



Fiskars Group

Interim report Q1 2021

January–March 2021

INTERIM REPORT JANUARY–MARCH 2021

Exceptionally strong start to the year driven by all Business Areas

First quarter 2021 in brief:

- Net sales increased by 17.9% to EUR 302.1 million (Q1 2020: 256.2)
- Comparable net sales¹ increased by 23.3% to EUR 302.1 million (245.1)
- EBITA increased to EUR 49.1 million (11.9)
- Comparable² EBITA increased by 162.9% to EUR 49.8 million (18.9)
- Cash flow from operating activities before financial items and taxes increased to EUR 10.7 million (-37.5)
- Earnings per share (EPS) were EUR 0.10 (0.06)

OUTLOOK FOR 2021 UPGRADED ON APRIL 19, 2021:

Fiskars Corporation upgraded its guidance on the outlook for 2021, which was originally issued on February 5, 2021 and upgraded on March 24, 2021. The company expects the strong momentum in the first quarter to continue, and now expects the comparable EBITA for 2021 to be in the range of EUR 130 – 145 million.

Visibility continues to be low due to the COVID-19 pandemic, which is profoundly impacting consumers' lives in terms of changes in for example disposable income, purchasing choices and consumer behavior. These may bring challenges as well as opportunities for Fiskars Group. The seasonality of both trade and consumer demand may continue to differ from a typical year.

1) Comparable net sales excludes the impact of exchange rates, acquisitions and divestments

2) Items affecting comparability in EBITA includes items such as restructuring costs, impairment or provisions charges and releases, integration-related costs, and gain and loss from the sale of businesses

CEO'S REVIEW

Fiskars Group had an excellent start to the year, driven by broad-based positive development. The strong momentum from the second half of 2020 continued in the first quarter. I am proud of our talented team, who has been able to continue to deliver such solid results during these exceptional times.

During the quarter, more time spent at home supported demand and consequently supported net sales growth in many of our categories. We have been able to capitalize on the surge in demand, improve the direct channel, create great consumer experiences and strengthen our brands. The positive momentum has been visible in many parts of our business. Demand in the US market has continued to be strong, particularly in the gardening category, where our customers have placed orders earlier than usual. Our growth efforts in Continental Europe have also continued to show good results. Additionally, the Vita segment has continued to grow in China as well as in the important e-commerce channel. It is however, good to remember that the first quarter of 2020 was challenging for Vita, as the pandemic started to have a negative impact already in late January last year.

The strong demand and challenges in the global logistics chains have put pressure on our supply chain, during 2021 in particular. Despite this, we have been able to serve our customers successfully. While the strong net sales development supported our profitability, the strong growth in comparable EBITA was also enabled by other factors. We improved the product mix and gained increased benefits from our ongoing Restructuring and Transformation programs. Temporary cost-cutting measures supported our profitability in the full year 2020, and these measures only had a minor impact on our results in the first quarter of 2021.

As we have stated previously, in 2021 we will focus on executing on our strategy and completing the ongoing programs. Within our strategy, we are continuing to sharpen our focus to creating growth, which is essential for us in the long term. To support the work, we made several important changes during the first quarter. The most notable change concerns the digital space, the importance of which has only increased during the pandemic. We appointed Peter Cabello Holmberg as Chief Digital Officer and member of the Group Leadership Team. He and his team will have a central role in improving our agility to adapt to the rapidly changing digital landscape, as well as realizing benefits in internal processes and the digital consumer experience.



**NATHALIE
AHLSTRÖM**
President & CEO

CEO'S REVIEW

In addition to the increased focus on digital, we continue to strengthen our consumer centric culture, which includes building a more insightful dialogue with consumers and stakeholders. To reach this, we need to further align communications, brand management, sustainability and digitalization. A consumer centric culture is crucial for realizing the ambition of building a strong portfolio of internationally loved brands and making the consumers' everyday extraordinary.

We continue to accelerate our sustainability work toward 2030, by creating a shared ambition and refreshed approach to further integrate sustainability into our business practices. Sustainability is at the core of what we do, and we have now raised our ambition. During the quarter, we published our long-term sustainability ambition, which is to be the sustainability leader in our industry. At the same time, we also renewed our sustainability commitments, which are against a throwaway culture, for a carbon neutral future, and for increased joy. These commitments will guide our work and describe our priorities on our sustainability journey.

As the strong momentum has continued in 2021, we expect the comparable EBITA to be in the range of EUR 130 – 145 million. However, visibility still continues to be low as a result of the COVID-19 pandemic. As previously said, the pandemic has altered consumer habits and needs, shifting the seasonality of both trade and consumer demand. This phenomenon may continue, and create differences compared to a typical year. At the same time, consumers are seeking experiences in their everyday, and we are all continuously committed to catering to those needs.

Nathalie Ahlström
President & CEO



**NATHALIE
AHLSTRÖM**
President & CEO

GROUP KEY FIGURES

EUR million	Q1 2021	Q1 2020	Change	2020
Net sales	302.1	256.2	17.9%	1,116.2
Comparable net sales ¹⁾	302.1	245.1	23.3%	1,101.5
EBITA	49.1	11.9		125.8
Items affecting comparability in EBITA ²⁾	-0.7	-7.0		-11.0
Comparable EBITA	49.8	18.9	162.9%	136.8
Operating profit (EBIT)	45.9	8.4		98.0
Profit before taxes	41.9	8.5		89.8
Profit for the period	8.1	5.1	59.0%	68.5
Earnings/share, EUR	0.10	0.06	60.8%	0.83
Equity per share, EUR	8.90	9.11		9.30
Cash flow from operating activities before financial items and taxes	10.7	-37.5		223.8
Equity ratio, %	54%	51%		57%
Net gearing, %	25%	44%		19%
Capital expenditure	6.1	5.0	21.1%	30.0
Personnel (FTE), average	5,908	6,374	-7.0%	6,104

1) Using comparable exchange rates.

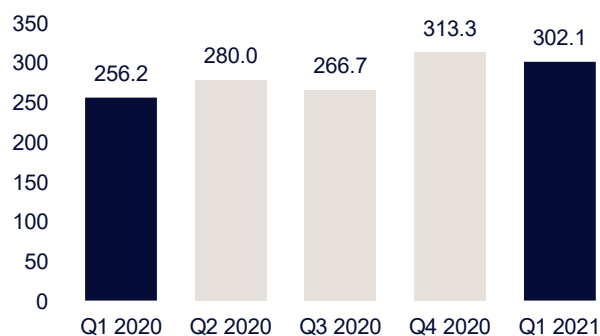
2) In Q1 2021, items affecting comparability consisted mainly of items related to the restructuring program.

GROUP PERFORMANCE

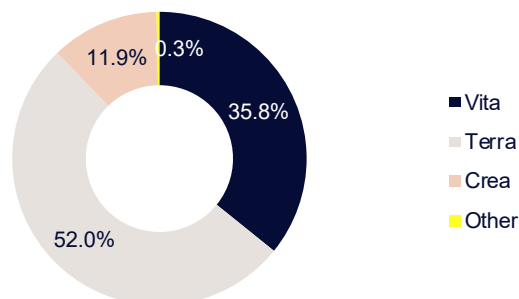
EUR million	Q1 2021	Q1 2020	Change	Comparable change*	2020
Net sales					
Group	302.1	256.2	17.9%	23.3%	1,116.2
Vita	108.2	93.6	15.6%	17.8%	456.6
Terra	157.1	129.3	21.5%	29.3%	493.8
Crea	35.9	32.3	11.3%	17.0%	162.0
Other	0.9	1.0	-9.2%	-9.2%	3.8
Comparable EBITA					
Group	49.8	18.9	162.9%		136.8
Vita	12.5	-3.6			41.0
Terra	32.2	19.3	66.5%		67.5
Crea	8.5	5.6	50.7%		41.1
Other	-3.3	-2.5	-34.3%		-12.8

*Using comparable exchange rates.

