24.4

16. Inventories

EUR MILLION	2019	2018
Raw materials and consumables	**22.6**	22.2
Work in progress	**17.3**	16.8
Finished goods	**214.0**	204.6
Advance payments	**0.3**	0.4
Gross value of inventories	**254.2**	244.1
Write-down to the carrying value of inventories	**-22.1**	-24.1
Total, Dec 31	**232.1**	219.9

An impairment on inventories EUR 2.1 (2.7) million was recognised during the financial period.

17. Trade and other receivables

EUR MILLION	2019	2018
Trade receivables	**177.4**	189.3
Derivatives	**0.0**	0.4
Other receivables	**7.2**	12.6
Prepaid expenses and accrued income	**18.6**	18.1
Total, Dec 31	**203.2**	220.4

AGING OF TRADE RECEIVABLES

EUR MILLION	2019	2018
Not fallen due	**154.7**	161.0
1–30 days past due	**17.6**	21.5
31–60 days past due	**3.0**	3.8
61–90 days past due	**1.6**	2.0
91–120 days past due	**0.8**	1.1
Over 120 days past due	**4.1**	4.5
Less provision for bad debts, Dec 31	**-4.4**	-4.6
Total, Dec 31	**177.4**	189.3

Trade receivables' payment terms vary, average payment term being 45 days.

TRADE RECEIVABLES IN CURRENCIES

EUR MILLION	2019	2018
US Dollars (USD)	**65.9**	74.0
Euros (EUR)	**33.5**	37.9
Danish Krones (DKK)	**21.2**	22.3
United Kingdom Pounds (GBP)	**5.0**	6.8
Swedish Kronas (SEK)	**11.2**	11.3
Japanese Yens (JPY)	**7.2**	9.6
Australian Dollars (AUD)	**4.7**	5.4
Norwegian Krones (NOK)	**7.1**	5.5
Other currencies	**21.6**	16.5
Total, Dec 31	**177.4**	189.3

Trade receivables are widely spread geographically. The biggest customers are major retailers with solid credit ratings. Credit loss risks are estimated to be moderate. The maximum exposure to credit risk is the carrying amount of the trade receivables.

ALLOWANCE FOR IMPAIRMENT OF TRADE RECEIVABLES

EUR MILLION	2019	2018
Allowance on Jan 1	**-4.6**	-5.7
Additions	**-0.8**	-2.5
Deductions	**0.8**	3.5
Recognised impairment losses	**0.1**	
Recovery of doubtful receivables	**0.0**	0.1
Allowance on Dec 31	**-4.4**	-4.6

18. Share capital

	2019 PCS 1.000	2018 PCS 1.000	2019 EUR MILLION	2018 EUR MILLION
Share capital				
Jan 1	**81,905.2**	81,905.2	**77.5**	77.5
Share capital, Dec 31	**81,905.2**	81,905.2	**77.5**	77.5
Treasury shares				
Jan 1	**332.6**	191.5	**5.7**	3.2
Change	**76.1**	141.1	**1.1**	2.6
Treasury shares, Dec 31	**408.7**	332.6	**6.9**	5.7

NUMBER OF SHARES AND VOTES

			DEC 31, 2019			DEC 31, 2018
	NUMBER OF SHARES	NUMBER OF VOTES	SHARE CAPITAL EUR	NUMBER OF SHARES	NUMBER OF VOTES	SHARE CAPITAL EUR
Shares (1 vote/share)	**81,905,242**	**81,905,242**	**77,510,200**	82,023,341	82,023,341	77,510,200
Total	**81,905,242**	**81,905,242**	**77,510,200**	82,023,341	82,023,341	77,510,200

Fiskars Group has a single class of shares. Shares have no nominal value.

19. Finance

NON-CURRENT INTEREST BEARING DEBT

EUR MILLION	2019 FAIR VALUE	2019 CARRYING AMOUNT	2018 FAIR VALUE	2018 CARRYING AMOUNT
Loans from credit institutions	**50.0**	**50.0**	150.0	150.0
Lease liability (note 12)	**80.6**	**88.4**	0.2	0.2
Other non-current debt	**1.4**	**1.4**	1.1	1.1
Total, Dec 31	**132.0**	**139.8**	151.3	151.3

Interest-bearing debts are valued at amortized cost. The fair values of interest-bearing debts have been calculated by discounting the cash flow of the debt by the market rate at the end of reporting period (fair value hierarchy level 2).

LEASE LIABILITY

EUR MILLION	2019	2018
Lease liabilities are payable as follows:		
Less than one year	**22.9**	0.2
Between one and five years	**58.5**	0.2
More than five years	**29.8**	
Minimum lease payments, total	**111.3**	0.4

EUR MILLION	2019	2018
Present value of minimum lease payments:		
Less than one year	**20.6**	0.2
Between one and five years	**46.2**	0.2
More than five years	**34.4**	0.0
Present value of minimum lease payments, total	**101.1**	0.4
Future finance charges	**10.2**	0.0

CURRENT INTEREST BEARING DEBT

EUR MILLION	2019 FAIR VALUE	2019 CARRYING AMOUNT	2018 FAIR VALUE	2018 CARRYING AMOUNT
Bank overdrafts	**8.4**	**8.4**	8.8	8.8
Loans from credit institutions	**100.0**	**100.0**		
Lease liability (note 12)	**20.6**	**22.9**	0.2	0.2
Other	**0.3**	**0.3**	0.6	0.6
Total, Dec 31	**129.2**	**131.6**	9.6	9.6

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2019

EUR MILLION	JAN 1	LEASE LIABILITY TRANSFER JAN 1	LEASE CHANGES	CASH FLOWS	FX DIFFERENCE	OTHER	DEC 31
Non-current loans and borrowings	151.2					-99.8	51.4
Non-current lease liability (note 12)	0.2	99.3	5.5		0.7	-17.3	88.4
Current loans and borrowings	9.3			-1.3	0.7	100.0	108.7
Current lease liability (note 12)	0.2	21.2	8.1	-21.4	0.2	17.1	22.9
Total	**160.9**	**120.5**	**13.5**	**-22.7**	**1.6**	**0.0**	**271.4**

2018

EUR MILLION	JAN 1	CASH FLOWS	FX DIFFERENCE	OTHER	DEC 31
Non-current loans and borrowings	151.0			0.2	151.2
Non-current lease liability (note 12)	0.4	-0.1		-0.1	0.2
Current loans and borrowings	48.2	-42.8	0.3	3.6	9.3
Current lease liability (note 12)	0.3	-0.2		0.1	0.2
Total	**199.9**	**-43.1**	**0.3**	**3.8**	**160.9**

Maturity of liabilities

As of December 31, 2019 the Group had unused credit facilities EUR 300 million (300) at its disposal to secure its liquidity. The average maturity of the credit limit agreements as of December 31, 2019 was 3.6 years (5.2). Agreements concerning credit facilities and long term loans include among others covenants for the solidity. Non-compliance with the covenants would lead to a premature expiry of the agreements. Potential default would require material deterioration of the solidity from the current.

2019

EUR MILLION	2020	2021	2022	2023	2024	LATER YEARS	TOTAL
Bank overdrafts	8.4						8.4
Other debt	0.3	0.5	0.5	0.5			1.7
Loans from credit institutions	100.0		50.0				150.0
interests	1.0	0.5	0.4				1.9
Lease liabilities (note 12)	20.6	18.6	16.0	11.6	7.0	27.4	101.1
interests	2.4	1.9	1.5	1.1	0.9	2.4	10.2
Trade payables	96.3						96.3
Derivative liabilities	0.7						0.7
Total, Dec 31	229.7	21.4	68.3	13.2	7.9	29.8	370.2
	62.0%	5.8%	18.5%	3.6%	2.1%	8.0%	100.0%

2018

EUR MILLION	2019	2020	2021	2022	2023	LATER YEARS	TOTAL
Bank overdrafts	8.8						8.8
Other debt	0.6					1.1	1.7
Loans from credit institutions		100.0		50.0			150.0
interests	1.2	1.2	0.5	0.5			3.4
Finance leasing	0.2	0.2					0.4
interests	0.0	0.0					0.0
Trade payables	93.6						93.6
Derivative liabilities	0.9						0.9
Total, Dec 31	105.4	101.4	0.5	50.5	0.0	1.1	258.9
	40.7%	39.2%	0.2%	19.5%	0.0%	0.4%	100.0%

Sensitivity analysis of currency exposure

The exchange rate sensitivity analysis in accordance with IFRS 7 has been carried out by examining how the profit before taxes or consolidated group equity would be impacted by a 10% devaluation of a currency against all other currencies. Impact from a 10% appreciation of a currency against all other currencies would be opposite.

The analysis of impact on profit includes internal and external foreign currency denominated financial items of the parent company in the selected currencies. Commercial cash flows consist of net foreign currency flows of purchases and sales estimated to take place during the following year by the business units and hedged internally. Financial items include foreign currency denominated loans, deposits and external derivatives. The selected currencies represent approximately 90% of the commercial net foreign currency flows. The sensitivity analysis on the group consolidated equity illustrates translation risk related to the foreign currency denominated equity.

	2019				2018			
	IMPACT ON RESULT BEFORE TAXES				IMPACT ON RESULT BEFORE TAXES			
EUR MILLION	ESTIMATED COMMERCIAL CASH FLOWS	DERIVATIVES	OTHER FINANCIAL ITEMS	IMPACT ON GROUP EQUITY	ESTIMATED COMMERCIAL CASH FLOWS	DERIVATIVES	OTHER FINANCIAL ITEMS	IMPACT ON GROUP EQUITY
AUD	**-1.5**	**2.1**	**-0.5**	**-1.7**	-1.6	1.8	-0.2	-1.4
CAD	**-1.4**	**1.2**	**0.2**	**-0.7**	-1.2	1.2	-0.1	-1.1
GBP	**-1.4**	**6.1**	**-4.7**	**-3.8**	-1.3	5.4	-4.1	-11.4
IDR	**1.4**	**-1.4**		**0.0**	1.3	-1.2		0.0
JPY	**-1.7**	**2.7**	**-1.1**	**-2.1**	-1.6	2.9	-1.3	-0.8
SEK	**-2.0**	**1.7**	**0.3**	**-0.7**	-2.0	0.6	1.4	-2.1
THB	**3.6**	**-2.7**	**0.9**	**-1.9**	3.2	-2.4	-0.9	-0.7
USD	**1.2**	**-5.8**	**4.9**	**-28.7**	1.7	-5.2	3.6	-18.7

Average interest rates and sensitivity analysis of interest expenses

The sensitivity of interest expenses on changes in interest rates has been presented by simulating a permanent one percentage unit raise in interest rates at the end of the reporting year. The Group's net interest bearing debt excluding financial leases as of December 31, 2019 was EUR 149.8 million (135.4) and the average interest reset period was 4 months (8). A permanent one percentage point raise in all interest rates would increase the corporation's annual interest costs by EUR 1.1 million (0.7) assuming no change in the amount of the net debt.

The table below shows the Group's net interest bearing debt, currency derivatives, average interest rates on loans and interest rate sensitivity by major currencies.

2019

EUR MILLION	EUR	USD	GBP	DKK	OTHER	TOTAL
External loans and deposits	140.0	5.1	5.1	2.1	-2.5	149.8
Currency derivatives	9.4	-51.2	60.4	-37.5	19.4	0.5
Net debt and currency derivatives	149.4	-46.1	65.5	-35.4	16.9	150.3
Average interest rate on loans (p.a.)	0.9%					
Interest rate sensitivity	1.1	-0.5	0.7	-0.4	0.2	1.1

2018

EUR MILLION	EUR	USD	GBP	DKK	OTHER	TOTAL
External loans and deposits	149.3	-1.4	3.9	1.4	-17.7	135.4
Currency derivatives	-4.4	-50.7	53.7	-10.0	11.3	0.0
Net debt and currency derivatives	144.9	-52.1	57.6	-8.6	-6.4	135.4
Average interest rate on loans (p.a.)	1.0%					
Interest rate sensitivity	0.7	-0.5	0.5	-0.1	0.1	0.7

NOMINAL AMOUNTS OF DERIVATIVES

EUR MILLION	2019	2018
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**316.6**	276.9
Electricity forward agreements		0.5
Cash flow hedges:		
Interest rate swaps*	**50.0**	50.0

* Hedged item: EUR 50m non-current floating rate loan with identical principal and interes profiles.

