FISKARS GROUP

Financial Statements
2020

Contents

Report by the Board of Directors for the year 2020 3

Financial Statements 20
- **Consolidated Financial Statements, IFRS** 20
  - Consolidated Income Statement 20
  - Consolidated Statement of Comprehensive Income 20
  - Consolidated Balance Sheet 21
  - Consolidated Statement of Cash Flows 22
  - Statement of Changes in Consolidated Equity 23
  - Notes to the consolidated financial statements 24
- **Parent company financial statements, FAS** 78
  - Parent company income statement 78
  - Parent company balance sheet 79
  - Parent Company Statement of Cash Flows 80
  - Notes to the parent company financial statements 81

Board's proposal for distribution of profits and signatures 91

Auditor's Report 93

Other financial information 98
- Items affecting comparability 98
- Financial indicators 99
  - Five years in figures 99
  - Share related figures 100
  - Calculation of financial indicators 100
  - Shares 101
  - Shareholders 102

Notes to the consolidated financial statements

1 General accounting principles 25
- 1.1 Basic information of the Company 26
- 1.2 Basis of preparation 26
- 1.3 Use of estimates 26
- 1.4 Translation of foreign currency items 26
- 1.5 COVID-19 related matters in Fiskars Group 27
- 1.6 New and amended standards applied in financial year ended 27
- 1.7 Adoption of new and amended standards 1st Jan 2021 28

2 Financial performance 29
- 2.1 Segment information 30
- 2.2 Other operating income 33
- 2.3 Total expenses 34
- 2.4 Employee benefits and number of personnel 35
- 2.5 Share based payments 36
- 2.6 Financial income and expenses 37
- 2.7 Income taxes 37
- 2.8 Earnings per share 39

3 Intangible and tangible assets 40
- 3.1 Intangible assets 41
- 3.2 Property, plant and equipment 45
- 3.3 Right-of-use assets 47
- 3.4 Biological assets 48
- 3.5 Investment property 49

4 Operational assets and liabilities 50
- 4.1 Inventories 51
- 4.2 Trade and other receivables 51
- 4.3 Trade and other payables 52
- 4.4 Employee defined benefit obligations 52
- 4.5 Provisions 58

5 Capital structure and financial instruments 59
- 5.1 Financial risk management 60
- 5.2 Financial assets 61
- 5.3 Share capital 63
- 5.4 Financial and lease liabilities 64
- 5.5 Derivatives 69

6 Consolidation and other notes 70
- 6.1 Consolidated financial statements 71
- 6.2 Subsidiaries and other participations 71
- 6.3 Related party transactions 73
- 6.4 Acquisitions and divestments 76
- 6.5 Commitments and contingencies 77
- 6.6 Subsequent events 77

Report by the Board of Directors for the year 2020

With the vision to create a positive, lasting impact on the quality of life, Fiskars Group pursues profitable growth with the ambition to be the first choice in the garden and outdoors, in the kitchen and at the table.

To achieve this ambition, Fiskars Group relies on its deep understanding of the everyday and combines passion for design, innovation and quality with a firm commitment to sustainability. The company delivers value by building brands that people love, driving a business that customers respect and developing a culture where people can perform at their best.

The Fiskars Group team consists of diverse and creative professionals, serving people around the world with a portfolio of loved brands. The ambition, market and category scope for each of the brands is continuously evaluated to target marketing and sales resources as well as investments for each of the brands. The brand portfolio is categorized in three groups: power brands (Fiskars); focus brands (Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood) and local brands, such as Arabia, Rörstrand and Royal Doulton.

Fiskars Group's business is based on understanding and predicting consumer needs, aspirations motives, and behavior. Insight and understanding of the consumer is the starting point for the brands as well as building the offering, sales and marketing activities. Culture that brings consumer to every discussion, decision and action is enabling Fiskars Group to build loved brands that travel.

Consumers' understanding on global influences like climate change, resource scarcity, and digitalization is higher than ever. For Fiskars Group this is an opportunity to take an action on solving these global challenges and creating solutions that support consumers in their journey towards more sustainable future.

Fiskars Group is committed to driving employee engagement by creating an inclusive and inspiring working environment. The company recognizes the importance of its people to contribute to its success and continuously invests in opportunities for employees to learn and grow. Building values-based leadership help Fiskars Group leaders to shape their skills and engage with people, which is crucial in creating value for the consumers and other stakeholders. Fiskars Group's culture is based on strong values, engaging leadership and clear ways of working that set us apart from competitors.