NET SALES, EUR MILLION



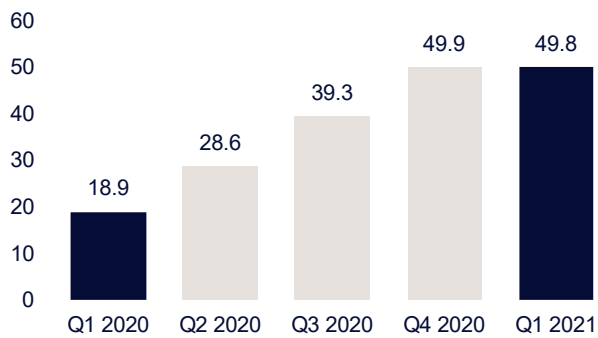
NET SALES SPLIT BY SEGMENT, JANUARY-MARCH 2021



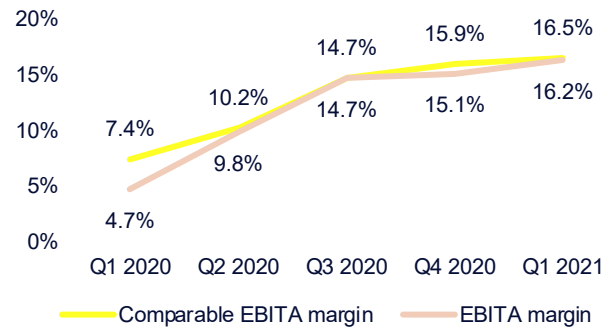
FISKARS GROUP NET SALES IN Q1 2021

Fiskars Group's consolidated net sales increased by 17.9% to EUR 302.1 million (Q1 2020: 256.2). Comparable net sales increased by 23.3%, supported by all Business Areas. Strong demand supported the increase in net sales.

FISKARS GROUP COMPARABLE EBITA, EUR MILLION



FISKARS GROUP COMPARABLE EBITA MARGIN AND EBITA MARGIN



FISKARS GROUP COMPARABLE EBITA IN Q1 2021

Fiskars Group's comparable EBITA increased by 162.9% to EUR 49.8 million (Q1 2020: 18.9). The comparable EBITA increased in all Business Areas. It was supported by increased net sales, gross margin improvement from a more favorable product and channel mix as well as the ongoing programs.

OPERATING ENVIRONMENT IN Q1 2021

The COVID-19 –pandemic continued to significantly impact the operating environment. It remained volatile during the first quarter, and while most markets continued to be impacted, the situation varied by market. Some categories were supported by the situation, while others continued to be challenged.

As different restrictions and lockdowns continued to be implemented in many markets, brick-and-mortar stores were temporarily closed. Therefore, the importance of e-commerce and hybrid models (such as curbside pickup) continued to increase. In the retail space, many department store chains remained under pressure resulting from the pandemic. Consequently, the situation continued to accelerate the shift from traditional players to e-commerce.

Within the gardening and DIY channels, stores in most markets remained open. Demand in these channels was strong during the quarter, as people spent more time at home. The weather conditions have been mostly favorable.

Global supply chains have been under pressure, as the pandemic still impact consumer demand and the global economy. The challenges have included e.g. a lack of sufficient logistics capacity and port congestions.

REPORTING SEGMENTS

This interim report reflects Fiskars Group's organizational structure, which features three Business Areas (BA): Vita, Terra and Crea. Fiskars Group's four primary reporting segments are Vita, Terra, Crea and Other. In addition, Fiskars Group reports net sales for three geographical areas: Europe, Americas and Asia-Pacific.

BA Vita offers premium and luxury products for the tableware, drinkware and interior categories. It consists of brands such as Iittala, Royal Copenhagen, Waterford and Wedgwood.

BA Terra consists of the gardening, watering, and outdoor categories. The brands include Fiskars, Gerber and Gilmour.

BA Crea consists of the scissors and creating as well as the cooking categories, mainly with the Fiskars brand.

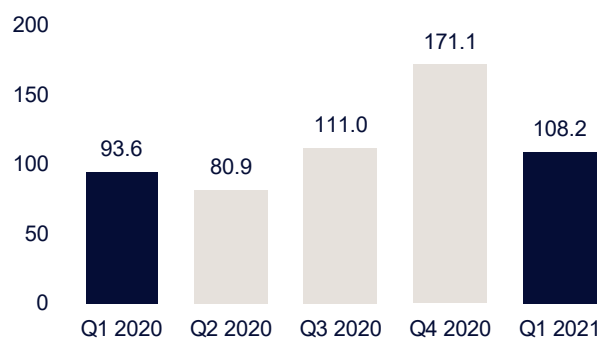
The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

VITA SEGMENT

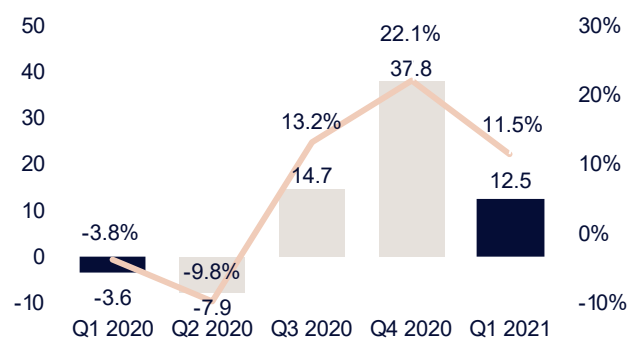
EUR million	Q1 2021	Q1 2020	Change	2020
Net sales*	108.2	93.6	15.6%	456.6
Comparable EBITA	12.5	-3.6		41.0
Capital expenditure	3.3	2.0	66.5%	16.3

*Using comparable exchange rates, net sales increased by 17.8% in Q1 2021.

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



VITA SEGMENT IN Q1 2021

Net sales in the Vita segment increased by 15.6% to EUR 108.2 million (Q1 2020: 93.6). Comparable net sales increased by 17.8%. The key growth drivers were China and the e-commerce channel. Net sales increased for most of the brands. It is good to note that the Q1 2020 figures were negatively impacted by the pandemic.

Net sales increased in many important markets. The strongest growth was in China, the rest of the Asia-Pacific region, Scandinavia and Americas. On the other hand store closures and weak demand in the hospitality channel weighed on sales in the U.K. and Ireland.

On a channel level, net sales increased most in e-commerce, both direct and indirect. The entire direct channel posted positive growth figures, even though store closures had a negative impact on net sales during the quarter. The hospitality channel continued to be negatively impacted by the pandemic.

Comparable EBITA in the Vita segment increased during the quarter and amounted to EUR 12.5 million (-3.6). The comparable EBITA was supported by many factors. Net sales increased and the channel mix was more favorable driven by a higher share of the direct channel. The positive impact from the ongoing programs has also increasingly supported profitability.