FAIR VALUE OF DERIVATIVES

EUR MILLION	2019	2018
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**-0.4**	-0.4
Electricity forward agreements		0.4
Cash flow hedges:		
Interest rate swaps	**-0.3**	-0.6

Derivatives have been valued at fair value, which has been determined by using generally accepted valuation techniques supported by observable market data (fair value hierarchy level 2). Derivatives are recognised at fair value through profit and loss except for cash flow hedges, which are recorded in equity.

Gross amounts of derivative assets and liabilities subject to early termination and set-off under International Swaps and Derivatives Association's Master Agreements (ISDA) are presented in the following table.

EUR MILLION	2019	2018
Foreign exchange forwards and swaps		
Assets	**0.1**	0.6
Liabilities	**-0.5**	-1.0
Net	**-0.4**	-0.4

MATURITY OF DERIVATIVES

2019

EUR MILLION	2020	2021	LATER YEARS	TOTAL
Foreign exchange forwards and swaps	316.6			316.6
Electricity forward agreements				
Interest rate swaps	50.0			50.0
Total, Dec 31	366.6			366.6

2018

EUR MILLION	2019	2020	LATER YEARS	TOTAL
Foreign exchange forwards and swaps	276.9			276.9
Electricity forward agreements	0.5			0.5
Interest rate swaps		50.0		50.0
Total, Dec 31	277.4	50.0		327.4

FAIR VALUE OF FINANCIAL INSTRUMENTS

2019

EUR MILLION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments at fair value through profit or loss			28.9	28.9
Investments at fair value through other comprehensive income				
Other investments	0.3		7.6	7.9
Total assets	0.3		36.4	36.7
Derivative liabilities		0.7		0.7
Total liabilities		0.7		0.7

2018

EUR MILLION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments at fair value through profit or loss			25.3	25.3
Investments at fair value through other comprehensive income	453.6			453.6
Other investments	0.4		8.4	8.8
Derivative assets		0.5		0.5
Total assets	454.0	0.5	33.8	488.2
Derivative liabilities		0.9		0.9
Total liabilities		0.9		0.9

For the definition of fair value category levels please see the accounting principles in note 1.

Financial risk management

Financial risks are managed by the corporate treasury, in accordance with a set of risk management principles approved by the Board of Directors.

CURRENCY RISK

Currency risk is linked to changes in the value of Fiskars Group's cash flows, its balance sheet, and/or its competitiveness resulting from changes in exchange rates. Fiskars' currency position is split between its transaction position and translation position, both of which are managed separately.

TRANSACTION RISK

Transaction risk results from the possibility that the value of expected cash flow denominated in a particular currency may change as a result of changes in exchange rates. The objective of Fiskars Group's approach to managing its transaction risk is to reduce the impact of changes in exchange rates on the Group's budgeted profitability and cash flows. Business units are responsible for managing the currency risks associated with their projected and agreed commercial cash flows. Units hedge their exposure using currency forwards with the corporate treasury.

Transaction risk is measured by net of the Group's commercial and financial receivables and liabilities denominated in foreign currencies. The net position is hedged by currency derivatives in accordance with the treasury policy approved by the Board of Directors. Currency forwards and swaps are the most widely used instruments in hedging currency risks.

Less than 20% of Fiskars Group's commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to appreciation of THB and IDR and to depreciation of JPY, AUD and SEK. Higher levels of imports indirectly expose Fiskars to risks linked to changes in the local currencies of its suppliers, of which the most important is the Chinese renminbi.

Fiskars Group does not apply hedge accounting as defined under IFRS 9 for transaction risk purposes. All gains and losses made on currency derivatives are booked in the income statement. Had hedge accounting been applied to currency derivatives Fiskars Group's consolidated profit before tax for 2019 would have been EUR 2.8 million above the reported figure (1.1 million above reported in 2018).

TRANSLATION RISK

Translation risk refers to the impact that changes in exchange rates can have on the consolidated income statement, consolidated statement of cash flows and consolidated balance sheet, and which can affect the value of balance sheet assets, equity, and debt liabilities. In addition to balance sheet values, changes in exchange rates can also result in changes in key indicators, such as equity ratio and gearing. The potential adverse impact on reported consolidated financials arising from changes in foreign exchange rates is left unhedged.

INTEREST RATE RISK

Interest rate risk refers to possible changes in cash flow or in the value of assets or liabilities resulting from changes in interest rates. Interest rate risk is measured by the average reset period of interest rates of financial assets and liabilities. The average reset period reflects the time it takes on average for the change in interest rates to effect on the interest costs of net debt portfolio. The risk is quantified in monetary terms as the change in interest costs during the observation period caused by a permanent one percentage point rise in interest rates. The shorter the average reset period, the more unpredictable are the interest costs and thus the higher the interest rate risk.

Derivatives are used in the management of interest rate risks. The objective is to maintain the average reset period within the agreed limits of 4 to 18 months as set in the treasury policy. As of December 31, 2019 the nominal amount of outstanding interest rate derivatives was EUR 50.0 million (2018: 50.0). The Group's interest-bearing net debt as of December 31, 2018 was EUR 149.8 million (135.4). 69% (69%) of debt was linked to variable interest rates. Taking into consideration the effect of interest rate derivatives, 31% (31%) of debt was linked to fixed interest rates. The average interest rate reset period of interest-bearing debt was 4 months (8).

Sensitivity of interest expenses on changes in market rates has been calculated by assuming permanent one percentage unit increase change in market rates and assuming no change in net debt during the year. The calculated impact on the consolidated result before tax would be EUR 1.1 million (0.7) in 2020.

LIQUIDITY AND RE-FINANCING RISK

Liquidity risk refers to the possibility of the Group's financial assets proving insufficient to cover its business needs or a situation in which arranging such funding would result in substantial additional costs. The objective of liquidity management is to maintain an optimal amount of liquidity to fund the business operations of the Group at all times while minimizing interest costs. Liquidity is considered to be the sum of cash and cash equivalents and available committed credit lines.

Re-financing risk refers to the possibility of such a large amount of liabilities falling due over such a short space of time that the re-financing needed might be unavailable or prohibitively expensive. The objective is to minimize the re-financing risk by diversifying the maturity structure of the debt portfolio.

The Group has extensive unused credit facilities at its disposal to secure its liquidity. As of the end of the year, the unutilized committed revolving credit facilities totaled EUR 300 million (2018: 300) and overdraft facilities EUR 37 million (36). In addition, the Group's parent company in Finland has a commercial paper program amounting to EUR 400.0 million, of which none was utilized as of the end of the year.

COMMODITY RISK

Fiskars Group may use derivatives to hedge its exposure to commodity price fluctuations where appropriate.
At the end of the year, the Group held no outstanding commodity derivative contracts.

CREDIT RISK

Corporate treasury is responsible for evaluating and monitoring financial counterparty risk. The Group minimizes this risk by limiting its counterparties to a limited number of major banks and financial institutions and by working within agreed counterparty limits. Business units are responsible for monitoring customer credit risks.
The Group's clientele is extensive and even the largest customers represent less than 10% of the outstanding receivables. As of the end of the year, the Group's trade receivables totaled EUR 177.4 million (189.3), and the financial statements include provisions for bad debt related to trade receivables totaling EUR 4.5 million (4.5).

MANAGEMENT OF CAPITAL

Fiskars Group is not subject to any externally imposed capital requirements (other than possible local company law requirements effective in the jurisdictions where Fiskars Group companies are active).

The Group's objectives when managing capital are:

- to safeguard the Corporation's capacity to fund its operations and take care of its obligations under all business conditions
- to maintain a balanced business and investment portfolio that provides return both on short and long term to its shareholders
- to maintain possibilities to act on potential investment opportunities

20. Employee defined benefit obligations

Most of Fiskars Group's pension plans are defined contribution plans. The English & Crystal Living business has defined benefit plans in Indonesia, Japan and Slovenia. The defined benefit plans in the U.S., UK and Germany are closed plans, and future pay increases will not impact the valuation. The Group also has supplementary pension plans in Finland which are classified as defined benefit plans. Each plan is operated in accordance with local conditions and practices of the respective country. Authorized actuaries have performed the actuarial calculations for the defined benefit plans.

The main unfunded plans are in the U.S., Germany, Indonesia, Japan and Slovenia. Plans in Finland and Norway are taken care of by local pension insurance companies. The Group estimates its contributions to the plans during 2020 to be EUR 0.9 (1.0) million.

CHARACTERISTICS OF THE DEFINED BENEFIT PLANS AND RISKS ASSOCIATED WITH THEM

	NET LIABILITY		
PLAN	2019	2018	DESCRIPTION AND RISKS
Finland	**0.1**	0.1	There are 31 eligible members in the Finnish pension plans. The plans are either funded insured pension plans, which are closed, or unfunded pension promises. Benefits of the plans are old age pension, disability pension, family pension and funeral grant. Pension increases are based on either insurance companies' own indexes or TyEL index. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Germany	**1.1**	1.1	There are 76 eligible members in the German pension plans. The plans are either unfunded individual pension promises, or unfunded pension plans, which are closed. Benefits of the plans are old age pension, disability pension and widow's/widower's pension. Pension increases, if any, are based on inflation. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Thailand	**0.8**	0.5	There are 635 eligible members in the Thai pension plan, which is a retirement benefit plan. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
UK	**0.0**	0,0	There are 173 eligible members in the British pension plan, which is a closed pension fund. The plan has surplus (asset) of GBP 2.9 (3.0) million at end of 2019, which is not recognized as an assets due to asset ceiling. Benefits of the plan are old age pension, early retirement pension, widow's/widower's pension and death benefit. Pension increases are based on inflation. Main risks are volatility of equity instruments, changes in bond yields, increase in life expectancy and inflation risk. UK legislation requires the board to carry out actuarial valuations at least every three years and to target full funding against a basis that prudently reflects the fund's risk exposure, including the strength of the covenant offered to the fund by Fiskars UK Limited. The most recent actuarial valuation was carried out as at March 31, 2017. From 31 July, 2017 the Company has agreed with the Trustee of the scheme a revised schedule of contributions for the scheme to reduce the annual contributions payable to GBP nil per annum.
U.S.	**5.3**	5.0	There is one eligible member in the American pension plan, which is an unfunded pension obligation. Benefits of the plan are old age pension and widow's/widower's pension. There are no pension increases. Main risks are changes in bond yields and increase in life expectancy.
Indonesia	**3.4**	3.1	There are 765 eligible members in the Indonesian pension plan, which is an unfunded retirement benefit plan. Benefits of the plan are severance pay, death benefit and disability benefit. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Japan	**1.0**	1.1	There are 90 eligible members in the Japanese pension plan, which is a funded and insured pension and retirement allowance plan. Benefits of the plan are old-age pension, death benefit and retirement allowance. There are no pension increases. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Slovenia	**1.4**	1.1	There are 863 eligible members in the Slovenian pension plans, which are unfunded retirement benefit plans. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Norway		0.0	Norwegian pension plan was closed during 2019.
Total net liability	**13.2**	12.2	