COVID-19 impacts on the employees

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. Fiskars Group acted quickly to ensure the health and wellbeing of the employees and other people working in the value chain. Since the start of the pandemic, the number one concern was for the employees' safety and wellbeing. Quick actions were taken to help prevent the spread of COVID-19 and local authorities' guidance were closely followed in the different operating countries.

To continuously monitor the situation and coordinate the actions to keep the people safe and healthy, a COVID-19 task force was formed consisting of representatives from across the company. The task force met regularly throughout the year and worked with the different teams to implement measures.

Office employees were kept safe by implementing remote working for all employees who could do so. Local and international business travel was suspended to limit people's movement and keep them safe. In the manufacturing units and distribution centers, safety measures were enhanced by implementing necessary protective guidelines, reviewing cleaning protocols, and separating shifts to minimize interaction and reduce congestion. Safeguards were also put in place in own stores to keep employees and consumers safe. This included enhancing cleaning protocols, installing plexiglass shields, and limiting visitors' numbers to the stores to allow for adequate social distancing.

This year required a lot from Fiskars Group's employees, who were working under difficult conditions during the pandemic, amid furloughs and other savings measures, and who continued to deliver such positive results serving Fiskars Group's customers and consumers.

Year 2020 in brief: Strong development in an exceptional year, enabled by agility and resilience

The entire Fiskars Group team demonstrated agility and resilience in the exceptional circumstances during the year and made great progress. The health and wellbeing of employees has been a key priority for the company, with several measures implemented to ensure healthy working conditions during the pandemic. Fiskars Group's business performed exceptionally well in 2020, and net sales and comparable EBITA increased compared to the previous year.

The COVID-19 pandemic had a significant impact on the business during the year. Volatility increased due to the pandemic and visibility decreased. Fiskars Group reacted quickly and decisively to the pandemic already during Q1. Throughout the year the company managed costs and invested in the direct e-commerce and product availability, especially when demand increased in some of the categories, for example in gardening, scissors and crafting. Despite temporary store and factory closures as well as personnel furloughs the company was able to maintain operations, serve customers and consumers and create great consumer experiences.

The pandemic had a significant negative impact on Business Area Vita throughout the year. Footfall to stores decreased, retailers reduced their stocks and gifting decreased, leading to a decrease in net sales. Despite the difficulties, comparable EBITA increased, largely thanks to the savings measures. There are pockets of positive development in BA Vita, as for example the expansion in China has proceeded well and the direct e-commerce channel is growing. These efforts will also continue going forward.

Both BA Terra and Crea performed very well during the year, with growth in net sales and comparable EBITA. Terra gained support from favorable weather conditions, increased distribution and strong demand in gardening and fixing categories, as people stayed at home. Crea also benefitted from people staying at home and the increased distribution.

The focused execution of the strategic priorities continues. In 2021, the company plans to complete the two on-going transformation programs, aiming at increasing simplicity and efficiency. Part of the targeted cost savings have already materialized in the results.

During 2020, cash flow from operating activities before financial items and taxes amounted to EUR 223.8 million (117.5). Earnings per share were EUR 0.83 (0.63).

Group performance

In 2020, Fiskars Group's organization featured 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. Segment financial figures for the year 2019 have been restated for the new primary reporting segments. The restated figures have not been audited.

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.

NET SALES

EUR MILLION	2020	2019	CHANGE	COMPARABLE CHANGE
Group	**1,116.2**	1,090.4	2.4%	3.8%
Vita	**456.6**	500.8	-8.8%	-8.1%
Terra	**493.8**	442.9	11.5%	14.1%
Crea	**162.0**	142.9	13.4%	14.4%
Other	**3.8**	3.9	-4.1%	-4.2%

Fiskars Group's consolidated net sales increased by 2.4% to EUR 1,116.2 million (2019: 1,090.4). Comparable net sales increased by 3.8%. Comparable net sales increased in the Crea and Terra segments, driven by strong demand and increased distribution. The increase was subdued by the challenges in the Vita segment, as the COVID-19 pandemic impacted the business and comparable net sales decreased.