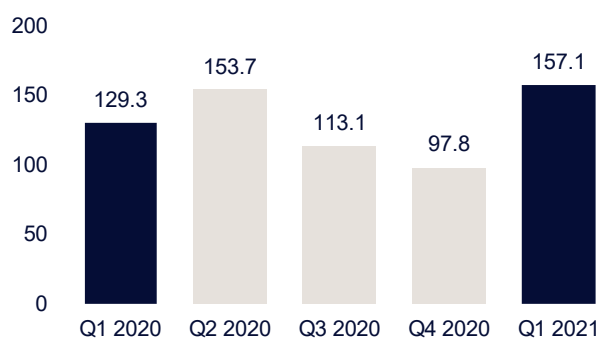
TERRA SEGMENT

EUR million

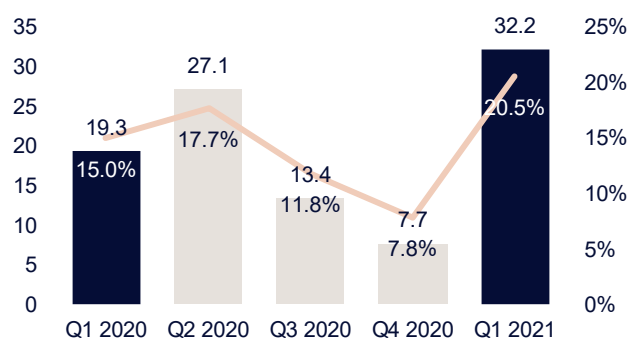
	Q1 2021	Q1 2020	Change	2020
Net sales*	157.1	129.3	21.5%	493.8
Comparable EBITA	32.2	19.3	66.5%	67.5
Capital expenditure	2.1	2.1	0.4%	9.9

*Using comparable exchange rates, net sales increased by 29.3% in Q1 2021.

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



TERRA SEGMENT IN Q1 2021

Net sales in the Terra segment increased by 21.5% to EUR 157.1 million (Q1 2020: 129.3). Comparable net sales increased by 29.3%, supported by double-digit growth in all categories. Demand has been strong, as people have been active at home.

Net sales increased in all categories and was especially driven by the Americas and Continental Europe. The gardening and watering categories were supported by the strong load-in to customers, ahead of the important spring gardening season. Additionally, in Continental Europe certain campaigns and the positive development in the indirect e-commerce supported net sales.

In the outdoor category demand from retailers increased. Although the share of direct e-commerce is still small, net sales in this channel more than doubled from the previous year's level.

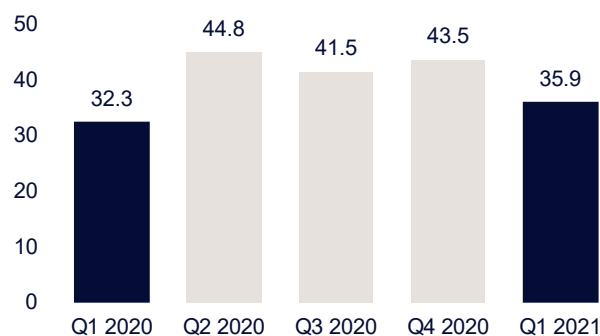
Comparable EBITA in the Terra segment increased during the quarter, and amounted to EUR 32.2 million (19.3). The comparable EBITA increased mainly as a result of the increased net sales.

CREA SEGMENT

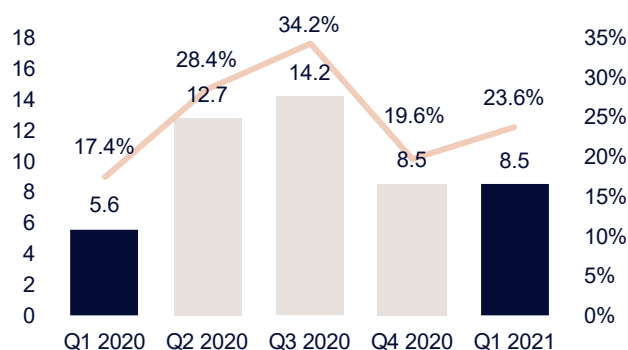
EUR million	Q1 2021	Q1 2020	Change	2020
Net sales*	35.9	32.3	11.3%	162.0
Comparable EBITA	8.5	5.6	50.7%	41.1
Capital expenditure	0.6	0.2	206.5%	1.8

*Using comparable exchange rates, net sales increased by 17.0% in Q1 2021.

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION) AND COMPARABLE EBITA MARGIN



CREA SEGMENT IN Q1 2021

Net sales in the Crea segment increased by 11.3% to EUR 35.9 million (Q1 2020: 32.3). Comparable net sales increased by 17.0%, supported by double-digit growth in all categories. Despite a clear slowdown in the pandemic-driven mask-making activities, demand has been strong, as people have been active at home.

Net sales increased in most markets with only a few exceptions. The main drivers were Continental Europe, Americas and Finland. In Europe, the expansion of the cooking category continued. In Finland, in addition to cooking, the recycled scissors campaign had a positive impact on net sales.

Growth in both direct and indirect e-commerce continued. Net sales in the direct channel as a whole decreased, as a result of store closures.

Comparable EBITA in the Crea segment increased during the quarter and amounted to EUR 8.5 million (5.6). The comparable EBITA was mainly supported by increased volumes and a more favorable product mix.

CONSUMER EVERYDAY

In February, the kitchenware service was expanded to new product categories, as in addition to Arabia, also Iittala, Fiskars and Hackman products were made available. Through the subscription model, tableware, cutlery, drinking glasses and cookware are available effortlessly for a monthly fee. The goal is to provide new alternatives to traditional ownership and it supports our sustainability efforts. Currently the service is only available in Finland.

The Vintage service was piloted in five stores in Sweden in 2020, after being expanded to all Iittala stores in Finland. The results from the pilot in Sweden were positive and during the first quarter a decision was made to expand the service to all Iittala stores in Sweden.

Iittala is celebrating its 140th anniversary, with several activities planned. The main exhibition of the year at the Design Museum Helsinki is about Iittala. In addition, the renowned international publisher Phaidon will publish a book about Iittala. The brand also celebrates the anniversary with a collection of essentials that represent its design. In addition, Iittala will launch a limited edition of 2021 numbered vases in one of the rarest Aalto shapes.

Iittala also opened a new store & café in Tokyo, Japan. The new store, designed by renowned architect Kengo Kuma, is Iittala's first experience store. The store brings the brand

even closer to consumers in Japan by offering them the opportunity to enjoy unique and authentic Nordic taste and lifestyle experiences.

Royal Copenhagen opened a new concept store in Aarhus, Denmark. The new conceptual design embraces all aspects of the shopping experience with Royal Copenhagen, from craftsmanship and brand stories over events and workshops area to the most beautiful table settings.

Wedgwood launched its Renaissance Red –collection in China in January. The launch was built on Tmall's Hay Box –platform, with a combination of advertising, a livestreamed PR event and a social media campaign. The collection was well received, supporting the continued growth in China during the quarter.

Kesko launched a new sustainability campaign in Finland featuring locally produced products made from sustainable materials. Our brands Fiskars and Iittala were both part of the campaign, with our Fiskars Recycled scissors and people from the Billnäs factory featuring in the campaigns' primetime television commercial. The recycled scissors were launched exclusively with Kesko in Finland.