Changes in net defined benefit liability

EUR MILLION	PRESENT VALUE OF OBLIGATION	FAIR VALUE OF PLAN ASSETS	TOTAL	ADDITIONAL LIABLITY AND EFFECT OF ASSET CEILING	TOTAL
Jan 1, 2019	29.2	-20.4	8.7	3.5	12.2
Current service cost	0.7		0.7		0.7
Interest expense (+) or income (-)	1.0	-0.5	0.5	0.1	0.6
Administration expenses		0.2	0.2		0.2
Past service cost and gains and losses from settlements	0.2	0.4	0.5		0.5
Total included in personnel expenses (Note 7)	1.8	0.0	1.9	0.1	2.0
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)		-1.5	-1.5		-1.5
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	-0.1		-0.1		-0.1
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	2.7		2.7		2.7
Experience adjustment gains (-) and losses (+)	0.1		0.1		0.1
Changes in asset ceiling, excluding amounts included in interest			0.0	-0.3	-0.3
Remeasurement gains (-) and losses (+) included in OCI	2.7	-1.5	1.2	-0.3	0.9
Translation differences	1.2	-1.0	0.2	0.2	0.4
Employer contributions		-2.0	-2.0		-2.0
Benefits paid	-2.9	2.9	0.0		0.0
Other changes	0.0	0.0	0.0	-0.1	-0.1
Dec 31, 2018	31.8	-22.0	9.8	3.4	13.2

EUR MILLION	PRESENT VALUE OF OBLIGATION	FAIR VALUE OF PLAN ASSETS	TOTAL	ADDITIONAL LIABLITY AND EFFECT OF ASSET CEILING	TOTAL
Jan 1, 2018	31.1	-24.1	7.0	6.0	13.0
Current service cost	0.7		0.7		0.7
Interest expense (+) or income (-)	0.9	-0.4	0.5	0.2	0.7
Administration expenses		0.5	0.5		0.5
Past service cost and gains and losses from settlements	0.2	-0.1	0.0		0.0
Total included in personnel expenses (Note 7)	1.8	0.0	1.7	0.2	1.9
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)		3.1	3.1		3.1
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0.0		0.0		0.0
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-1.0		-1.0		-1.0
Experience adjustment gains (-) and losses (+)	-1.6		-1.6		-1.6
Changes in asset ceiling, excluding amounts included in interest			0.0	-2.7	-2.7
Remeasurement gains (-) and losses (+) included in OCI	-2.6	3.1	0.5	-2.7	-2.2
Translation differences	0.4	0.1	0.5	0.0	0.4
Employer contributions		-1.0	-1.0		-1.0
Benefits paid	-1.5	1.5	0.0		0.0
Other changes		0.0	0.0	0.1	0.1
Dec 31, 2018	29.2	-20.4	8.7	3.5	12.2

Plan assets by asset category

	2019		2018	
EUR MILLION	QUOTED	UNQUOTED	QUOTED	UNQUOTED
Equity instruments	**0.0**		0.0	
Bonds	**0.7**		0.6	
Property	**0.0**		0.0	
Insurance contracts		**18.3**		16.7
Cash and cash equivalents	**3.0**		3.1	
Others	**0.0**		0.0	
Total	**3.7**	**18.3**	3.7	16.7

Principal actuarial assumptions at the balance sheet date

%	2019	2018
Discount rate		
UK	**1.95**	2.8
USA	**2.60**	3.58
Indonesia	**7.68**	9.06
Slovenia	**0.80**	1.80
Other countries	**0.37–2.20**	0.5–3.10
Future salary increases		
UK	**n/a**	n/a
USA	**n/a**	n/a
Indonesia	**5.00**	5.00
Slovenia	**2.50**	2.60
Other countries	**n/a / 0.0–5.0**	0.0–5.0
Future pension increases		
UK	**2.7**	0.0–3.1
USA	**0.0**	0.0
Indonesia	**n/a**	n/a
Slovenia	**n/a**	n/a
Other countries	**1.52**	1.27

Sensitivity analysis

The sensitivity analyses below have been determined based on reasonably changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. A linear extrapolation of these amounts based on alternative changes in the assumptions as well as an addition of combined changes in the individual assumptions is not possible. There are no changes in the way the sensitivity analyses were performed compared to the previous years.

The weighted average of the duration of the defined benefit obligation: 11.7 (11.4)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

	2019		2018	
	DEFINED BENEFIT OBLIGATION		DEFINED BENEFIT OBLIGATION	
EUR MILLION	INCREASE	DECREASE	INCREASE	DECREASE
UK				
Discount rate (0.5% change)	**-1.0**	**1.1**	-0.9	1.0
Future salary (0.5% change)	**n/a**	**n/a**	n/a	n/a
Future pension (0.25% change)	**0.1**	**-0.1**	0.1	-0.1
Other Group companies, total				
Discount rate (0.5% change)	**-0.7**	**0.8**	-0.7	0.7
Future salary (0.5% change)	**0.5**	**-0.4**	0.5	-0.4
Future pension (0.25% change)	**0.0**	**-0.0**	0.0	-0.0

21. Provisions

Warranty provisions relate to products sold and are reviewed and adjusted regularly to reflect the estimated cash outflows to settle the warranty claims. Other provisions include, among others, provisions for legal expenses and estimated costs for refurbishment of premises.

2019

Non-current provisions

EUR MILLION	WARRANTY PROVISION	RESTRUCTURING PROVISION	ONEROUS CONTRACTS AND OTHER PROVISIONS	TOTAL
Provisions, Jan 1	0.4	0.3	4.5	5.1
Translation differences	0.0	0.0	0.0	0.0
Additions			0.2	0.2
Used provisions		-0.2		-0.2
Change in estimates			0.0	0.0
Reversals			-1.0	-1.0
Provisions, Dec 31	0.4	0.1	3.7	4.1

Current provisions

EUR MILLION	WARRANTY PROVISION	RESTRUCTURING PROVISION	ONEROUS CONTRACTS AND OTHER PROVISIONS	TOTAL
Provisions, Jan 1	3.7	-0.0	1.7	5.4
Translation differences	0.0	0.0	0.0	0.1
Additions	0.0		0.1	0.2
Used provisions	-0.1	0.0	-0.1	-0.2
Change in estimates	0.2			0.2
Reversals	-1.5		-0.0	-1.5
Provisions, Dec 31	2.5	0.0	1.7	4.1

2018

Non-current provisions

EUR MILLION	WARRANTY PROVISION	RESTRUCTURING PROVISION	ONEROUS CONTRACTS AND OTHER PROVISIONS	TOTAL
Provisions, Jan 1	0.4	0.9	5.6	6.9
Translation differences	-0.0	-0.0	0.1	0.1
Additions			0.1	0.1
Used provisions		-0.6	0.0	-0.6
Change in estimates			0.1	0.1
Reversals	-0.0		-1.4	-1.4
Provisions, Dec 31	0.4	0.3	4.5	5.1

Current provisions

EUR MILLION	WARRANTY PROVISION	RESTRUCTURING PROVISION	ONEROUS CONTRACTS AND OTHER PROVISIONS	TOTAL
Provisions, Jan 1	3.7	2.8	1.9	8.4
Translation differences	0.1	-0.0	-0.1	-0.0
Additions			0.1	0.1
Used provisions	-0.1	-2.8		-3.2
Reversals	0.1	0.0	0.0	0.1
Provisions, Dec 31	3.7	-0.0	1.7	5.4

22. Trade and other payables

EUR MILLION	2019	2018
Trade payables	**96.3**	93.6
Other debt	**24.2**	29.9
Accrued expenses and deferred income		
Interests	**2.7**	1.5
Wages, salaries and social costs	**40.3**	40.4
Customer rebates and commissions	**49.5**	40.3
Other	**54.7**	62.4
Total, Dec 31	**267.7**	268.2

Other accrued expenses and deferred income comprise periodization of bought materials and supplies, annual rebates for clients and other accrued items.

23. Commitments and contingencies

CONTINGENCIES AND PLEDGED ASSETS

EUR MILLION	2019	2018
Guarantees	**14.7**	18.4
Lease commitments*		89.5
Other contingencies**	**4.3**	11.9
Total pledged assets and contingencies, Dec 31	**19.0**	119.8

* Operating lease obligations have been reported according to IFRS 16 since January 1, 2019.
** Other contingencies include a commitment of USD 3 million to invest in private equity funds.

At 31 December 2019, the Group had a lease contract that has not yet commenced. Start date of the contract is in the beginning of 2022 and at its start date it will create a right-of-use asset and corresponding lease liability to the Group. Lease term of the contract is 12 years and the future lease payments for the contract is EUR 0 million within one year, EUR 9.9 millions within five years and EUR 19.7 millions thereafter.

Litigation

Fiskars Group is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters can not be predicted. Taking into account all available information to date the outcome is not expected to have material impact on the financial position of the Group.

Fiskars Group entities are subject to tax audits in certain countries. It is possible that tax audits may lead to reassessment of taxes. The tax reassessment claim raised by the Finnish Large Taxpayers' Office in 2016, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases, has been further appealed against by the company to the Administrative Court of Helsinki. Fiskars will seek to continue the appeal process in the Supreme Administrative court, if necessary, in which case the process may take years. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

24. Related party transactions

Fiskars Group's related parties are members of the Fiskars Group Board of Directors and Fiskars Group Leadership Team, other key management persons, and individual shareholders with control or significant influence over the company, as well as entities controlled or significantly influenced by them. In addition, associated companies of Fiskars and members of the family of the above-mentioned individuals are also regarded as related parties.

Fiskars Finland Oy Ab rents real estate from its associate Koy Iittalan Lasimäki and has granted a capital loan to the company at inception.

Fiskars Group had no significant transactions, liabilities or receivables with related parties during 2019.

EUR MILLION	2019	2018
Rent	**0.2**	0.2
Capital loan	**0.2**	0.2

SHAREHOLDINGS OF THE BOARD AND KEY MANAGEMENT, DECEMBER 31

Includes holding of corporations under controlling power together with a family member.

	2019			2018		
	OWN HOLDINGS	HOLDINGS OF CONTROLLED CORPORATIONS	TOTAL	OWN HOLDINGS	HOLDINGS OF CONTROLLED CORPORATIONS	TOTAL
Ehrnrooth Paul	**0**	**10,732,841**	**10,732,841**	0	9,732,841	9,732,841
Fromond Louise	**601,135**	**10,567,417**	**11,168,552**	601,135	10,567,417	11,168,522
Luomakoski Jyri	**1,500**	**0**	**1,500**	1,500	0	1,500
Mero Inka	**0**	**0**	**0**	0	0	0
Månsson Fabian	**0**	**2,000**	**2,000**	0	2,000	2,000
Sjölander Peter	**0**	**0**	**0**	0	0	0
Sotamaa Ritva	**3,000**	**0**	**3,000**	1,000	0	1,000
Ehrnrooth Albert[1)]	**855,372**	**13,051,880**	**13,907,252**	855,372	13,051,880	13,907,252
Gripenberg Gustaf[2)]				243,320	4,686,263	4,929,583
Jonasson Blank Ingrid[2)]				0	0	0
Tuominen Jaana	**23,736**	**0**	**23,736**	23,736	0	23,736
Pohjonen Sari	**170**	**0**	**170**	170	0	170
Gaggl Risto	**0**	**0**	**0**			
Taimi Maija	**0**	**0**	**0**			
Lettijeff Ulla[3)]	**0**	**0**	**0**			
Timonen Päivi	**0**	**0**	**0**			
Lindholm Niklas[4)]	**0**	**0**	**0**			
Hyyryläinen Tuomas[5)]	**0**	**0**	**0**			
Bachler Christian[6)]	**0**	**0**	**0**			
Hedberg Johan[6)]	**0**	**0**	**0**			
Halak Michael[7)]	**0**	**0**	**0**			
Ariluoma Nina[8)]				0	0	0
Enckell Thomas[9)]				0	0	0
Kangas-Kärki Teemu[9)]				0	0	0
Garde Due Ulrik[9)]				0	0	0
Matt Alexander[9)]				0	0	0
Valsta Leni[9)]				0	0	0
Tonnesen Paul[10)]				0	0	0
Ziegler Eva[9)]				0	0	0

The Directors and the CEO do not have any debts to the company; nor has the company given pledges or taken on other responsibilities in their names. The shareholdings of the Board and key management represent in total 44.0% of the outstanding shares of the company.