COMPARABLE EBITA

EUR MILLION	2020	2019	CHANGE
Group	**136.8**	90.6	50.9%
Vita	**41.0**	38.8	5.5%
Terra	**67.5**	36.2	86.5%
Crea	**41.1**	28.0	46.6%
Other	**-12.8**	-12.5	3.0%

Fiskars Group's comparable EBITA increased by 51% to EUR 136.8 million (2019: 90.6). The comparable EBITA increased in the Terra and Crea segments. The increase was supported by the significant temporary cost-cutting measures implemented from the second quarter onwards. The effects of the long-term efficiency actions in the ongoing programs were also visible, for example related to the new organizational structure, which was implemented in the beginning of the second quarter.

Comparable EBITA increased in the Vita segment. Significant cost-cutting measure supported profitability, while a decrease in sales volumes had a negative impact. In the Terra segment, comparable EBITA increased, supported by increased sales volumes and cost-cutting measures. In the Crea segment, comparable EBITA increased, supported by increased volumes, inventory efficiencies and cost-cutting measures, which were partly offset by a weaker product mix.

Operating environment in 2020

The operating environment was volatile in 2020. While some categories were supported by the situation, others were challenged.

In some of the categories, the negative impact from the COVID-19 pandemic increased towards the end of the first quarter and continued until the end of the year. Overall, April was the most difficult month during the year. Significant challenges were faced on the markets, including decreased footfall to stores and an impact on demand. On the other hand, there was a positive effect on some categories, as people spent more time at home due to the pandemic. These categories include gardening and crafting.

The importance of e-commerce increased during the year, as brick-and-mortar stores were temporarily closed in many markets. Despite the temporarily eased pandemic situation, consumer behavior is different from the pre-pandemic period. In the retail space, many department store chains have come under renewed pressure resulting from the pandemic. Consequently, the situation has accelerated the shift from traditional players to e-commerce.

Within the gardening and DIY channels, stores in most markets were kept open. Demand in these channels was strong during the year, supported by consumers' increased interest in the gardening and watering categories, as people spent more time at home. Additionally, weather conditions during the year were mostly favorable.

Reporting segments and geographies

VITA SEGMENT IN 2020

EUR MILLION	2020	2019	CHANGE
Net sales	**456.6**	500.8	-8.8%
Comparable EBITA	**41.0**	38.8	5.5%
Capital expenditure	**16.3**	18.3	-11.3%

Net sales in the Vita segment decreased year-on-year by 8.8% to EUR 456.6 million (2019: 500.8). Comparable net sales decreased by 8.1%. The COVID-19 pandemic impacted Vita's business through a decrease in footfall to stores, retailers reducing their stocks and a decrease in gifting. Gifting has been impacted by a decline in tourism and social gatherings, which are both visible in the interior category.

Despite the challenges posed by the pandemic, net sales increased in China, Continental Europe and Scandinavia. Net sales in China in particular showed a strong double-digit increase. The positive development was overshadowed by challenges in traditional channels in many of the key markets, in particular the Americas and the UK. Due to the pandemic, stores were temporarily closed in many markets and the retailers limited their replenishment orders. Net sales decreased in most channels, with the exception of e-commerce.

Comparable EBITA in the Vita segment increased during the period and amounted to EUR 41.0 million (38.8). The comparable EBITA was supported by significant cost-cutting measures. On the other hand, the decrease in net sales weighed on the profitability.

TERRA SEGMENT IN 2020

EUR MILLION	2020	2019	CHANGE
Net sales	**493.8**	442.9	11.5%
Comparable EBITA	**67.5**	36.2	86.5%
Capital expenditure	**9.9**	16.6	-40.4%

Net sales in the Terra segment increased year-on-year by 11.5% to EUR 493.8 million (2019: 442.9). Comparable net sales increased by 14.1%.

Net sales growth was driven by the gardening and watering categories, both of which developed positively in the Americas and Central Europe. Demand was strong overall as people stayed at home, weather conditions were mostly favorable and distribution increased.

In the Nordics and Baltics net sales development was subdued by store closures. Several actions were taken to improve the availability of Fiskars' products, both in e-commerce and in stores.

In the outdoor category net sales increased, supported by the direct channel and increased distribution. The Gerber Custom service, which was launched in March, has been well received amongst consumers. Net sales were negatively impacted by a decline in government orders.

Comparable EBITA in the Terra segment increased during the period and amounted to EUR 67.5 million (36.2). Profitability was supported by increased sales volumes and cost-cutting measures.

CREA SEGMENT IN 2020

EUR MILLION	2020	2019	CHANGE
Net sales	**162.0**	142.9	13.4%
Comparable EBITA	**41.1**	28.0	46.6%
Capital expenditure	**1.8**	0.9	87.4%

Net sales in the Crea segment increased year-on-year by 13.4% to EUR 162.0 million (2019: 142.9). Comparable net sales increased by 14.4%. Sales increased in all categories. Net sales in the direct channel decreased, as growth in e-commerce did not offset the decrease in own stores. The decrease in own stores was a result of the COVID-19 -pandemic.