Kitchenware service



Iittala store in Tokyo



Wedgwood Renaissance Red



The Fiskars by Maria Korkeila garden wear collection was made available in our own stores during the quarter. The limited edition series is available in Fiskars own e-commerce channel in Finland, Sweden, Germany and the US.

Fiskars launched a new cookware range, the All Steel Pure. The series is made in Finland from recycled materials, and supports the Group's sustainability work. It was first launched in Finland and Sweden.

Early in 2021, Gerber introduced the DoubleDown Folding Machete, which is made in the US. The machete folds to half its size for quick and easy packability and boasts three different functions. The DoubleDown quickly sold out at major retailers and gained significant earned media coverage.

Gerber Custom, the service on gerbergear.com that enables customers to order customized knives, has been successful. It continues to be the leading driver in direct revenue growth. The service has grown to include 8 customizable products, with several new introductions planned in 2021.

Gerber DoubleDown



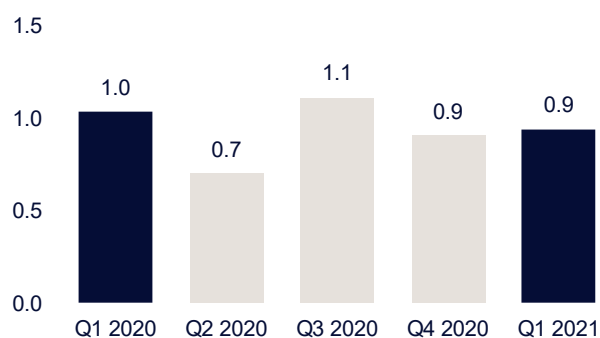
Fiskars Gardenwear



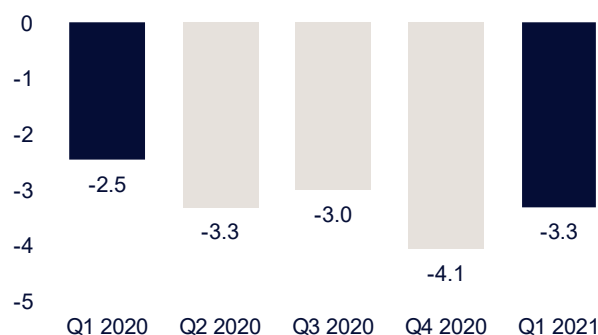
OTHER SEGMENT

EUR million	Q1 2021	Q1 2020	Change	2020
Net sales	0.9	1.0	-9.2%	3.8
Comparable EBITA	-3.3	-2.5	-34.3%	-12.8
Capital expenditure	0.1	0.7	-84.9%	2.2

NET SALES, EUR MILLION



COMPARABLE EBITA (EUR MILLION)



OTHER SEGMENT IN Q1 2021

Net sales in the Other segment amounted to EUR 0.9 million (Q1 2020: 1.0), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -3.3 million (-2.5).

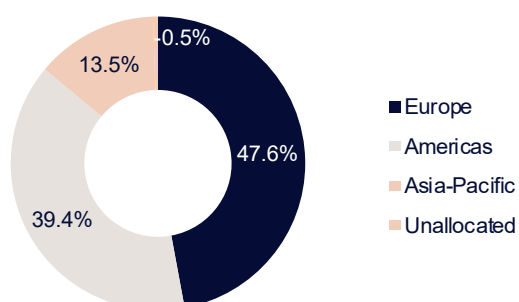
NET SALES BY GEOGRAPHY

EUR million	Q1 2021	Q1 2020	Change	Comparable change*	2020
Europe	143.9	119.0	20.9%	22.0%	495.9
Americas	119.0	108.0	10.2%	20.6%	471.6
Asia-Pacific	40.9	30.7	33.5%	36.4%	154.1
Unallocated**	-1.6	-1.5			-5.4

*Using comparable exchange rates.

**Geographically unallocated exchange rate differences.

FISKARS GROUP NET SALES SPLIT BY GEOGRAPHY, JANUARY-MARCH 2021



NET SALES IN Q1 2021

Net sales in Europe increased by 20.9% and amounted to EUR 143.9 million (Q1 2020: 119.0). Comparable net sales increased by 22.0%. Growth was driven by the positive development in the Nordics and Continental Europe. On the other hand store closures and weak demand in the hospitality channel weighed on sales in the U.K. and Ireland.

Net sales in the Americas increased by 10.2% to EUR 119.0 million (108.0). Comparable net sales increased by 20.6%, supported by all business areas. In particular, the strong sell-in to customers in the Terra segment contributed to the growth.

Net sales in Asia-Pacific increased by 33.5% to EUR 40.9 million (30.7). Comparable net sales increased by 36.4%. It was driven by the Vita segment in most countries, China in particular.

THE IMPACT OF THE COVID-19 PANDEMIC ON FISKARS GROUP IN JANUARY-MARCH 2021

Market situation

The market situation has been highly volatile throughout the pandemic. It was most challenging in March-April 2020, after which it improved clearly. Throughout the pandemic there have been significant differences by category and market. Overall, consumers have shifted focus to e-commerce channels as a result of lockdowns and store closures, which has impacted retailers as well.

In the Vita categories demand has started to improve during the end of 2020 and the first quarter of 2021. Still, store closures have negatively impacted the performance. Gifting is an important part of the business, and it has still been hit by social distancing and restrictions on holding meetings. Additionally, customers in the hospitality channel (i.e. hotels, cruise lines, airlines) have largely halted investments.

In the Terra and Crea categories the pandemic had a different impact. Demand has been strong, as people have spent more time at home. In particular, the gardening and watering categories have seen increased consumer interest. Also, these categories have not been hit by store closures to the same extent as for Vita. For Crea, the demand for scissors and sewing products has increased as people have spent more time at home.

Temporary cost-cutting measures

At the beginning of the pandemic, proactive steps were swiftly introduced to lessen the negative impacts of COVID-19 on operations around the world. As the situation evolved during 2020, a broad range of cost savings were implemented. Most of these measures were taken starting in the second quarter of 2020 and were visible in the financial performance from the second quarter onwards. In 2021, these measures have only had a minor impact on the profitability.

Own stores

The company had to temporarily close stores due to the pandemic, starting in the Asia-Pacific region as early as January 2020. The closures and reopenings varied by country and even by city. The closures reached a high in April 2020, when a significant amount of the Group's stores were closed. The number of store closures has since been at a lower level and varied significantly.

Supply chain

The pandemic has impacted most of the company's own production units. During the pandemic, some units have been temporarily closed to adjust to the decrease in demand, while others increased production volumes. In all units, new arrangements were put in place in order to meet regulations ensuring the health and wellbeing of employees. The strong demand and challenges in the global logistics chains have put pressure on the supply chain, during 2021 in particular. Despite this, the company has been able to serve its customers successfully.

Financial position

Actions to secure liquidity were promptly taken during the first quarter of 2020. The cash level was increased with short-term borrowing (mainly by commercial paper issues and bilateral loans from credit institutions). Driven by the strong cash flow, the majority of these loans were repaid during the second half of 2020.

Throughout the COVID-19 pandemic, Fiskars Group has intensely followed up on and assessed the credit risks of trade receivables. The existing bad debt provision model for expected credit losses is based on the age groups of the trade receivables. Bad debt provision increases in line with the age of the trade receivables, so as the model is followed, the increased credit risk in the form of more mature trade receivables results in a higher bad debt provision. The model is adjusted for forward-looking information. Credit losses have remained at a historically normal level during 2021.