1) Member of the Board of Directors as of March 14, 2018
2) Member of the Board of Directors until March 13, 2019
3) Member of the Fiskars Group Leadership Team until January 11, 2018 until August 6, 2019
4) Member of the Fiskars Group Leadership Team as of August 1, 2018
5) Member of the Fiskars Group Leadership Team as of September 1, 2018
6) Member of the Fiskars Group Leadership Team as of December 4, 2019
7) Member of the Fiskars Group Leadership Team as of April 1, 2019 until December 3, 2019
8) Member of the Fiskars Group Leadership Team until March 31, 2018
9) Member of the Fiskars Group Leadership Team until January 11, 2018
10) Member of the Fiskars Group Leadership Team until June 11, 2018

REMUNERATION OF THE BOARD AND KEY MANAGEMENT

	2019			2018		
EUR THOUSAND	SALARIES AND FEES	STATUTORY PENSION	SUPPLEMENTARY PENSION*	SALARIES AND FEES	STATUTORY PENSION	SUPPLEMENTARY PENSION*
Ehrnrooth Paul	**127.5**			121.5		
Fromond Louise	**58.8**			58.8		
Gripenberg Gustaf	**15.0**			58.8		
Jonasson Blank Ingrid	**19.3**			75.0		
Luomakoski Jyri	**81.5**			76.8		
Mero Inka	**58.5**			57.0		
Månsson Fabian	**81.0**			77.0		
Sjölander Peter	**79.0**			77.0		
Sotamaa Ritva	**80.0**			80.0		
Ehrnrooth Albert	**59.0**			44.5		
Ehrnrooth Alexander	**4.5**			20.3		
Tuominen Jaana	**592.4**	**144.0**	**109.5**	1,491.2	168.1	108.8
Fiskars Group Leadership Team, excluding CEO and President	**2,051.8**	**379.5**	**243.1**	2,178.6	344.9	251.3
Total	**3,308.2**	**523.5**	**352.6**	4,416.3	513.0	360.1

The key management consists of the Board of Directors, the President & CEO and the members of Corporate Management Team (Fiskars Group Leadership Team). The figures are presented on an accrual basis.

Corporate management team belongs to the long-term incentive plans to which participants are selected by the Board of Directors annually. Targets are based on the company's consolidated net sales and EBIT during the vesting period. There are two plans in place, 2017–2019 and 2018–2022. No reward will be paid if targets are not met or if the participant's employment ends before reward payment. The expense recorded during the financial year for the corporate management team is included in the salaries and fees figures above.

The key management has a collective supplementary pension insurance, which includes an old-age pension at the retirement age, vested rights under certain conditions and indemnity payable at death. The amount of pension income is based on the insurance savings. The employer's contribution to the insurance plan is 20% of the preceding year's base salary of CEO and 16–20% of the preceding year's base salary of the Fiskars Group Leadership Team excl. CEO.

The President and CEO's compensation consists of base salary, Annual Bonus Plan and Long-term Incentive Plans. The President and CEO participates on a pro rata basis (according to time) on the ongoing Performance Share Plans for years 2017–2019 and 2018–2022. The President and CEO's employment contract will end by the time of the statutory retirement age. The President and CEO and the Company have a notice period of six months. Remuneration upon dismissal by the Company equals annual base salary, in addition to the salary for the six-month notice period.

25. Share based payments

Long-term incentive plans 2017–2019, 2018–2022, settled in shares

In February 2015, The Board of Directors decided on a new long-term incentive plan for the Group's Chief Executive Officer and Chief Operating Officer. The targets for the plan are based on the company's total shareholder return, with cumulative EBIT treshold cutters. No reward will be paid if targets are not met or if the participant's employment ends before reward payment. Similar plans were instituted for 2016 and 2017.

The vesting period for the long-term incentive plan is three years. If the targets of the plan are reached, rewards will be paid to participants after the end of the vesting period. The bonus will be paid during the quarter following the vesting period, the bonuses for performance in 2017 in the first quarter of 2020.

In February 2018, the Board of Directors approved the establishment of a new Performance Share Plan for years 2018–2022. The Plan has three performance periods of three calendar years each; 2018–2020, 2019–2021 and 2020–2022. The Board of Directors will decide separately for each performance period the participants and the minimum, target and maximum rewards for each participant, as well as the performance criteria and related targets. The targets for the plan are based on total shareholder return, net sales growth and cumulative EBITA and net working capital, with EBITA cutter to the net sales growth criterion.

The rewards for both plans will be paid in the company's shares, after the deduction of the relevant cash proportion that is required for covering taxes and tax-related costs due on the basis of the reward. Shares to be awarded under all the plans will be acquired in public trading arranged by Nasdaq Helsinki, and thus the share plan is not expected to have a diluting effect on the ownership of the company's shareholders.

AMOUNT OF SHARE INCENTIVES AND TERMS AND ASSUMPTIONS IN THE FAIR VALUE CALCULATION	PERFORMANCE SHARE PLAN 2018–2022		2017–2019 PLAN
	2019–2021 PERFORMANCE PERIOD	2018–2020 PERFOMANCE PERIOD	
Maximum number of shares granted, at the end the year	295,600	184,882	29,150
Grant date share price, EUR	16.73		23.03
Estimated realization of share price after vesting and restriction period	13.31		16.46
Expense recorded during the financial year (EUR million)	0.2		0.0
Cumulative expense recorded to equity at the end of the financial year (EUR million)	0.2		0.3
Vesting period starts	1.1.2019	1.1.2018	20.6.2017
Vesting period ends	31.12.2021	31.12.2020	31.12.2019
Number of participants	41	31	2

Long-term incentive plan 2017–2019, settled in cash

Participants in the long-term incentive plans have been selected by the Board of Directors. No reward will be paid if targets are not met or if the participant's employment ends before reward payment. The targets for the incentive plans are based on the company's consolidated net sales and EBIT.

The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2018 will therefore be paid during the first quarter of 2019 and for 2019 during the first quarter of 2020.

TERMS AND ASSUMPTIONS OF THE LONG-TERM INCENTIVE PLANS	2017–2019 PLAN
Expense recorded during the financial year (EUR million)	0.0
Liability at the end of the financial year (EUR million)	0.0
Vesting period starts	1.1.2017
Vesting period ends	31.12.2019
Number of participants in the plan	29

26. Subsidiaries and other participations

During the year 2019 Fiskars Group completed one internal merger. On January 30, 2019 Waterford Wedgwood Doulton Commercial (Shanghai) Ltd shares were sold from Fiskars Hong Kong to Fiskars Europe Holding Oy. On January 31, 2019 WWRD Australia shares were sold from WWRD Netherlands MidCo to Fiskars Europe Holding Oy. On January 31, 2019 Fiskars Australia shares were sold from Fiskars Europe Holding Oy to WWRD Australia. On March 1, 2019 WWRD Australia changed name to Fiskars Australia Pty Ltd.; Fiskars Australia changed name to A.C.N. 083 550 681 Pty Ltd; WWRD Australia, New Zealand branch changed name to Fiskars Australia Pty Ltd (New Zealand Branch). On May 28, 2019 Waterford Wedgwood Doulton Commercial (Shanghai) Ltd changed name to Fiskars Commercial (Shanghai) Co., Ltd. On June 1, 2019 WWRD US changed name to Fiskars Living US, LLC and WWRD Canada changed name to Fiskars Living Canada, Inc. On September 1, 2019 Fiskars UK Ltd changed name to Fiskars Form Limited and WWRD United Kingdom Ltd changed name to Fiskars UK Limited. On November 11, 2019 Nilsjohan AB merged to Fiskars Sweden AB. On December 18, 2019 Fiskars Online Oy Ab was registered.

Shares in subsidiaries

	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	NATURE OF MAIN ACTIVITIES
Fiskars Americas Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Fiskars Brands, Inc.	Madison, WI	US	100.0	100.0	P
Fiskars Canada, Inc.	Toronto	CA	100.0	100.0	S
Consumer Brands (Hong Kong) Co., Limited	Hongkong	HK	1.0	1.0	H
Fiskars Europe Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Consumer Brands (Hong Kong) Co., Limited	Hong Kong	HK	99.0	99.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	98.0	98.0	H
Fiskars Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.0	100.0	H
Fiskars Finland Oy Ab	Helsinki	FI	100.0	100.0	P
Fiskars Brands Rus JSC	St. Petersburg	RU	100.0	100.0	P
Fiskars (Thailand) Co., Limited	Bangkok	TH	1.0	1.0	H
Fispo Sp. z o.o.	Warsaw	PL	100.0	100.0	D
Fiskars Sweden AB	Höganäs	SE	100.0	100.0	S
Fiskars Estonia AS	Tallinn	EE	100.0	100.0	S
Fiskars Benelux B.V.	Oosterhout	NL	100.0	100.0	S
iittala BVBA	Antwerpen	BE	0.5	0.5	S
iittala BVBA	Antwerpen	BE	99.5	99.5	S
Fiskars Denmark A/S	Glostrup	DK	100.0	100.0	P
Royal Copenhagen GmbH	Cologne	DE	100.0	100.0	S
Fiskars Japan Co., Ltd	Tokyo	JP	100.0	100.0	S
Royal Copenhagen Korea Ltd	Seoul	KR	100.0	100.0	S
Fiskars Taiwan Limited	Taipei	TW	100.0	100.0	S
Royal Copenhagen Thailand Ltd	Saraburi	TH	60.0	60.0	P
Fiskars Gardening Equipment (Ningbo), Co., Ltd.	Ningbo	CN	100.0	100.0	P
RC Heritage Center Ltd, Thailand	Saraburi	TH	99.0	99.0	P
Fiskars Hong Kong Ltd	Hong Kong	HK	100.0	100.0	S
Fiskars Consumer Goods (Shanghai) Co., Ltd	Shanghai	CN	100.0	100.0	S
Fiskars Deutschland GmbH	Herford	DE	100.0	100.0	D

	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	NATURE OF MAIN ACTIVITIES
Fiskars France S.A.S.	Wissous	FR	100.0	100.0	P
Fiskars France Sucursal en España	Madrid	ES	100.0	100.0	S
Fiskars Germany GmbH	Herford	DE	100.0	100.0	S
iittala GmbH	Solingen	DE	100.0	100.0	S
Fiskars Italy S.r.l.	Premana	IT	100.0	100.0	P
Fiskars Norway AS	Oslo	NO	100.0	100.0	P
Fiskars Polska Sp. z o.o.	Slupsk	PL	100.0	100.0	P
Fiskars Polska Sp. z.o.o. Hungarian Branch Office	Budapest	HU	100.0	100.0	D
Fiskars Polska Sp. z.o.o. Czech Branch Office	Prague	CZ	100.0	100.0	D
Fiskars Form Limited	Bridgend	GB	100.0	100.0	S
Fiskars Commercial (Shanghai) Co., Ltd.	Shanghai	CN	100.0	100.0	H
UAB Fiskars Lithuania	Vilnius	LT	100.0	100.0	S
Fiskars Latvia SIA	Riga	LV	100.0	100.0	S
Fiskars Living Canada, Inc	New Brunswick	CA	100.0	100.0	S
WWRD UK/Ireland, Ltd.	Stoke-on-Trent	GB	100.0	100.0	D
WWRD Ireland IPCo LLC	Wilmington, DE	US	100.0	100.0	H
WWRD IPCo. LLC	Wilmington, DE	US	100.0	100.0	H
Wedgwood/Doulton USA Acqco 1 Inc.	Wilmington, DE	US	100.0	100.0	H
Wedgwood/Doulton USA Acqco 2 Inc.	Wilmington, DE	US	100.0	100.0	H
Fiskars Living US, LLC	Wilmington, DE	US	100.0	100.0	S
Fiskars UK Limited	Stoke-on-Trent	GB	100.0	100.0	P
WWRD IPCO UK LLC	Wilmington, DE	US	100.0	100.0	H
WWRD Ireland Limited	Waterford	IE	100.0	100.0	P
WWRD IPCO I LLC	Wilmington, DE	US	100.0	100.0	H
Steklarna Rogaška d.o.o.	Rogaška Slatina	SI	100.0	100.0	P
Steklarski HRAM d.o.o.	Rogaška Slatina	SI	100.0	100.0	S
Rogaška Kristal d.o.o.	Zagreb	HR	100.0	100.0	S

	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	NATURE OF MAIN ACTIVITIES
Fiskars Australia Pty Ltd	Arndell Park, NSW	AU	100.0	100.0	S
Fiskars Australia Pty Ltd, New Zealand Branch	Auckland	NZ	100.0	100.0	S
A.C.N. 083,550,681 Pty Ltd	Melbourne	AU	100.0	100.0	S
Josiah Wedgwood & Sons Pty Ltd	Arndell Park, NSW	AU	100.0	100.0	D
Waterford Wedgwood Australia Limited	Stoke-on-Trent	GB	100.0	100.0	D
Fiskars Online Oy Ab	Helsinki	FI	100.0	100.0	S
WWRD Netherlands MidCo B.V.	Amsterdam	NL	100.0	100.0	H
Waterford Wedgwood Trading Singapore Pte Limited	Singapore	SG	100.0	100.0	H
Wedgwood Consulting Shanghai Ltd. PRC	Shanghai	CN	100.0	100.0	D
PT Doulton (Indonesia)	Tangerang	ID	96.2	96.2	P
Ab Åbo Båtvarf - Turun Veneveistämö Oy	Turku	FI	100.0	100.0	D
Avlis AB	Stockholm	SE	100.0	100.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	1.0	1.0	H

H Holding, management or services
P Production and sales
S Sales
D Dormant

27. Subsequent events

There were no significant events after the reporting period.