The increase in net sales was mostly driven by the strong demand in the Americas. While net sales increased in Europe, there were significant differences by market. New distribution supported growth in Scandinavia and Germany, whereas there were challenges for example in Finland due to store closures.

Comparable EBITA in the Crea segment increased during the period and amounted to EUR 41.1 million (28.0). The comparable EBITA was supported by increased volumes and inventory efficiencies as well as cost-cutting measures.

OTHER SEGMENT IN 2020

EUR MILLION	2020	2019	CHANGE
Net sales	**3.8**	3.9	-4.1%
Comparable EBITA	**-12.8**	-12.5	3.0%
Capital expenditure	**2.2**	4.2	-48.1%

Net sales in the Other segment amounted to EUR 3.8 million (2019: 3.9), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -12.8 million (-12.5).

NET SALES BY GEOGRAPHY IN 2020

EUR MILLION	2020	2019	CHANGE	COMPARABLE CHANGE
Europe	**495.9**	518.9	-4.4%	-3.6%
Americas	**471.6**	427.5	10.3%	11.8%
Asia-Pacific	**154.1**	143.6	7.3%	8.2%
Unallocated	**-5.4**	0.3		

Net sales in Europe decreased by 4.4% and amounted to EUR 495.9 million (Q1-Q4 2019: 518.9). Comparable net sales decreased by 3.6%, weighed down by the Vita segment. Net sales increased in the Terra and Crea segments. Overall, Germany was one of the key growth drivers. Net sales decreased for example in Finland, the UK and Ireland as a result of the lockdowns.

Net sales in the Americas increased by 10.3% to EUR 471.6 million (427.5). Comparable net sales increased by 11.8%, driven by the Terra and Crea segments, whereas it decreased in the Vita segment.

Net sales in Asia-Pacific increased by 7.3% to EUR 154.1 million (143.6). Comparable net sales increased by 8.2%, driven by all but one market in the region, since there have been challenges in Japan. These challenges related to lockdowns and low footfall to stores, as a result of the pandemic.

Research and development

During 2020, research and development expenses totaled EUR 16.5 million (2019: 18.4), which is equivalent to 1.5% (1.7%) of net sales.

Personnel

At the end of the 2020, the Group employed 6,413 (6,984) employees, of whom 1,063 (1,132) were in Finland. The main drivers behind the change were the Transformation and Restructuring programs.

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 December 2020. The costs are recorded as items affecting comparability (IAC).

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 8.5 million had been recorded by the end of December 2020. 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.

Financial items, net result and cash flow

Other financial income and expenses amounted to EUR -8.9 million (Q1-Q4 2019: 3.4, including EUR 7.8 million of dividends on Wärtsilä shares). Foreign exchange differences accounted for EUR -2.2 million (-2.1) of financial items.

Profit before taxes was EUR 89.8 million (63.2) for the full year 2020. Income taxes for the full year 2020 were EUR -21.3 million (-10.8). Earnings per share were EUR 0.83 (0.63).

The cash flow from operating activities before financial items and taxes for the full year amounted to EUR 223.8 million (117.5). The change was driven by working capital efficiencies, an increase in profit before taxes and by timing differences. Cash flow from financial items and taxes amounted to EUR -24.6 million (-21.0).

Cash flow from investing activities was EUR -29.4 million (-37.0), including EUR -30.0 million of capital expenditure on fixed assets. Cash flow from financing activities was EUR -116.5 million (-74.5), including EUR -84.5 million of change in current debt, EUR 39.9 million of change in non-current debt, EUR -45.7 million of dividends paid and EUR -24.0 million of lease liability payments. The comparison figure from 2019 included EUR -51.0 million of dividends paid and EUR -21.6 million of lease liability payments.

Capital expenditure for the full year totaled EUR 30.0 million (40.0), mainly relating to IT solutions and replacements. Depreciation, amortization and impairment amounted to EUR 76.1 million (59.6) for the full year. This contains impairments of the Gingher trademark by EUR 1 million and the Waterford trademark by EUR 10.4 million.

Balance sheet and financing

Fiskars Group's working capital totaled EUR 134.2 million (194.4) at the end of December. The equity ratio was 57% (56%) and net gearing was 19% (34%).