The credit risk of trade receivables, and the amount of bad debt provision was analyzed at the end of the reporting period, with the conclusion being that sufficient provisions have been made.

RISKS AND BUSINESS UNCERTAINTIES

Fiskars Group's business, net sales, and financial performance may be affected by several uncertainties. Fiskars Group has detailed the overall business risks and risk management in its Annual Report and on the company's website at www.fiskarsgroup.com/investors.

The COVID-19 pandemic continues to impact societies around the world and pose a risk for the full-year performance. The development of the situation varies by country, and visibility is low. Lockdowns, store closures, social distancing and other measures taken to combat the pandemic can impact the financial performance of the company as the overall consumer confidence may suffer.

The COVID-19 pandemic is profoundly impacting consumers' lives in terms of changes in for example disposable income, purchasing choices and consumer behavior. More time spent at home has led to increased demand for certain Fiskars Group's product categories and this has presented challenges to Fiskars Group's supply chain. The global supply chains in general are impacted by various disturbances caused by the pandemic, which can further affect Fiskars Group's operations. Continuing safety concerns around COVID-19 can negatively impact sales in the Group's physical stores. However, in the absence of an escalation of the pandemic in the company's key markets, consumer confidence may also strengthen and demand surge in some categories. In other categories, the demand can be negatively impacted if people stay less at home, once the pandemic eases.

The seasonality of the product categories plays a role. For the gardening and watering categories in the Terra segment, the second quarter of the year is seasonally the most important one. Further, back-to-school and the holiday seasons are important for the sales performance during the second half of the year. For the Vita segment, the fourth quarter is the most important quarter both in terms of net sales and comparable EBITA. Any negative issues related to product availability, demand or increased costs from manufacturing or logistics during the important seasons for each of the segments can affect the full-year result significantly. In the current volatile market conditions and depending on the development of the pandemic, the seasonality of demand may differ from a typical year.

Demand for some of Fiskars Group's products is dependent on the weather, particularly garden tools and watering products during the spring and snow tools during the winter. Unfavorable weather conditions such as a cold

and rainy spring and summer and/or snowless winter can have a negative impact on the sale of these products whereas favorable conditions can boost their sales.

Fiskars Group operates globally with a considerable part of the business in the U.S., and with several suppliers in Asia. Growing signs of rising protectionism and country of origin consumer concerns may impact Fiskars Group's business and operations. Continuing trade tensions between the U.S. and China can have a further negative impact on Fiskars Group's business and on the comparable EBITA in 2021.

With a significant part of the business in the U.S. and in other countries outside of the euro zone, Fiskars Group is exposed to fluctuations in foreign currency rates. Weakening of the U.S. dollar or other currencies relative to the euro may have a material impact on the reported financial figures as a result of the translation exposure. Less than 20% of Fiskars Group's commercial cash flows are exposed to fluctuations in foreign exchange rates.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits lead to reassessments of taxes.

FINANCIAL ITEMS, NET RESULT AND CASH FLOW IN Q1 2021

Other financial income and expenses amounted to EUR -4.3 million (Q1 2020: -0.0) including EUR -6.2 million of interests related to the tax dispute. Foreign exchange differences accounted for EUR 0.9 million (0.8) of financial items.

Profit before taxes was EUR 41.9 million (8.5) in the first quarter of 2021. Income taxes for the first quarter were EUR -33.7 million (-3.4). Out of the total income taxes EUR -22.1 million relate to the tax dispute concerning intra-group loans forgiven by the company in 2003. The Supreme Administrative Court did not grant Fiskars Corporation a leave to appeal the case in its decision of March 3, 2021 and consequently, the income tax which was already paid in Q3 2016, was recorded as tax cost in the first quarter of 2021. Interests of EUR 6.2 million relating to the tax decision were posted as interest expense. Earnings per share were EUR 0.10 (0.06), where the tax dispute had a negative impact of EUR 0.35 per share. More details on the tax case on page 20 of this Interim report.

The first quarter cash flow from operating activities before financial items and taxes amounted to EUR 10.7 million (Q1 2020: -37.5). The change was a result of the increase in profit before taxes. Cash flow from financial items and taxes amounted to EUR -12.3 million (-4.2).

Cash flow from investing activities was EUR -4.2 million (-4.2), including EUR -6.1 million of capital expenditure on fixed assets, EUR 0.9 million of proceeds from sale of subsidiary shares and EUR 0.9 million of proceeds from sale of fixed assets. Cash flow from financing activities was EUR -26.3 million (145.8), including EUR 3.4 million of change in current debt, EUR -6.1 million of payments of lease liabilities and EUR -24.5 million of dividends paid. The comparison figure from Q1 2020 included EUR 134.4 million of change in current debt, EUR 39.9 million of change in non-current debt, EUR -6.0 million of payments of lease liabilities and EUR -22.8 million of dividends paid.

Capital expenditure for the first quarter totaled EUR 6.1 million (5.0), relating to retail, supply chain and IT investments. Depreciation, amortization and impairment were EUR 15.1 million (15.6) in the first quarter.

BALANCE SHEET AND FINANCING IN Q1 2021

Fiskars Group's working capital totaled EUR 130.5 million (263.9) at the end of March. The equity ratio was 54% (51%) and net gearing was 25% (44%).

Cash and cash equivalents at the end of the period totaled EUR 31.1 million (109.3). Net interest-bearing debt amounted to EUR 179.6 million (331.3), of which leases classified as interest-bearing debt under IFRS 16 accounted for EUR 95.0 million (107.1).

Excluding leasing debt, short-term borrowing totaled EUR 65.3 million (242.9) and long-term borrowing EUR 51.1 million (91.3). Short-term borrowing consisted mainly of bilateral loans from credit institutions maturing within 12 months.

In addition to outstanding loans, Fiskars Group had EUR 300 million of unutilized long-term committed credit facilities and a commercial paper program of EUR 400 million with Nordic banks.

RESTRUCTURING PROGRAM

During the first half of 2020, Fiskars Group changed its organizational structure and simplified the organization to continue to build one company with a common purpose, strategy and values.

The company also launched a company-wide Restructuring Program, announced in December 2019, 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 is looking for synergies and efficiencies in the selling and administrative spending. In addition, the company is evaluating 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 9.3 million had been recorded by the end of March 2021. They will be recorded as items affecting comparability (IAC) and have a cash flow impact. At the same time, Fiskars Group continues investments in growth initiatives that are expected to add sustainable value in the long-term, e.g., in e-commerce and new business opportunities.

TRANSFORMATION PROGRAM

In October 2018, Fiskars Group launched a Transformation program in its former 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 22.5 million had been recorded by the end of the March 2021. The costs are recorded as items affecting comparability (IAC).

RESEARCH AND DEVELOPMENT

The Group's research and development expenditure totaled EUR 3.7 million (Q1 2020: 4.9) in the first quarter of 2021, equivalent to 1.2% (1.9%) of net sales.

PERSONNEL

The average number of full-time equivalent employees (FTE) was 5,908 (Q1 2020: 6,374) in the first quarter. At the end of the quarter, the Group employed 6,354 (6,784) employees, of whom 1,075 (1,120) were in Finland. The change is mainly due to the actions in the Restructuring and Transformation programs.