Parent company financial statements, FAS

PARENT COMPANY INCOME STATEMENT

EUR	NOTE	2019		2018	
Net sales	2	**78,477,220.50**		80,154,333.32	
Cost of goods sold	4	**-2,546,187.62**		-2,431,887.04	
Gross profit		**75,931,032.88**	**97%**	77,722,446.28	97%
Administration expenses	4, 6	**-58,261,691.61**		-55,589,911.94	
Other operating income	3	**1,085,509.45**		973,616.31	
Other operating expenses	4	**-683,042.19**		0.00	
Operating profit (loss)		**18,071,808.53**	**23%**	23,106,150.65	29%
Financial income and expenses	7	**9,643,868.15**		-331,649.32	
Profit (loss) before appropriations and taxes		**27,715,676.68**		22,774,501.33	
Appropriations	8				
Group contribution		**-7,267,259.67**		-464,472.39	
Income taxes	9	**-1,481,766.30**		-2,019,143.40	
Profit (loss) for the financial year		**18,966,650.71**		20,290,885.54	

PARENT COMPANY BALANCE SHEET

EUR	NOTE	DEC 31, 2019		DEC 31, 2018	
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	10	**37,225,174.72**		30,956,988.77	
Tangible assets	11				
Land and water		**35,881,486.83**		35,905,522.66	
Buildings		**11,734,291.10**		10,731,394.98	
Machinery and equipment		**2,149,579.96**		1,998,314.16	
Construction in progress		**3,528,612.06**		2,976,525.17	
Tangible assets total		**53,293,969.95**		51,611,756.97	
Investments	12				
Holdings in subsidiaries		**639,994,066.93**		626,913,519.05	
Receivables from subsidiaries		**0.00**		5,800,000.00	
Other shares		**21,353,244.24**		14,890,911.24	
Investments total		**661,347,311.17**		647,604,430.29	
Non-current assets total		**751,866,455.84**	**76%**	730,173,176.03	52%
CURRENT ASSETS					
Inventories	13	**0.00**		438,575,319.06	
Non-current loan receivables		**43,973.70**		49,241.22	
Current receivables					
Trade receivables		**4,731.24**		458,446.33	
Receivables from subsidiaries	14	**209,002,388.36**		182,059,957.66	
Other receivables		**26,797,803.72**		27,450,564.11	
Prepayments and accrued income	15	**5,338,744.94**		3,969,541.79	
Current receivables total		**241,143,668.26**		213,938,509.89	
Cash and cash equivalents	16	**172,771.13**		11,486,035.22	
Current assets total		**241,360,413.09**	**24%**	664,049,105.39	48%
Assets total		**993,226,868.93**	**100%**	1,394,222,281.42	100%

EUR	NOTE	DEC 31, 2019		DEC 31, 2018	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	17				
Share capital		**77,510,200.00**		77,510,200.00	
Revaluation reserve		**3,738,507.26**		3,744,129.92	
Fair value reserve		**-285,017.25**		-556,170.26	
Treasury shares		**-6,877,330.29**		-5,733,649.09	
Other reserves		**3,204,313.18**		3,204,313.18	
Retained earnings		**416,508,426.43**		880,101,164.77	
Profit (loss) for the financial year		**18,966,650.71**		20,290,885.54	
Shareholders' equity total		**512,765,750.04**	**52%**	978,560,874.06	70%
LIABILITIES					
Non-current	18				
Loans from credit institutions		**50,720,928.49**		150,559,162.45	
Liabilities to subsidiaries		**2,398.36**		2,398.36	
Non-current liabilities total		**50,723,326.85**		150,561,560.81	
Current					
Loans from credit institutions		**109,002,888.34**		8,633,250.33	
Trade payables		**6,636,887.93**		5,298,811.43	
Liabilities to subsidiaries	19	**295,138,480.55**		233,058,762.15	
Other payables		**11,050,422.76**		11,744,293.80	
Accruals and deferred income	20	**7,909,112.46**		6,364,728.84	
Current liabilities total		**429,737,792.04**		265,099,846.55	
Liabilities total		**480,461,118.89**	**48%**	415,661,407.36	30%
Shareholders' equity and liabilities total		**993,226,868.93**	**100%**	1,394,222,281.42	100%

PARENT COMPANY STATEMENT OF CASH FLOWS

EUR	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before appropriations and taxes	**20,448,418.01**	22,310,028.78
Adjustments for		
Depreciation, amortization and impairment	**11,883,171.52**	11,578,518.75
Investment income	**-190,156.15**	-897,250.10
Interest income and dividends	**-19,166,316.25**	-18,696,048.24
Unrealized exchange gains and losses	**-1,075,300.16**	-131,634.94
Interest expenses and other financial costs	**4,224,432.15**	4,498,125.73
Impairment of shares in and receivables from subsidiaries	**-1,469,082.29**	-355,651.01
Group contributions	**7,267,259.67**	464,472.39
Change in provisions and other non-cash items	**6,917,598.35**	493,473.43
Cash flow before changes in working capital	**28,840,024.85**	19,264,034.79
Changes in working capital		
Change in current assets, non-interest bearing	**-30,937,192.01**	-20,498,490.65
Change in inventories	**374,487.98**	0.00
Change in current liabilities, non-interest bearing	**-136,041.02**	740,029.70
Cash flow from operating activities before financial items and taxes	**-1,858,720.20**	-494,426.16
Dividends received	**7,842,398.40**	15,016,935.78
Financial income received	**10,882,424.05**	3,642,838.04
Financial expenses paid	**-3,630,099.13**	-4,720,451.30
Taxes paid	**-733,644.05**	-1,599,048.79
Cash flow from operating activities (A)	**12,502,359.07**	11,845,847.57

EUR	2019	2018
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in other subsidiaries	**-13,480,547.88**	-72,781,000.00
Proceeds from sale of subsidiaries	**0.00**	0.00
Investments in financial assets	**-8,164,757.16**	-929,728.05
Investments in intangible assets and property, plant & equipment	**-19,891,812.23**	-17,175,778.50
Proceeds from sale of property, plant & equipment and other investments	**648,396.93**	1,067,442.91
Sale of other holdings	**1,702,424.16**	1,512,645.88
Change in long term loan receivables	**5,800,000.00**	-506,061.35
Cash flow from investing activities (B)	**-33,386,296.18**	-88,812,479.11
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	**-1,143,681.20**	-2,755,603.31
Change of non-current debt	**261,766.04**	249,686.46
Change in current debt	**57,467,712.81**	65,668,274.65
Change in current receivables	**4,356,027.64**	76,250,863.40
Dividends paid	**-50,906,679.88**	-59,079,649.46
Group contribution received/paid	**-464,472.39**	-298,243.00
Cash flow from financing activities (C)	**9,570,673.02**	80,035,328.74
Change in cash and cash equivalents (A+B+C)	**-11,313,264.09**	3,068,697.20
Cash and cash equivalents at beginning of period	**11,486,035.22**	8,417,338.02
Cash and cash equivalents at end of period	**172,771.13**	11,486,035.22

Notes to the parent company financial statements

1. Parent company accounting principles, FAS

The financial statements of Fiskars Corporation have been prepared in accordance with the Finnish Accounting Act and Ordinance and other statutes regulating the preparation of financial statements (Finnish Accounting Standards, FAS). The financial statements are presented in euro.

The preparation of financial statements in conformity with regulations in force and generally accepted accounting principles requires management to make estimates and assumptions that affect the valuation of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the reporting period balances in foreign currencies are translated using the exchange rate prevailing at the end of the reporting period. Foreign exchange derivatives are recognized at market values and changes in market values are recognized in the income statement.

Net sales

Net sales are defined as invoiced amount less indirect taxes, rebates and exchange rate differences related to sales. Revenue is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Royalty income from trademarks held by Fiskars Corporation is recorded as net sales. Revenue from the sale of securities, dividends and other corresponding income from securities classified as inventories and other income such as service revenue are also recorded as net sales.

Leasing arrangements

Lease payments are expensed as incurred. Future leasing payment obligations are reported as contingent liabilities. Rent income, when the company acts as a lessor, is recorded as net sales.

Pension benefit plans

The statutory and possible supplementary pension plans for the Finnish companies' employees are funded through payments to independent pension insurance companies.

Income taxes

Income taxes consist of the aggregate current tax expense based on the Finnish tax rules and adjustments to prior year taxes. The parent company does not account for deferred taxes as a stand-alone entity.

Derivatives and hedge accounting

Derivatives not designated as hedging instruments are recognized at fair value through profit and loss. Derivatives are initially valued at cost and subsequently at fair value determined at the end of each reporting period. The fair value of derivatives is based on prevailing market rates or rates derived from the prevailing market rates at the end of the reporting period. Fair value changes are recognized in financial items.

Fiskars has applied hedge accounting to changes in the fair value of derivatives designated, qualifying, and effective as cash flow hedges. The changes are recognized in fair value reserve in equity. On balance sheet date, such derivatives consisted of interest derivatives hedging certain loans.

Tangible and intangible assets and other long-term investments

Tangible and intangible assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued.

Revaluations are based on market values at time of the revaluation. Revaluation reserves are adjusted for decreases in the market value of land holdings. When revalued real estate is sold, the respective share in the revaluation reserve is transferred to retained earnings.

Tangible and intangible assets are depreciated and amortized over their expected useful lives. The following expected useful lives are applied:

- Intangible assets 3–10 years
- Buildings 20–40 years
- Vehicles 4 years

- Machinery and equipment 3–10 years
- Land and water No depreciation

Investments in subsidiaries are stated in the balance sheet at cost or at net realizable value if the net realizable value is significantly and permanently impaired. An impairment loss may be reversed until the original acquisition cost, when the value of the investment has been restored.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes both direct and indirect costs. Cost is determined on a first-in first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Financial assets in inventories are stated at the lower of cost and fair value.

Receivables

Receivables are valued at the lower of book value and recoverable value.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. These are booked as provisions in Balance sheet and as corresponding items in Income statement.

Appropriations

Appropriations in the parent company balance sheet consist of depreciation in excess of plan and possible given or received group contributions.