Cash and cash equivalents at the end of the period totaled EUR 62.5 million (9.4). Net interest-bearing debt amounted to EUR 143.7 million (261.1), of which leases classified as interest-bearing debt under IFRS 16 accounted for EUR 94.5 million (111.3).

Excluding leasing debt, short-term borrowing totaled EUR 61.2 million (108.7) and long-term borrowing EUR 51.2 million (51.4). 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.

The impact of the COVID-19 pandemic on Fiskars Group in 2020

Market situation

The market situation has been highly volatile. It was most challenging in March and April and improved towards the end of the second quarter. The second half of the year was still volatile, as some categories gained support, while others continued to be challenged. Throughout the year there have been significant differences by category and market. Overall, consumers have shifted focus to e-commerce channels due to lockdowns and store closures, which has impacted retailers as well.

In the Vita categories demand has decreased, and store closures negatively impacted the performance. March and April were the most challenging months. Gifting is an important part of the business, and it was 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, especially in June, and continued at a good level in the second half of the year. 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 the year, a broad range of cost savings were implemented. Most of these measures were taken starting in the second quarter of the year and were visible in the financial performance from the second quarter onwards.

Own stores

The company had to temporarily close stores due to the pandemic, starting in the Asia-Pacific region as early as January. The closures and reopenings varied by country and even by city. The closures reached a high in April, when a significant amount of the Group's stores were closed. While only a few stores were closed in the fall, the number increased clearly towards the end of the year.

Own production

The pandemic impacted most of the production units. Some were 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. Production continued to be impacted in a few units at the end of December, in response to the reduced demand.

Financial position

Actions to secure liquidity were promptly taken during the first quarter of the year. The cash level was increased with short-term borrowing (mainly by commercial paper issues and bilateral loans from credit institutions). Due to 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 2020.

Impact on financial reporting

On the basis of the impairment calculations performed in the second quarter, there has been no need for impairment of goodwill for any CGU for the period ended June 30, 2020. Based on impairment testing calculated on trademarks, the Gingher trademark has been impaired with EUR 1.0 million for the period ended June 30, 2020. Impairment tests were performed according to the annual schedule during Q4 2020.

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.

Reporting of non-financial information

Sustainability in 2020

In 2020 accelerating of sustainability work towards 2030 continued through a shared ambition and refreshed approach for further integrating sustainability to business.

A strong sustainability approach is the right thing to do for people and the planet and the prerequisite to future-proof and grow business. Sustainability is an opportunity for Fiskars Group to further strengthen the reputation and increase brand love.

Fiskars Group has set a new long-term ambition to be the sustainability leader within its industry. Fiskars Group's sustainability approach describes how the ambition will be reached: we are on a mission for the lasting wellbeing of people and planet.

Fiskars Group's three long-term sustainability commitments were refreshed: against throwaway culture, for a carbon neutral business and for increased joy. Short-term and long-term sustainability targets are in place support sustainability commitments.

Fiskars Group is committed to take climate action and in 2020 Fiskars Group joined the UN Business Ambition for 1.5ºC and set the science-based targets for 2030 to reduce greenhouse gas emissions aligned with the latest climate science and the most ambitious goals of the Paris Agreement.

These commitments are guided by Fiskars Group's sustainability ambition 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 sustainability ambition.

Environment

The responsible and reduced use of natural resources, and the careful re-usage and recycling of materials is central to Fiskars Group's sustainability approach. Fiskars Group's 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. Fiskars Group Environmental Policy 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/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.

Aligned with the 2022 target, the Vintage service, providing people the opportunity to buy and sell previously owned Iittala and Arabia tableware products, continued in Finland and expanded to Sweden. The Vintage service has been very well received by consumers and it is planned to be expanded to new categories and markets in 2021.

Vintage products sold during 2020 saved over 165 tons of solid natural resources and over 56 t CO_2 emissions. The assessment was conducted with Helsinki Metropolitan Area Reuse Centre Ltd to better understand environmental savings that people do buying previously owned tableware instead of buying new ones.

TARGETS 2030:

To reduce greenhouse gas emissions from own operations (Scope 1 and 2) by 60% by 2030 from a 2017 base year

To reduce greenhouse gas emissions from transportation and distribution (Scope 3) by 30% by 2030 from a 2017 base year

60% of Fiskars Group's suppliers by spend covering purchased goods and services, will have science-based targets by 2024

Fiskars Group implemented many energy and emission saving activities in 2020 which saved in total 6,856 MWh of energy. Overall energy consumption decreased to 901 TJ (1023 TJ) and energy intensity (MWh/net sales) decreased to 216 (261). Decrease in energy usage was achieved through energy saving actions and adjustments in production due to the COVID-19 pandemic impacts.