SUSTAINABILITY

During the first quarter, the new sustainability ambition, approach and updated commitments were launched. Fiskars Group's ambition is to be the sustainability leader within its industry by 2030. A sustainability approach was developed to describe how to reach the ambition: Fiskars Group is on a mission for the lasting wellbeing of people and planet. Three sustainability commitments describe the priorities during the journey: fight against throwaway culture, for a carbon neutral future and for increased joy. Long-term targets set under each commitment are guiding the sustainability work.

One of the priorities is expansion of the Vintage service. Vintage service buys used Iittala, Arabia and Rörstrand branded tableware, and sells them after a quality inspection. Vintage service is already in place in the stores in Finland and it was piloted in five stores in Sweden in 2020. The results from the pilot in Sweden were positive and during the first quarter a decision was made to expand the service to all Iittala stores in Sweden.

One of the Fiskars Group's long-term targets is to have 100% of waste from own manufacturing recovered or recycled with the zero waste going to landfill. By the end of 2020, a reduction of 79% of waste to landfill was achieved compared to the base year 2017 and the progress has continued well also during the first quarter of 2021.

CHANGES IN ORGANIZATION AND MANAGEMENT

On February 18, 2021, Fiskars Group announced that the communications function was merged with the Consumer Experience and Growth function, led by Tina Andersson. As a result of the change, Chief Communications Officer

Maija Taimi decided to leave the company.

On March 4, 2021 Fiskars Group appointed Peter Cabello Holmberg as Chief Digital Officer and a member of the Fiskars Group Leadership Team. Peter started in his position on March 15, 2021 and reports to the President and CEO.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Fiskars Corporation was not granted a leave to appeal in relation to the tax re-assessment case by the Supreme Administrative Court

On March 19, 2021, Fiskars Corporation announced that the Supreme Administrative Court did not grant a leave to appeal to Fiskars Corporation in relation to the decision made by the Administrative Court of Helsinki in April 2020, which relates to the tax re-assessment decision from the tax audit carried out in 2014. The decision obliged the company to pay EUR 28.3 million in additional tax, interest and punitive increases. The tax re-assessment concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

Fiskars recorded the EUR 21.7 million in additional tax, EUR 6.5 million in interest and EUR 0.1 million in punitive increases as tax and interest costs during the first quarter of 2021. This did not have a cash flow effect during the first quarter of 2021, as the company paid the additional tax, interest and punitive increases during the third quarter of 2016.

ANNUAL GENERAL MEETING 2021

The Annual General Meeting of shareholders of Fiskars Corporation was held at Helsinki Exhibition & Convention Centre, on March 11, 2021. In order to prevent the spread of the COVID-19 pandemic, the AGM was held without shareholders' and their proxy representatives' presence at the venue of the meeting. The shareholders of the company participated in the meeting and exercised their shareholder's rights by voting in advance or through a proxy representative designated by the company. A total of 143 shareholders representing 46.7 million shares and votes were represented at the meeting. The AGM supported all the proposals by the Shareholders' Nomination Board and the Board of Directors by at least 97.4 percent of the votes cast. The AGM approved the financial statements for 2020 and discharged the members of the Board and the President and CEO from liability.

The AGM decided in accordance with the proposal by the Board of Directors to pay dividend of EUR 0.60 per share for the financial period that ended on December 31, 2020. The dividend will be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.30 per share was on March 12, 2021. The first instalment was paid to a shareholder who was registered in the shareholders' register of the company maintained by Euroclear Finland Ltd. on the dividend record date March 15, 2021. The payment date for this instalment was March 22, 2021.

The second instalment of EUR 0.30 per share will be paid in September 2021. The second instalment will 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 9, 2021. The ex-dividend date for the second instalment would be September 10, 2021, the dividend record date for the second instalment would be September 13, 2021 and the dividend payment date September 20, 2021, at the latest.

The AGM decided to adopt the Remuneration Report for the governing bodies.

The AGM decided that the Board of Directors shall consist of eight (8) members. Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Jyri Luomakoski, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were all re-elected to the Board of Directors. The term of the Board members will expire at the end of the AGM in 2022.

Ernst & Young, Authorized Public Accountants firm, was re-elected as auditor for the term that will expire at the end of the AGM in 2022. Ernst & Young has announced that the responsible auditor will be Kristina Sandin, APA. The Annual General Meeting decided that the auditors' fees shall be paid according to a reasonable invoice approved by the Board of Directors.

The AGM decided to authorize the Board to decide on the acquisition of a maximum of 4,000,000 own shares, in one or several instalments, 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 the 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, 2022 and cancels the corresponding authorization granted to the Board by the AGM on March 11, 2020.

The AGM decided to authorize the Board 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 instalments, 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, 2022 and cancels the corresponding authorization granted to the Board by the AGM on March 11, 2020.

CONSTITUTIVE MEETING OF THE BOARD AND BOARD COMMITTEES

Convening after the Annual General Meeting held on March 11, 2021 the Board of Directors elected Paul Ehrnrooth as its Chairman and Jyri Luomakoski as the Vice Chairman. The Board decided to establish a Nomination Committee and appointed Paul Ehrnrooth (Chairman), Louise Fromond and Jyri Luomakoski as the members and Alexander Ehrnrooth as an external member to the Nomination Committee and further decided to establish an Audit Committee and appointed Jyri Luomakoski (Chairman), Albert Ehrnrooth, Louise Fromond and Ritva Sotamaa as the members of the Audit Committee and a Human Resources and Compensation Committee and appointed Paul Ehrnrooth (Chairman), Inka Mero, Fabian Månsson and Peter Sjölander as the members of the committee.

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 433,677 of its own shares at the end of the quarter. 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 during the first quarter was EUR 15.38 (Q1 2020: 10.07). At the end of March, the closing price was EUR 15.86 (EUR 9.60) per share and Fiskars had a market capitalization of EUR 1,292.1 million (782.1). The number of shares traded on Nasdaq Helsinki and in alternative market places from January to March was 2.6 million (5.6), which represents 3.1% (6.8%) of the total number of shares. The total number of shareholders was 28,174 (24,883) at the end of March 2021.

Flagging notifications

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

EVENTS AFTER THE REPORTING PERIOD

On April 19, 2021, Fiskars upgraded its outlook for 2021 and provided preliminary information for the first quarter of 2021.

OUTLOOK FOR 2021 UPGRADED ON MARCH 24, 2021, AND APRIL 19, 2021

Fiskars upgraded its outlook for 2021 on April 19, 2021, as the company expects the strong momentum in the first quarter to continue. The company now expects the comparable EBITA for 2021 to be in the range of EUR 130 – 145 million.

Previous outlook (issued on March 24, 2021):

“In 2021, comparable EBITA is expected to be lower than in 2020, but above EUR 120 million.”

Original outlook (issued on February 5, 2021):

“In 2021, comparable EBITA is expected to be lower than in 2020, but above EUR 110 million.”