2. NET SALES

EUR	2019	2018
Dividens from financial assets in inventories	**7,842,398.40**	15,016,857.78
IC Service fee	**43,367,846.56**	38,480,555.82
Royalties	**21,430,311.32**	20,971,941.04
Lease income	**1,889,416.51**	1,853,269.90
Other	**3,947,247.71**	3,831,708.78
Total	**78,477,220.50**	80,154,333.32

3. OTHER OPERATING INCOME

EUR	2019	2018
Net gain on sale of property, plant and equipment	**531,119.23**	897,250.10
Other income	**554,390.22**	76,366.21
Total	**1,085,509.45**	973,616.31

4. TOTAL EXPENSES

Total expenses by nature

EUR	2019	2018
Materials and supplies	**-9,989.74**	-15,417.46
Employee benefits	**-18,404,593.37**	-18,317,165.42
Depreciation, amortization and impairment	**-11,883,172.52**	-11,578,518.75
IT expenses	**-16,166,853.47**	-11,534,849.61
Consulting fees	**-5,007,594.66**	-7,535,777.59
External services	**-2,011,156.04**	-2,131,955.16
Other	**-7,324,519.43**	-6,908,114.99
Total	**-60,807,879.23**	-58,021,798.98

Other operating expenses

EUR	2019	2018
Scrapping of fixed assets	**-340,963.08**	
To subsidiaries	**-342,079.11**	
Total	**-683,042.19**	

5. FEES PAID TO COMPANY'S AUDITORS

EUR	2019	2018
Audit fees	**-266,500.00**	-140,000.00
Tax consultation		-1,348,000.00
Other	**-11,090.00**	-100,706.37
Total	**-277,590.00**	-1,588,706.37

6. PERSONNEL COSTS AND NUMBER OF EMPLOYEES

Personnel costs

EUR	2019	2018
Wages and salaries	**-15,258,218.91**	-15,437,254.79
Pension costs	**-2,611,135.34**	-2,499,247.17
Other personnel costs	**-535,239.12**	-380,663.46
Total	**-18,404,593.37**	-18,317,165.42

Number of employees

	2019	2018
Average (FTE)	**175**	163
End of period	**179**	166

7. FINANCIAL INCOME AND EXPENSES

EUR	2019	2018
Dividend income		
From third parties		78.00
Dividend income, total		78.00
Interest and financial income from non-current investments		
From group companies	**11,091,670.67**	4,584,310.56
Interest and financial income from non-current investments, total	**11,091,670.67**	4,584,310.56
Other interest and financial income		
From third parties	**8,277,023.70**	387,447.48
Other interest and financial income, total	**8,277,023.70**	387,447.48
Interest and financial income, total	**19,368,694.37**	4,971,758.04
Interest and other financial expenses		
To subsidiaries		
Interest expenses	**-1,417,417.13**	-1,205,549.55
Loss on disposal of financial assets	**-5,320,670.09**	
Interest and other financial expenses to other parties	**-2,986,739.00**	-4,097,935.81
Interest and other financial expenses, total	**-9,724,826.22**	-5,303,485.36
Total financial income and expenses	**9,643,868.15**	-331,649.32
Net exchange gains and losses included in financial items	**1,075,300.16**	131,634.94

8. APPROPRIATIONS

EUR	2019	2018
Group contribution paid	**-7,267,259.67**	-464,472.39
Total	**-7,267,259.67**	-464,472.39

9. INCOME TAXES

EUR	2019	2018
Current year taxes for profit before extraordinary items	**-1,825,276.60**	-2,024,272.74
Income tax for previous periods	**343,510.30**	5,129.34
Income taxes per income statement	**-1,481,766.30**	-2,019,143.40

10. INTANGIBLE ASSETS

EUR	2019	2018
Historical cost, Jan 1	**82,474,169.54**	68,471,797.06
Additions	**16,389,395.02**	14,003,810.49
Decrease		-1,438.01
Transfers	**-203,346.52**	
Historical cost, Dec 31	**98,660,218.04**	82,474,169.54
Accumulated amortization according to plan, Jan 1	**51,517,180.77**	41,466,446.07
Amortization for the period	**9,917,862.55**	10,050,734.70
Accumulated amortization and impairment, Dec 31	**61,435,043.32**	51,517,180.77
Net book value, Dec 31	**37,225,174.72**	30,956,988.77

11. TANGIBLE ASSETS

2019

EUR	LAND AND WATER	BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	26,234,653.74	33,058,905.67	6,847,129.83	2,976,525.17	69,117,214.41
Additions		465,015.92	374,776.92	2,662,624.37	3,502,417.21
Decreases	-18,413.17	-477,985.63	-155,400.62		-651,799.42
Transfers		2,001,122.48	312,761.52	-2,110,537.48	203,346.52
Historical cost, Dec 31	26,216,240.57	35,047,058.44	7,379,267.65	3,528,612.06	72,171,178.72
Accumulated depreciation and impairment, Jan 1		22,327,510.69	4,848,815.67		27,176,326.36
Depreciation for the period		1,122,279.20	443,030.77		1,565,309.97
Decreases		-137,022.55	-62,158.75		-199,181.30
Accumulated depreciation and impairment, Dec 31		23,312,767.34	5,229,687.69		28,542,455.03
Revaluation, Jan 1	9,670,868.92				9,670,868.92
Decreases	-5,622.66				-5,622.66
Revaluation, Dec 31	9,665,246.26				9,665,246.26
Book value Dec 31, 2019	**35,881,486.83**	**11,734,291.10**	**2,149,579.96**	**3,528,612.06**	**53,293,969.95**

2018

EUR	LAND AND WATER	BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	26,360,712.03	32,530,087.61	6,153,083.65	1,219,062.27	66,262,945.56
Additions		214,144.13	597,257.50	2,359,938.10	3,171,339.73
Decreases	-126,058.29	-140,962.50	-50,050.09		-317,070.88
Transfers		455,636.43	146,838.77	-602,475.20	
Historical cost, Dec 31	26,234,653.74	33,058,905.67	6,847,129.83	2,976,525.17	69,117,214.41
Accumulated depreciation and impairment, Jan 1		21,363,708.23	4,431,170.08		25,794,878.31
Depreciation for the period		1,099,711.36	428,072.69		1,527,784.05
Decreases		-135,908.90	-10,427.10		-146,336.00
Accumulated depreciation and impairment, Dec 31		22,327,510.69	4,848,815.67		27,176,326.36
Revaluation, Jan 1	9,673,942.44				9,673,942.44
Decreases	-3,073.52				-3,073.52
Revaluation, Dec 31	9,670,868.92				9,670,868.92
Book value Dec 31, 2018	**35,905,522.66**	**10,731,394.98**	**1,998,314.16**	**2,976,525.17**	**51,611,756.97**

12. INVESTMENTS

2019

EUR	HOLDINGS IN SUBSIDIARIES	RECEIVABLES FROM SUBSIDIARIES	OTHER SHARES	TOTAL
Historical cost, Jan 1	900,313,519.05	5,800,000.00	15,695,632.70	921,809,151.75
Additions	13,480,547.88		8,164,757.16	21,645,305.04
Decreases		-5,800,000.00	-1,702,424.16	-7,502,424.16
Historical cost, Dec 31	913,794,066.93		22,157,965.70	935,952,032.63
Write-downs, Jan 1	-273,400,000.00		-804,721.46	-274,204,721.46
Decreases	-400,000.00			
Write-downs, Dec 31	-273,800,000.00		-804,721.46	-274,604,721.46
Book value Dec 31, 2019	**639,994,066.93**		**21,353,244.24**	**661,347,311.17**

2018

EUR	HOLDINGS IN SUBSIDIARIES	RECEIVABLES FROM SUBSIDIARIES	OTHER SHARES	TOTAL
Historical cost, Jan 1	646,532,559.43	5,268,938.65	16,277,052.32	668,078,550.40
Additions	253,780,959.62	531,061.35	929,728.05	255,241,749.02
Decreases			-1,511,147.67	-1,511,147.67
Historical cost, Dec 31	900,313,519.05	5,800,000.00	15,695,632.70	921,809,151.75
Write-downs, Jan 1	-92,400,000.00		-804,721.46	-93,204,721.46
Decreases	-181,000,000.00			-181,000,000.00
Write-downs, Dec 31	-273,400,000.00		-804,721.46	-274,204,721.46
Book value Dec 31, 2018	**626,913,519.05**	**5,800,000.00**	**14,890,911.24**	**647,604,430.29**

SHARES IN SUBSIDIARIES

EUR	NUMBER OF SHARES	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	BOOK VALUE
Avlis AB	25,641,347	Stockholm	SE	100.0	100.0	50,519.66
Fiskars Americas Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	110,071,862.76
Fiskars Europe Holding Oy Ab	11,000	Raasepori	FI	100.0	100.0	529,866,752.57
Fiskars (Thailand) Co., Ltd.	100	Bangkok	TH	1.0	1.0	2,409.12
Ab Åbo Båtvarf - Turun Veneveistämö Oy	150	Turku	FI	100.0	100.0	2,522.82
Total Dec 31, 2019						**639,994,066.93**

OTHER SHARES

EUR	BOOK VALUE
Other shares owned by the parent company	21,353,244.24
Total, Dec 31, 2019	**21,353,244.24**

13. INVENTORIES

EUR	2019	2018
Financial assets		438,575,319.06
Total, Dec 31		438,575,319.06

In June 2019 Fiskars Corporation distributed 32.614.026 of its Wärtsilä shares as an extra dividend to shareholders. The remaining 31.317 shares were sold in September 2019.

EUR	2019	2018
Market value of financial assets in inventories		453,607,040.98
Book value of financial assets in inventories		438,575,319.06
Difference		15,031,721.92

14. RECEIVABLES FROM SUBSIDIARIES

EUR	2019	2018
Trade receivables	**32,328,625.24**	26,888,432.12
Loan receivables	**110,129,821.56**	124,892,877.90
Other receivables	**63,072,140.13**	30,045,732.03
Prepayments and accrued income	**3,471,801.43**	232,915.61
Total, Dec 31	**209,002,388.36**	182,059,957.66

15. PREPAYMENTS AND ACCRUED INCOME

EUR	2019	2018
Prepaid and accrued interest	**1,905,099.36**	1,330,971.13
Other prepayments and accruals	**3,433,645.58**	2,638,570.66
Total, Dec 31	**5,338,744.94**	3,969,541.79

16. CASH AND CASH EQUIVALENTS

EUR	2019	2018
Cash and cash equivalents	**172,771.13**	11,486,035.22
Total, Dec 31	**172,771.13**	11,486,035.22

17. SHAREHOLDERS' EQUITY

EUR	2019	2018
Share capital, Jan 1	**77,510,200.00**	77,510,200.00
Share capital, Dec 31	**77,510,200.00**	77,510,200.00
Revaluation reserve, Jan 1	**3,744,129.92**	3,747,203.44
Decrease	**-5,622.66**	-3,073.52
Revaluation reserve, Dec 31	**3,738,507.26**	3,744,129.92
Fair value reserve, Jan 1	**-556,170.26**	-879,829.69
Decrease	**271,153.01**	323,659.43
Fair value reserve, Dec 31	**-285,017.25**	-556,170.26
Treasury shares, Jan 1	**-5,733,649.09**	-3,241,742.32
Increase	**-1,143,681.20**	-2,491,906.77
Treasury shares, Dec 31	**-6,877,330.29**	-5,733,649.09
Other reserves, Jan 1	**3,204,313.18**	3,204,313.18
Other reserves, Dec 31	**3,204,313.18**	3,204,313.18
Retained earnings Jan 1	**900,392,050.31**	939,180,814.23
Dividends	**-483,883,623.88**	-59,079,649.46
Net profit	**18,966,650.71**	20,290,885.54
Retained earnings, Dec 31	**435,475,077.14**	900,392,050.31
Distributable earnings, Dec 31	**428,597,746.85**	894,658,401.22
Shareholders' equity total, Dec 31	**512,765,750.04**	978,560,874.06

18. NON-CURRENT LIABILITIES

EUR	2019	2018
Loans from credit institutions payable		
between one and five years	**50,720,928.49**	150,559,162.45
Loans from credit institutions, total	**50,720,928.49**	150,559,162.45

EUR	2019	2018
Liabilities to subsidiaries		
between one and five years	**2,398.36**	2,398.36
Liabilities to subsidiaries, total	**2,398.36**	2,398.36
Non-current liabilities, total	**50,723,326.85**	150,561,560.81

19. LIABILITIES TO SUBSIDIARIES

EUR	2019	2018
Trade payables	**-12,138.95**	842,642.70
Other liabilities	**295,125,392.03**	232,199,830.11
Accruals and deferred income	**25,227.47**	16,289.34
Total, Dec 31	**295,138,480.55**	233,058,762.15

Comparison figures have been restated.