Fiskars Group has been investing in renewable fuels and electricity. Currently manufacturing units in Finland, Slovenia, Poland and Ireland are using renewable electricity. Royal Copenhagen factory in Thailand and distribution center in Wall, New Jersey, U.S, have solar panels installed. Fiskars Group is looking for opportunities to expand these initiatives to other locations in the future.

ENERGY

GRI 302-1 Energy consumption within the organization, TJ

	2020	2019
Direct energy consumption: non-renewable	**606**	695
Direct energy consumption: renewable	**9**	5
Indirect energy consumption	**285**	323
Total energy consumption	**901**	1,023

In 2020, Group-wide GHG emissions decreased by 28% compared to the previous year. Compared to the 2017 base year, Fiskars Group reached the reduction of 44%. Reductions were achieved as a result of the energy saving actions and investments in renewable energy in Poland. The results of this year are not fully comparable due to the COVID-19 pandemic impacts to business. 627 t CO_2e was saved in different energy and emissions saving activities during since 2020.

Emissions from business travel decreased by 85% compared to 2019, due to COVID-19 pandemic impacts and travel restrictions. Transportation emissions remained at the same level. In 2020 emissions from inbound and outbound transportation were 26,000 t CO_2e (26,000 t CO_2e). The COVID-19 pandemic affected the business reducing visibility, increasing uncertainty with stores closing and traffic decreasing. At the same time, demand in many of the categories increased, as people spent more time at home. This impacted the company's ability to optimize transportation and reduce emissions.

EMISSIONS

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

	2020	2019
Scope 1 emissions	**34**	38

GRI 305-2 Energy indirect (Scope 2) GHG emissions, 1,000 t CO_2e

	2020	2019
Scope 2 emissions		
Market based	**15**	28
Location based	**28**	34

GRI 305-3 Other indirect (Scope 3) GHG Emissions, 1,000 t CO_2e

	2020	2019
Scope 3 emissions		
Business travel	**1**	5
Upstream and downstream transportation	**26**	26

Business travel includes the emissions from business flights, covering all main locations. Transportation data is calculated by collecting GHG emissions data from logistic partners. 94.3% of the emissions were received from partners and 5.7% was extrapolated to cover CO_2e emissions for the whole year 2020.

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% compared to the 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 79% since the base year 2017. The total amount of landfill was 828 (1,550) tonnes.

The main contributors to this reduction were manufacturing unit in Poland with improved waste segregation and increased recycling rate, and PT Doulton ceramics manufacturing unit in Indonesia, where both internal and external options to reduce waste to landfill have been pro-actively explored. They have collaborated with external partners to use previously landfilled waste as a raw material to produce products such as bricks, cements or tiles.

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 accidents 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.

Employment Policy aligns important topics such as diversity and inclusion, 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 2020, Fiskars Group updated the Health and Safety Policy to further promote the culture of zero harm and support the safety priorities. 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. New employees conduct the training during their onboarding. Every second year all employees are trained. In 2020 93.5% of employees conducted the updated Code of Conduct training.

HEALTH AND SAFETY

Target 2030: Zero harm with a zero Lost Time Accident Frequency (LTAF)

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

In 2020, Fiskars Group Lost Time Accident Frequency (LTAF) was 5.9 (2019: 4.7) and the rate of recordable work-related injuries was 9.7. During this exceptional year efforts to improve safety performance were not enough. In 2020 the classification of our own employees and contractors aligned with the updated GRI Standard were updated which also impacted the results. Compared to the 2017 base year the LTAF was 31% higher.

Since the start of the COVID-19 pandemic, the number one concern has been employees' safety and wellbeing. Quick actions were taken to help prevent the spread of COVID-19 and the local authorities' guidance was closely followed in the different countries we operate.

Fiskars Group's third global safety week was celebrated with the theme – 'I care: Safety starts with me!'. The participation was active although due to the COVID-19 pandemic, most of the week's activities took place online. Safety week boosted the safety observation reporting and in total there were 7,690 (2019: 6,470) observations reported during 2020. 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 2020, development of the safety reporting continued, and the reporting was rolled out to cover offices and retail stores in addition to factories and distribution centers. This is a big step forward towards aligned health and safety reporting and culture across Fiskars Group. Implementation of the new reporting tool for health and safety KPIs enables the improvement of safety culture at offices and retail stores. Through the new tool, total of 198 safety observations and 10 lost time accidents were reported from the offices and retail stores.