Helsinki, Finland, April 28, 2021

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	Q1 2021	Q1 2020	Change %	2020
Net sales	302.1	256.2	18	1,116.2
Cost of goods sold	-170.2	-151.6	-12	-664.1
Gross profit	132.0	104.7	26	452.0
Other operating income	0.9	0.5	59	6.5
Sales and marketing expenses	-59.5	-67.9	12	-241.5
Administration expenses	-23.7	-24.0	1	-90.4
Research and development costs	-3.7	-4.9	25	-16.5
Goodwill and trademark amortization and impairment	-0.0	-0.0	0	-11.4
Other operating expenses	0.0	-0.0		-0.8
Operating profit (EBIT)*	45.9	8.4		98.0
Change in fair value of biological assets	0.3	0.1	174	0.7
Other financial income and expenses	-4.3	-0.0		-8.9
Profit before taxes	41.9	8.5		89.8
Income taxes	-33.7	-3.4		-21.3
Profit for the period	8.1	5.1	59	68.5
Attributable to:				
Equity holders of the parent company	7.9	4.9	61	67.6
Non-controlling interest	0.2	0.2	11	0.8
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.10	0.06	61	0.83
*Comparable EBITA (detailed in notes)	49.8	18.9	163	136.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1 2021	Q1 2020	2020
Profit for the period	8.1	5.1	68.5
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
Translation differences	7.5	-1.8	-25.3
Cash flow hedges	-0.0	0.1	0.3
Items that will not be reclassified to profit or loss			
Defined benefit plan, actuarial gains (losses) net of tax	0.0	0.0	0.2
Other comprehensive income for the period net of tax total	7.5	-1.7	-24.8
Total comprehensive income for the period	15.6	3.4	43.6
Attributable to:			
Equity holders of the parent company	15.4	3.5	43.5
Non-controlling interest	0.2	-0.1	0.1

CONSOLIDATED BALANCE SHEET

EUR million	Mar 31 2021	Mar31 2020	Change %	2020
ASSETS				
Non-current assets				
Goodwill	216.9	220.0	-1	213.7
Other intangible assets	268.9	286.9	-6	268.2
Property, plant & equipment	148.9	156.7	-5	149.2
Right-of-use assets	90.4	104.1	-13	90.2
Biological assets	44.5	43.5	2	44.1
Investment property	3.9	4.2	-8	4.0
Financial assets				
Financial assets at fair value through profit or loss	27.6	26.1	6	24.4
Other investments	8.1	7.8	4	8.1
Deferred tax assets	26.4	27.7	-5	27.4
Non-current assets total	835.5	876.9	-5	829.1
Current assets				
Inventories	219.9	241.1	-9	207.4
Trade and other receivables	247.2	211.4	17	213.8
Income tax receivables	5.2	32.3	-84	29.2
Interest-bearing receivables	0.0	0.0	-57	0.0
Cash and cash equivalents	31.1	109.3	-72	62.5
Current assets total	503.4	594.1	-15	512.8
Assets total	1,339.0	1,471.0	-9	1,342.0
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company	725.0	742.0	-2	757.8
Non-controlling interest	4.0	3.5	13	3.8
Equity total	729.0	745.5	-2	761.6
Non-current liabilities				
Interest-bearing liabilities	51.1	91.3	-71	51.2
Lease liabilities	71.8	84.9	-15	71.8
Other liabilities	2.2	4.4	-51	4.5
Deferred tax liabilities	32.5	31.9	2	31.2
Pension liability	13.6	13.4	2	13.1
Provisions	3.5	3.6	-3	3.6
Non-current liabilities total	174.7	229.4	-24	175.4
Current liabilities				
Interest-bearing liabilities	65.3	242.9	-75	61.2
Lease liabilities	23.2	22.3	4	22.7
Trade and other payables	330.9	217.5	52	309.8
Income tax liabilities	10.1	3.4	200	5.5
Provisions	5.8	10.0	-42	5.7
Current liabilities total	435.3	496.1	-12	404.9
Equity and liabilities total	1,339.0	1,471.0	-9	1,342.0

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1 2021	Q1 2020	2020
Cash flow from operating activities			
Profit before taxes	41.9	8.5	89.8
Adjustments for			
Depreciation, amortization and impairment	15.1	15.6	76.1
Gain/loss on sale and loss on scrap of non-current assets	-0.7	-0.1	-0.1
Other financial items	4.4	0.0	8.6
Change in fair value of biological assets	-0.3	-0.1	-0.7
Change in provisions and other non-cash items	-0.5	7.9	3.9
Cash flow before changes in working capital	59.8	31.8	177.6
Changes in working capital			
Change in current assets, non-interest-bearing	-28.2	-10.4	-25.6
Change in inventories	-8.0	-11.6	15.9
Change in current liabilities, non-interest-bearing	-12.9	-47.3	55.8
Cash flow from operating activities before financial items and taxes	10.7	-37.5	223.8
Financial income received and costs paid	-4.0	1.9	-4.2
Taxes paid	-8.4	-6.1	-20.3
Cash flow from operating activities (A)	-1.7	-41.7	199.2
Cash flow from investing activities			
Investments in financial assets			-1.9
Capital expenditure on fixed assets	-6.1	-5.0	-30.0
Proceeds from sale of fixed assets	0.9	-0.4	1.2
Proceeds from sale of subsidiary shares	0.9	0.0	0.0
Cash flow from other investments	0.0	1.3	1.3
Cash flow from investing activities (B)	-4.2	-4.2	-29.4
Cash flow from financing activities			
Purchase of treasury shares		-0.3	-0.3
Change in current receivables	0.0	-0.0	0.0
Change in non-current debt	0.1	39.9	39.9
Change in current debt	3.4	134.4	-84.5
Payment of lease liabilities	-6.1	-6.0	-24.0
Cash flow from other financing items	0.8	0.6	-1.9
Dividends paid	-24.5	-22.8	-45.7
Cash flow from financing activities (C)	-26.3	145.8	-116.5
Change in cash and cash equivalent (A+B+C)	-32.1	99.9	53.3
Cash and cash equivalent at beginning of period	62.5	9.4	9.4
Translation difference	0.8	0.0	-0.2
Cash and cash equivalent at end of period	31.1	109.3	62.5

CONSOLIDATED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company							Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Financial assets at FVTOCI	Retained earnings		
Opening Balance Jan 1, 2020	77.5	-7.1	20.1	-0.2	-1.9	0.0	672.5	3.6	764.5
Total comprehensive income for the period	0.0	0.0	-1.5	0.1	0.0	0.0	4.9	-0.1	3.4
Purchase of treasury shares		-0.3					0.1		-0.2
Dividend distribution							-22.8	0.0	-22.8
Other changes		0.3					0.4		0.7
Mar 31, 2020	77.5	-7.2	18.6	-0.1	-1.9	0.0	655.1	3.5	745.5
Opening Balance Jan 1, 2021	77.5	-7.2	-4.5	0.1	-1.7	0.0	693.7	3.8	761.6
Total comprehensive income for the period	0.0	0.0	7.5	0.0	0.0	0.0	7.9	0.2	15.6
Purchase and issue of treasury shares		0.0					0.6		0.6
Dividend distribution							-48.9	0.0	-48.9
Mar 31, 2021	77.5	-7.2	2.9	0.1	-1.7	0.0	653.4	4.0	729.0

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

This unaudited Interim report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the annual financial statements.

Figures presented have been rounded and therefore the sum of individual figures might differ from the presented total figure.