20. ACCRUALS AND DEFERRED INCOME

EUR	2019	2018
Interests	**1,694,790.90**	1,095,076.01
Wages, salaries and social costs	**4,587,462.70**	3,919,862.17
Other	**1,626,858.86**	1,349,790.66
Total, Dec 31	**7,909,112.46**	6,364,728.84

21. LEASE OBLIGATIONS

EUR	2019	2018
Payments next year	**1,933,358.80**	1,838,910.36
Payments later	**31,523,064.10**	3,589,509.77
Total, Dec 31	**33,456,422.90**	5,428,420.13

22. CONTINGENCIES AND PLEDGED ASSETS

EUR	2019	2018
As security for own commitments	**3,041,013.00**	10,721,405.23
Guarantees as security for subsidiaries' commitments	**14,749,357.00**	18,430,798.00
Total, Dec 31	**17,790,370.00**	29,152,203.23

23. DERIVATIVE CONTRACTS

NOMINAL VALUE, EUR	2019	2018
Foreign exchange forwards and swaps	**492,249,356.52**	459,176,647.74
Interest rate swaps	**50,000,000.00**	50,000,000.00
Total, Dec 31	**542,249,356.52**	509,176,647.74

FAIR VALUE, EUR	2019	2018
Foreign exchange forwards and swaps	**911,338.51**	-1,653,543.40
Interest rate swaps	**-285,017.00**	-556,000.00
Total, Dec 31	**626,321.51**	-2,209,543.40

Board's proposal for distribution of profits and signatures

Proposal on the use of the profit shown on the balance sheet and the payment of dividend in the form of cash

Fiskars Group's aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2019, the distributable equity of the parent company was EUR 428.6 million (2018: EUR 894.7 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.56 per share shall be paid for the financial period that ended on December 31, 2019. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.28 per share shall be on March 12, 2020. The first instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date March 13, 2020. The payment date proposed by the Board for this instalment is March 20, 2020.

The second instalment of EUR 0.28 per share shall be paid in September 2020. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date, which, together with the payment date, shall be decided by the Board of Directors in its meeting scheduled for September 8, 2020. The ex-dividend date for the second instalment would be September 9, 2020, the dividend record date for the second instalment would be September 10, 2020 and the dividend payment date September 17, 2020, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,494,565. The proposed distribution of dividends would thus be EUR 45.6 million (EUR 483.9 million including total amount of 32,614,026 Wärtsilä shares were distributed as extra dividend). This would leave EUR 383.0 million (410.8) of distributable earnings in the parent company.

No material changes have taken place in the financial position of the company since the end of the financial period. The financial standing of the company is good and, according to the Board of Directors' assessment, distributing the proposed dividend will not compromise the company's solvency.

Signatures to the financial statements and the board of directors' report

Helsinki, February 4, 2020

Albert Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Jyri Luomakoski

Inka Mero

Fabian Månsson

Peter Sjölander

Ritva Sotamaa

Jaana Tuominen
President and CEO

The Auditor's Note

Our auditor's report has been issued today.

Helsinki, February 4, 2020
Ernst & Young Oy

Kristina Sandin
Authorized Public Accountant, KHT

(Translation of the Finnish original)

Auditor's Report

To the Annual General Meeting of Fiskars Oyj Abp

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Fiskars Oyj Abp (business identity code 0214036-5) for the year ended 31 December, 2019. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 6 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition	
Refer to the Accounting principles for the consolidated financial statements and note 2. According to the Group's accounting policies revenue is recognized when control of the good or service is transferred to the customer. Customer discounts and credits are considered when determining the revenue. Assessing subsequent discounts and credits require management judgment both at the time of revenue recognition as well as at the end of each reporting period. Due to the multitude and variety of contractual terms across the group's markets management judgment is needed to account for the revenue, and therefore, revenue could be subject to misstatement, whether due to fraud or error. Based on above revenue recognition was a key audit matter. This matter is also a significant risk of material misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of correct timing of revenue recognition included among others: — Assessment of the compliance of the group's accounting policies over revenue recognition, including those relating to discounts and credits, with applicable accounting standards. — Assessment of the revenue recognition process and testing controls relating to timing of revenue recognition, and calculation of discounts and credits. — Testing the accuracy of cut-off with analytical procedures and test of details on a transaction level on either side of the balance sheet date — Analyzing credit notes issued after the balance sheet date. — Assessment of the Group's disclosures in respect of revenues.
Valuation of goodwill	
Refer to the Accounting principles for the consolidated financial statements and note 11. The value of goodwill at the date of the financial statements amounted to 219.6 million euro representing 16 % of total assets and 29 % of equity. Valuation of goodwill was a key audit matter because the assessment process is complex and is based on numerous judgmental estimates and because the amount of goodwill is significant to the financial statements. Valuation of goodwill is based on management's estimate about the value in use calculations of the cash generating units. There are a number of underlying assumptions used to determine the value in use, including development of revenue and profitability and the discount rate applied on cash flows. Estimated value in use of the cash generating units may vary significantly when the underlying assumptions are changed. Changes in above-mentioned individual assumptions may result in an impairment of goodwill.	Our audit procedures included among others: — Involvement EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in impairment testing. — Testing of the mathematical accuracy of the impairment calculations. — Comparing the key assumptions applied by management in impairment tests to approved budgets and forecasts, information available in external sources and our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows. In addition, we compared the outcome of the impairment test with Fiskars' market capitalization. — Assessment of the Group's disclosures in respect of impairment testing.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of trademarks	
Refer to the Accounting principles for the consolidated financial statements and note 11. The Group has 9 trademarks, for which the value at the date of the financial statements amounted to 214.3 million euro representing 16 % of total assets and 28 % of equity. Trademarks with indefinite useful life are tested for impairment at least annually. Valuation of trademarks is based on management's estimate about the value in use calculations of the trademarks. Management prepares the impairment tests of trademarks based on the "relief from royalty" -method. There are a number of underlying assumptions used to determine the value in use, including development of revenue for individual trademarks and the discount rate applied on cash flows. Valuation of trademarks was a key audit matter because the assessment process is complex and is based on numerous judgmental estimates and because the amount of trademarks is significant to the financial statements. Estimated value in use of the trademarks may vary significantly when the underlying assumptions are changed. Changes in above-mentioned individual assumptions may result in an impairment of trademarks.	Our audit procedures included among others: — Involvement EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in impairment testing. — Testing of the mathematical accuracy of the impairment calculations. — Comparing the key assumptions applied by management in impairment tests to approved budgets and forecasts, information available in external sources and our independently calculated industry averages such as weighted average cost of capital used in discounting the cashflows. In addition, we compared the outcome of the impairment test with Fiskars' market capitalization. — Assessment of the Group's disclosures in respect of impairment testing.
Valuation of inventories	
Refer to the Accounting principles for the consolidated financial statements and note 16. Inventories are valued at the lower of cost or net realizable value. Inventories are presented net of an impairment loss recognized for obsolete and slow-moving inventories. At the balance sheet date, the total value of inventory and related provision for obsolete goods amounted to 254.2 M€ and 22.1 M€, respectively (net 232.2 M€). Valuation of inventories was a key audit matter because the carrying value of inventories and related provisions are material to the financial statements, and because valuation of inventories requires management judgment relating to future sales and the level of provision for obsolete goods.	Our audit procedures included among others: — Assessment of the Group's accounting policies over inventory valuation from the perspective of applicable accounting standards — Evaluation of the analyses and calculations made by management with respect to slow moving and obsolete stock and the expected demand and net realizable value related to the inventoried items — Assessment of the Group's disclosures in respect of valuation policies and balance sheet date value of inventories.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Annual General Meeting on March 13, 2019.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, February 4, 2020

Ernst & Young Oy
Authorized Public Accountant Firm

Kristina Sandin
Authorized Public Accountant

Other financial information

Items affecting comparability

Exceptional and material transactions outside the ordinary course of business are treated as adjustments to operating profit. These include items such as gains and losses on disposal of business operations, impairments, costs of discontinued significant business operations, restructuring costs and costs of integrating acquired businesses, major product recalls and fines and penalties. Gains and losses are presented in the income statement as an income or expense on the relevant line item and function. Impairments have been presented in the income statement in depreciation, amortization and impairment of the relevant function or on line impairment when the impairment concerns goodwill. Write-downs are presented in other operating expenses.

Restructuring program

In December 2019 Fiskars Group announced a plan to renew the organizational structure and increase efficiencies. The savings are expected to come from a wide range of areas, including the removal of overlaps in the organization, simplified processes and ways of working, and reduction of workforce. As part of the program, the company will look for synergies and efficiencies in the selling and administrative spending. In addition, the company will evaluate the entire supply and distribution network for efficiency improvements.

The program will target annual net cost savings of approximately EUR 20 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results during the program, which is estimated to be completed by the end of 2021. The total costs of the program are expected to be approximately EUR 30 million by the end of 2021, of which EUR 0.4 million had been recorded by the end of 2019, which will be recorded as items affecting comparability (IAC).

Transformation program in Living segment

In October 2018, Fiskars Group launched a Transformation program in its Living segment aimed at increasing efficiency, reducing complexity and accelerating long-term strategic development.

The program will target annual cost savings of approximately EUR 17 million, subject to the full implementation of the program. The targeted cost savings are expected to be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program is completed, which is estimated to be by the end of 2021. The total costs of the program are approximately EUR 40 million in 2018–2021, which will be recorded as items affecting comparability (IAC).

Other items affecting comparability in 2019

Leborgne divestment costs amounted to EUR 0.8 million. Other adjustments to operating profit totalled EUR -0.5 million in 2019.

EUR MILLION	2019	2018
Operating profit (EBIT)	**60.1**	91.6
Amortization	**-12.9**	-20.9
EBITA	**72.9**	112.5
Items affecting comparability in EBITA		
Restructuring Program	**0.4**	0.0
Personnel-related costs	**0.0**	1.8
Ebertsankey related provisions and impairments	**0.0**	0.4
Alignment program	**-0.2**	2.9
Transformation program in Living segment	**17.0**	2.5
Leborgne divestment	**0.8**	2.5
Other adjustments to operating profit	**-0.3**	-0.8
Total items affecting comparability in EBITA	**17.7**	9.2
Comparable EBITA	**90.6**	121.7

Financial indicators

FIVE YEARS IN FIGURES

		2019	2018	2017	2016	2015
Net sales	EUR million	**1,090.4**	1,118.5	1,185.5	1,204.6	1,107.1
of which outside Finland	EUR million	**977.5**	1,006.6	1,073.1	1,102.0	849.4
in percent of net sales	%	**89.6**	90.0	90.5	91.5	76.7
export from Finland	EUR million	**20.2**	19.5	22.8	24.3	57.1
Percentage change of net sales	%	**-2.5**	-5.6	-1.6	8.8	44.3
Gross profit	EUR million	**447.3**	485.1	512.2	502.9	420.2
in percent of net sales	%	**41.0**	43.4	43.2	41.7	38.0
EBITA	EUR million	**72.9**	112.5	113.2	96.7	62.1
in percent of net sales	%	**6.7**	10.1	9.5	8.0	5.6
Comparable EBITA	EUR million	**90.6**	121.7	119.0	107.1	75.7
Change in fair value of biological assets	EUR million	**-0.2**	2.0	0.7	-0.5	-0.2
Financial items net	EUR million	**3.4**	9.4	119.3	10.5	79.3
in percent of net sales	%	**0.3**	0.8	10.1	0.9	7.2
Profit before taxes	EUR million	**63.2**	103.0	217.8	92.8	125.5
in percent of net sales	%	**5.8**	9.2	18.4	7.7	11.3
Income tax	EUR million	**-10.8**	-21.1	-50.8	-27.4	-39.2
Profit for the period attributable to the equity holders of the company	EUR million	**51.7**	81.6	166.4	64.1	85.1
in percent of net sales	%	**4.7**	7.3	14.0	5.3	7.7
Non-controlling interests' share of profit	EUR million	**0.7**	0.2	0.7	1.3	1.2
Employee benefits	EUR million	**311.9**	307.9	315.3	337.1	291.3
Depreciation, amortization and impairment	EUR million	**59.6**	43.8	38.8	37.4	42.8
in percent of net sales	%	**5.5**	3.9	3.3	3.1	3.9