DIVERSITY AND INCLUSION

In 2020 a diversity and inclusion working group was established to reevaluate our current actions and targets, determine where we can become better, and plan our future activities. Chief People Officer led the working group that included employees representing different parts of our company and locations.

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.

Fiskars Group's annual employee survey provides important feedback and insights on the performance around diversity and inclusion. In 2020 the business environment continued to change more rapidly than ever, and the employee sentiment was followed through regular pulse surveys to get feedback throughout the whole year. The annual employee survey was postponed to 2021 when global employee survey, Our Voice, will be conducted with a new partner and technology selected during 2020.

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 (25.0)	12.5 (12.5)	37.5 (37.5)
Over 50	12.5 (12.5)	50.0 (50.0)	62.5 (62.5)
Total	37.5 (37.5)	62.5 (62.5)	100.0 (100.0)

Leadership Team Age group	FEMALE, %	MALE, %	TOTAL, %
Under 30	0 (0)	0 (0)	0 (0)
30–50	27.3 (22.2)	27.2 (22.2)	54.5 (44.4)
Over 50	18.2 (22.2)	27.3 (33.3)	45.5 (55.6)
Total	45.5 (44.4)	54.5 (55.6)	100.0 (100.0)

Managers with teams Age group	FEMALE, %	MALE, %	TOTAL, %
Under 30	1.4 (1.3)	0.3 (0.6)	1.7 (1.9)
30–50	30.1 (28.8)	37.4 (39.2)	67.6 (68.0)
Over 50	13.6 (12.9)	17.1 (17.2)	30.7 (30.1)
Total	45.2 (43.0)	54.8 (57.0)	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 processes in place to support efforts in enforcing human rights and anti-corruption and bribery throughout the value chain.

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. New employees conduct the training during their onboarding. Every second year all employees are trained. In 2020 93.5% of employees conducted the updated Code of Conduct training.

Human rights assessment was conducted to better understand the gaps, risks and opportunities and needed steps to develop a human rights due diligence. Performance was evaluated against the United Nations Guiding Principles on Business and Human Rights.

In 2020 when the business faced the impacts of the COVID-19 pandemic, Fiskars Group put people's safety and wellness first. As remote working became part of the everyday, ensuring people's social and emotional wellbeing and promoting a healthy work-life balance was important. As an example, Fiskars Group encouraged people to organize virtual coffee breaks, moved to 45-minute meetings and organized People Talks to all line managers around topics like remote working and physical wellbeing.

In addition to supporting people's safety and wellbeing during these exceptional times the plan is to continue the human rights work aligned with the human rights assessment conducted earlier.

Fiskars Group is committed to conducting its business in ethical and responsible manner, tolerating no violations of the Fiskars Group Code of Conduct. Fiskars Group WhistleBlowing Channel, a 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. The Code of Conduct requires all employees or other persons working under Fiskars Group's direction to report any suspected violations to their manager, HR, Legal & Compliance function or through the WhistleBlowing Channel.

All suspected violations and occurrences of misconduct are investigated promptly and thoroughly with confidentiality by the Legal and Compliance function. Relevant other functions are engaged depending on the case, such as HR, to solve the issues. All reported cases are reported annually to Board's audit committee.

During 2020, there were nine cases reported via WhistleBlowing Channel and three cases received via management. The reported cases were related to human resources, discrimination, health and safety, corruption and fraud. Five of the cases were investigated, resolved and closed during 2020. Seven 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 workshops. 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 2020, we conducted in total 46 sustainability audits for our suppliers. The COVID-19 pandemic impacted to ability to travel and conduct sustainability audits.

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 most material risks for Fiskars Group have been identified. Fiskars Group has several 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 based on circular economy, such as renting and take-back concepts.

Human rights and anti-corruption and bribery related risks are mainly seen as financial, compliance and reputational risks, but Fiskars Group also sees them as an operative risk. The main risk is the inability to manage these topics throughout the value chain, such as failing to ensure the protection of human rights and health and safety within the supply chain.

Changes in organization and management

On March 17, Chief Consumer Officer Tina Andersson started in her position. On April 8, 2020, Fiskars Group announced the appointment of James Brouillard as Executive Vice President, Business Area Terra. He started in his position on April 20, 2020. Both report to the CEO and are members of the Fiskars Group Leadership Team.