REPORTING SEGMENTS

EUR million	Q1 2021	Q1 2020	Change %	2020
Net sales				
Vita	108.2	93.6	16	456.6
Terra	157.1	129.3	21	493.8
Crea	35.9	32.3	11	162.0
Other	0.9	1.0	-9	3.8
Group total	302.1	256.2	18	1,116.2
EUR million	Q1 2021	Q1 2020	Change %	2020
Operating profit (EBIT)				
Vita	10.1	-9.6		11.9
Terra	31.2	16.0	95	60.8
Crea	8.1	4.8	68	38.5
Other	-3.5	-2.8	-25	-13.1
Group total	45.9	8.4	446	98.0
EUR million	Q1 2021	Q1 2020	Change %	2020
Depreciation, amortization and impairment				
Vita	8.1	9.6	-16	50.4
Terra	4.4	4.2	4	17.9
Crea	1.0	1.0	-3	4.4
Other	1.7	0.8	97	3.3
Group total	15.1	15.6	-3	76.1
EUR million	Q1 2021	Q1 2020	Change %	2020
Capital expenditure				
Vita	3.3	2.0	66	16.3
Terra	2.1	2.1	0	9.9
Crea	0.6	0.2	207	1.8
Other	0.1	0.7	-85	2.2
Group total	6.1	5.0	21	30.0

NET SALES BY GEOGRAPHY

EUR million	Q1 2021	Q1 2020	Change %	2020
Net sales				
Europe	143.9	119.0	21	495.9
Americas	119.0	108.0	10	471.6
Asia-Pacific	40.9	30.7	33	154.1
Unallocated	-1.6	-1.5		-5.4
Group total	302.1	256.2	18	1,116.2

OPERATING PROFIT AND COMPARABLE EBITA

EUR million	Q1 2021	Q1 2020	Change %	2020
Operating profit (EBIT)	45.9	8.4	446	98.0
Amortization	-3.2	-3.5	8	-27.8
EBITA	49.1	11.9	312	125.8
Items affecting comparability in EBITA				
Restructuring Program	0.8	7.0	-89	8.1
Transformation program		0.3		3.0
Leborgne divestment				0.2
Other adjustments to operating profit	0.0	-0.2		-0.3
Total items affecting comparability in EBITA	0.7	7.0	-90	11.0
Comparable EBITA	49.8	18.9	163	136.8

INTANGIBLE AND TANGIBLE ASSETS

EUR million	Mar 31 2021	Mar 31 2020	Dec 31 2020
Intangible assets and goodwill			
Book value, Jan 1	481.9	508.2	508.2
Currency translation adjustment	5.0	0.5	-9.7
Additions	2.2	1.9	11.4
Amortization and impairment	-3.2	-3.5	-27.7
Decreases and transfers	0.0	-0.3	-0.3
Book value at end of period	485.9	506.9	481.9
Tangible assets and investment property			
Book value, Jan 1	153.2	165.9	165.9
Currency translation adjustment	1.6	-2.9	-7.2
Additions	3.8	3.1	18.4
Depreciation and impairment	-5.7	-5.9	-22.8
Decreases and transfers	-0.2	0.7	-1.1
Book value at end of period	152.8	160.9	153.2
Investment commitments for property, plant and equipment	2.0	2.0	2.2
Right-of-use assets			
Book value, Jan 1	90.3	108.8	108.8
Currency translation adjustment	1.0	-1.1	-2.9
Additions	6.0	3.1	18.7
Depreciation	-6.3	-6.3	-24.7
Decreases	-0.6	-0.4	-9.8
Book value at end of period	90.4	104.1	90.2

CONTINGENCIES AND PLEDGED ASSETS

EUR million	Mar 31 2021	Mar 31 2020	Dec 31 2020
As security for own commitments			
Guarantees	10.5	11.8	11.5
Other contingencies*	2.0	3.9	1.9
Contingencies and pledged assets total	12.5	15.7	13.4

*Other contingencies include a commitment of USD 1.4 million to invest in private equity funds.

DERIVATIVES

EUR million	Mar 31 2021	Mar 31 2020	Dec 31 2020
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	190.9	281.3	223.6
Interest rate swaps		50.0	
Electricity forward agreements			
Fair value of derivatives			
Foreign exchange forwards and swaps	-0.4	-1.9	-0.4
Interest rate swaps		-0.2	
Electricity forward agreements			

Derivatives have been valued at market value.

EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Less than 20% of Fiskars Group's commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant transaction risks relate to the appreciation of THB and depreciation of SEK, AUD and JPY. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	THB	SEK	USD	AUD	JPY	IDR	GBP	CAD
Operational currency position	-32.7	20.3	-23.9	11.3	10.4	-11.1	8.0	10.2
Exchange rate sensitivity of the operations*	3.3	-2.0	2.4	-1.1	-1.0	1.1	-0.8	-1.0

*Illustrates the impact of 10% depreciation of the currency against EUR on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange transaction risks related to the commercial cash flows are hedged primarily through the use of currency forwards and swaps. As Fiskars does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Mar 31, 2021

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			27.6	27.6
Other investments	0.2		7.9	8.1
Derivative assets				
Total assets	0.2	0.0	35.5	35.6
Derivative liabilities			0.4	0.4
Total liabilities		0.4		0.4

Mar 31, 2020

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			26.1	26.1
Other investments	0.3		7.4	7.8
Derivative assets				
Total assets	0.3	0.0	33.5	33.8
Derivative liabilities			2.1	2.1
Total liabilities		2.1		2.1

Dec 31, 2020

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			24.4	24.4
Other investments	0.2		7.9	8.1
Derivative assets				
Total assets	0.2	0.0	32.2	32.4
Derivative liabilities			0.4	0.4
Total liabilities		0.4		0.4

FAIR VALUE CATEGORIES

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. 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.

Investments EUR million	FVTPL	Other		Total
	Level 3	Level 1	Level 3	
Book value, Mar 31, 2020	26.1	0.3	7.4	33.8
Additions	1.9			0.2
Decreases	-1.2			-8.8
Change in fair value	-2.4	-0.1	0.4	7.2
Book value, Dec 31, 2020	24.4	0.2	7.9	32.3
Additions				1.9
Decreases				-4.1
Change in fair value	3.2	-0.0	0.0	5.4
Book value, Mar 31, 2021	27.6	0.2	7.9	35.6

Investments at fair value through profit or loss (FVTPL) consist of unlisted funds. The fair value of unlisted funds is based on the market value reported by the fund (level 3) and changes are recognized in the income statement.

Other financial assets comprise unlisted shares as well as non-current receivables. Unlisted shares and other investments are measured at the lower of cost and fair value (level 3).

ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments in 2021

The watering assembly plant and related operations in Ningbo, China were sold to Daye (Ningbo Daye Garden Industry Co. Ltd.) on January 22, 2021. The divestment did not have a significant impact on Fiskars' financial position or result.

Acquisitions and divestments in 2020

There have been no acquisitions or divestments in 2020.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

Fiskars Corporation was not granted a leave to appeal in relation to the tax re-assessment case by the Supreme Administrative Court

On March 19, 2021, Fiskars Corporation announced that the Supreme Administrative Court did not grant a leave to appeal to Fiskars Corporation in relation to the decision made by the Administrative Court of Helsinki in April 2020, which relates to the tax re-assessment decision from the tax audit carried out in 2014. The decision obliged the company to pay EUR 28.3 million in additional tax, interest and punitive increases. The tax re-assessment concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

Fiskars recorded the EUR 21.7 million in additional tax, EUR 6.5 million in interest and EUR 0.1 million in punitive increases as tax and interest costs during the first quarter of 2021. This did not have a cash flow effect during the first quarter of 2021, as the company paid the additional tax, interest and punitive increases during the third quarter of 2016.

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