		2019	2018	2017	2016	2015
Cash flow from operating activities	EUR million	**96.5**	105.9	103.8	83.8	47.6
Capital expenditure	EUR million	**40.0**	46.2	32.8	37.6	32.4
in percent of net sales	%	**3.7**	4.1	2.8	3.1	2.9
Research and development costs in income statement	EUR million	**18.4**	18.4	18.8	18.0	18.0
in percent of net sales	%	**1.7**	1.6	1.6	1.5	1.6
Capitalized development costs	EUR million	**0.0**	0.0	0.0	0.0	0.0
Equity attributable to equity holders of the company	EUR million	**760.9**	1,207.0	1,269.4	1,218.1	1,190.8
Non-controlling interest	EUR million	**3.6**	2.7	2.8	1.9	3.3
Equity total	EUR million	**764.5**	1,209.7	1,272.1	1,220.1	1,194.0
Net interest bearing debt	EUR million	**261.1**	135.4	147.7	152.4	249.4
Working capital	EUR million	**194.4**	197.0	195.9	217.8	190.5
Balance sheet total	EUR million	**1,364.3**	1,719.2	1,837.9	1,760.1	1,833.3
Return on investment	%	**6.0**	7.9	15.4	6.8	8.4
Return on equity	%	**5.3**	6.6	13.4	5.4	7.4
Equity ratio	%	**56.0**	70.4	69.2	69.3	65.1
Net gearing	%	**34.2**	11.2	11.6	12.5	20.9
Personnel (FTE), average		**6,840**	7,219	7,709	8,000	6,303
Personnel, end of period		**6,984**	7,615	7,932	8,560	9,003
of which outside Finland		**5,852**	6,581	6,806	7,336	7,715

SHARE RELATED FIGURES

		2019	2018	2017	2016	2015
Share capital	EUR million	**77.5**	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)*	EUR/share	**0.63**	1.00	2.04	0.78	1.04
Dividend per share	EUR/share	**0.56****	0.54+5.31***	0.72	0.71+0.35	0.70
Dividend	EUR million	**45.6****	44.0	58.8	86.6	57.3
Equity per share	EUR	**9.34**	14.80	15.53	14.91	14.54
Average price	EUR/share	**15.40**	19.37	20.84	17.11	18.69
Lowest price per share	EUR/share	**11.16**	14.48	17.67	15.00	17.30
Highest price per share	EUR/share	**20.60**	25.00	24.00	18.74	21.07
Price per share, Dec 31	EUR/share	**11.26**	15.04	23.96	17.60	18.74
Market value of shares	EUR million	**917.7**	1,226.9	1,954.5	1,438.2	1,534.9
Number of shares, 1.000 pcs		**81,905.2**	81,905.2	81,905.2	81,905.2	81,905.2
Number of treasury shares, 1.000 pcs		**408.7**	332.6	191.5	187.8	0.0
Number of shares traded, 1.000 pcs		**9,148.1**	3,149.5	5,217.9	2,838.0	6,185.3
Price per earnings		**17.8**	15.1	11.7	22.5	18.0
Dividend per earnings in percent		**88.4****	54.1	35.4	135.5	67.4
Dividend yield in percent		**5.0****	3.6	3.0	6.0	3.7
Number of shareholders, Dec 31		**23,495**	20,013	19,536	18,643	18,426

* Reported earnings per share figures for fiscal years 2015-2017 include net changes in the fair value of the investment portfolio.
** Board's proposal.
*** Wärtsilä shares distributed as dividends.

Basic and diluted earnings per share are equal, as the company has no potential ordinary shares.

CALCULATION OF FINANCIAL INDICATORS

EBITA = Operating profit + amortization + impairment

$$\text{Return on investment in percent} = \frac{\text{Profit for the period + income taxes + interest and other financial expenses}}{\text{Equity, total + interest-bearing liabilities (average of beginning and end of year amounts)}} \times 100$$

$$\text{Return on equity in percent} = \frac{\text{Profit for the period}}{\text{Equity, total (average of beginning and end of year amounts)}} \times 100$$

$$\text{Equity ratio in percent} = \frac{\text{Equity, total}}{\text{Balance sheet total}} \times 100$$

$$\text{Net gearing in percent} = \frac{\text{Interest bearing debt - cash and bank}}{\text{Equity, total}} \times 100$$

$$\text{Earnings per share} = \frac{\text{Profit attributable to equity holders of the company}}{\text{Weighted average number of outstanding ordinary shares}}$$

$$\text{Equity per share} = \frac{\text{Equity attributable to equity holders of the company}}{\text{Number of outstanding ordinary shares}}$$

$$\text{Adjusted average share price} = \frac{\text{Value of shares traded during the period}}{\text{Number of shares traded during the period, adjusted for emissions}}$$

Market capitalization = Number of outstanding ordinary shares Dec 31 x market quotation Dec 31

$$\text{Price per earnings (P/E)} = \frac{\text{Market quotation per share, Dec 31}}{\text{Earnings per share}}$$

$$\text{Dividend per earnings in percent} = \frac{\text{Dividend paid}}{\text{Profit attributable to equity holders of the company}} \times 100$$

$$\text{Dividend per share} = \frac{\text{Dividend paid}}{\text{Number of outstanding shares, Dec 31}}$$

$$\text{Dividend yield in percent} = \frac{\text{Dividend per share}}{\text{Market quotation, Dec 31 adjusted for emissions}} \times 100$$

Shares

Number of shares, votes and share capital

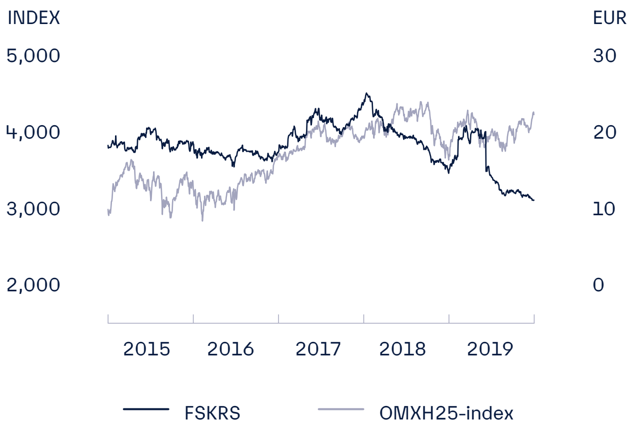
Fiskars Corporation's shares are traded in the Large Cap segment of Nasdaq Helsinki. The Company has one series of shares FSKRS. All shares carry one vote each and have equal rights. The total number of shares at the end of 2019 was 81,905,242 (81,905,242). The share capital remained unchanged in 2019 at EUR 77,510,200.

SHARE DETAILS

Market	Nasdaq Helsinki
ISIN	FI0009000400
Trading code	FSKRS
Segment	Large Cap
Industry	3,000 Consumer Goods
Supersector	3,700 Personal & Household Goods
Shares as of Dec 31, 2019	81,905,242

Fiskars share price development

Euroa, 1.1.2015–31.12.2019.



* Wärtsilä shares distributed as extra dividend in June 2019. The value of the share dividend was EUR 5.31 per Fiskars share.

Treasury shares

As of the end of the year, Fiskars Corporation owned 408,677 treasury shares, corresponding to 0.5% of the Corporation's shares and votes. The Company has acquired the shares at the Nasdaq Helsinki in accordance with the authorizations of the general meetings of the shareholders.

Board authorizations

The Annual General Meeting for 2019 decided to authorize the Board to acquire and convey a maximum 4,000,000 of Fiskars Corporation's own shares.

CHANGES IN THE NUMBER OF SHARES, 2015–2019

Total shares, Dec 31, 2015	81,905,242
Total shares, Dec 31, 2016	81,905,242
Total shares, Dec 31, 2017	81,905,242
Total shares, Dec 31, 2018	81,905,242
Total shares, Dec 31, 2019	81,905,242
Treasury shares Dec 31, 2019	408,677

Shareholders

Fiskars Corporation had 23,495 (20,013) shareholders as of the end of the year. Approximately 3.1% (3.3) of the share capital was owned by shareholders outside Finland or nominee-registered shareholders.

Management shareholding

On December 31, 2019, the Board members, the President & CEO and the CFO and their controlled entities and their managed entities together with a family member, owned a total of 35,839,501 (39,206,194) shares corresponding to 43.8% (47.9) of the Company's shares and votes. The Company did not have any share option programs.

SHARE OWNERSHIP, DECEMBER 31, 2019

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES AND VOTES	%
Private companies	681	2.90	28,378,808	34.65
Financial and insurance institutions	47	0.20	13,988,851	17.08
Public sector organizations	5	0.02	3,590,068	4.38
Non-profit organizations	230	0.98	6,548,861	8.00
Households	22,413	95.39	28,923,513	35.31
Outside Finland	119	0.51	475,141	0.58
Nominee registered	12	0.05	2,049,960	2.50
Total	23,495	100.00	81,905,242	100.00

DISTRIBUTION OF SHARES, DECEMBER 31, 2019

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES AND VOTES	%
1–100	10,998	46.81	536,297	0.65
101–500	8,199	34.90	2,136,976	2.61
501–1,000	2,040	8.68	1,567,672	1.91
1,001–5,000	1,773	7.55	3,756,142	4.59
5,001–10,000	226	0.96	1,591,360	1.94
10,001–50,000	168	0.72	3,444,060	4.20
50,001–100,000	26	0.11	1,804,028	2.20
100,001–500,000	40	0.17	9,670,245	11.81
500,001–999,999,999,999	25	0.11	57,398,462	70.08
Total	23,495	100.00	81,905,242	100.00

MAJOR SHAREHOLDERS, DECEMBER 31, 2019

		TOTAL SHARES	% OF SHARESAND VOTES
1	Virala Oy Ab	12,650,000	15.44
2	Turret Oy Ab	10,330,961	12.61
3	Holdix Oy Ab	10,165,537	12.41
4	Bergsrådinnan Sophie von Julins stiftelse	2,556,000	3.12
5	Oy Julius Tallberg Ab	2,554,350	3.12
6	Keskinäinen työeläkevakuutusyhtiö Varma	2,469,326	3.01
7	Gripenberg Gerda Margareta Lindsay Db	1,981,000	2.42
8	von Julin Sofia Margareta dödsbo	1,560,000	1.90
9	Ehrnrooth Jacob Robert Göran	1,126,929	1.38
10	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,105,442	1.35
11	Ehrnrooth Sophia	1,058,630	1.29
12	Wrede Anna Helena Sophie	928,684	1.13
13	Ehrnrooth Albert	855,372	1.04
14	Lindsay von Julin & Co Ab	749,000	0.91
15	Hartwall Peter Johan	748,450	0.91
16	Therman Anna Maria Elisabeth	722,436	0.88
17	Åberg Albertina	711,063	0.87
18	Fromond Louise	601,135	0.73
19	Fromond Anna	600,518	0.73
20	von Limburg Stirum Mariana Brita Lovisa	596,298	0.73
20	major shareholders	54,071,131	66.02

FISKARS
GROUP

Making the everyday extraordinary

Fiskars Group's vision is to create a positive, lasting impact on our quality of life. Our brands Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood are present in people's everyday lives – at home, in the garden, and outdoors. This gives us an opportunity to make the everyday extraordinary today, and for future generations.

We employ approximately 7,000 people in 30 countries, and our products are available in more than 100 countries. Our shares are listed on the Nasdaq Helsinki (FSKRS). Please visit us at www.fiskarsgroup.com for more information and follow us on Twitter @fiskarsgroup.