On April 21, 2020, Fiskars Group announced the resignation of President and CEO Jaana Tuominen. CFO Sari Pohjonen was appointed interim CEO. On July 10, the company announced the appointment of M.Sc. (Tech.) Nathalie Ahlström (born 1974) as President and Chief Executive Officer of Fiskars Corporation. She started in the position on November 30, 2020. At the same time, she stepped down from the Board of Directors at Fiskars, where she has been a member since March 2020.

Starting on November 30, 2020, Interim President and CEO Sari Pohjonen continued in her role as Chief Financial Officer, Deputy to the CEO and member of the Group Leadership team.

Other significant events during the reporting period

New share-based Long-term Incentive Plans for Fiskars Group's key employees

The Board of Directors of Fiskars Corporation has decided on new share-based Long-term Incentive Plans for the Fiskars Group Leadership Team and other key employees. The plans include a Performance Share Plan and a Restricted Share Plan and they will form a part of Fiskars remuneration program for its key employees. The aim of the plans is to support the implementation of the company's strategy and drive profitable growth and to align the objectives of key employees with the shareholders to increase the value of the company.

PERFORMANCE SHARE PLAN:
The Performance Share Plan consists of annually commencing individual performance share plans, each with a three-year performance period, followed by the payment of the potential share reward. The Board of Directors will decide separately the commencement of each individual plan and their participants, the minimum, target and maximum rewards for each participant, as well as the performance criteria and related targets. The amount of the reward paid to a key employee depends on the achievement of the set targets. No reward will be paid if the targets are not met. Also, if the participant's employment or service ends before reward payment, the participant is, as a main rule, not entitled to any reward. The potential reward will be paid in the company's shares, after the deduction of the proportion that is required for covering taxes and tax-related costs due on the basis of the reward. However, the company may decide to pay the reward fully in cash.

The first 2021–2023 performance period commences as of the beginning of 2021 and the potential share reward thereunder will be paid during the first half 2024. For the first performance period, the plan has a maximum of 50 participants and the performance targets for the Plan relate to the company's absolute total shareholder return and Group EBITA.

If all maximum performance targets are reached, the reward payable in shares on the basis of the 2021–2023 performance period would amount to a total gross maximum of 600,000 shares in the company. For reference purposes only (noting that the market value of the shares will constantly change), calculated based on the volume weighted average price of Fiskars share on December 9, 2020, the estimated total value of this first plan is approximately EUR 8.7 million.

RESTRICTED SHARE PLAN:
The purpose of the Restricted Share Plan is to serve as a complementary long-term retention tool for individually selected key employees of Fiskars Group in specific situations. The Restricted Share Plan consists of annually commencing individual restricted share plans. The Board of Directors will decide separately the commencement of each individual plan. Each plan comprises an overall three-year retention period during which the Company may grant fixed share rewards to individually selected key employees. The company may choose to use a shorter retention period on a case by case basis within this overall three-year period. The granted share rewards will be paid after the retention period. No reward will be paid if the participant's employment or service ends before reward payment. The reward will be paid in the company's shares, after the deduction of the proportion that is required for covering taxes and tax-related costs due on the basis of the reward. However, the company may decide to pay the reward fully in cash.

The first plan for the years 2021–2023 commences as of the beginning of 2021 and the share rewards potentially granted thereunder will be paid latest during the first half of 2024.

The aggregate total maximum number of shares to be paid based on this first plan covering the years 2021–2023 is gross 150,000 shares. For reference purposes only (noting that the market value of the shares will constantly change), calculated based on the volume weighted average price of Fiskars share on December 9, 2020, the estimated total value of this first plan is approximately EUR 2.2 million.

OTHER TERMS:
For the first plans for the years 2021–2023, the maximum value of the reward payable to each participant based on each of the afore described plans is limited by a cap linked to Fiskars share price development. Also, 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 the plans until their share ownership in Fiskars corresponds to at least 100% for the President and CEO and 50% for the other Fiskars Group Leadership Team members of their annual gross base salary.

As a starting point, shares to be awarded to key employees based on Performance Share Plan or Restricted Share Plan will be paid as existing shares of the company and thus the plans are not expected to have a diluting effect on the ownership of the company's shareholders.

Outlook for 2020 withdrawn on March 19, 2020, reinstated on October 13, 2020

On March 19, 2020, Fiskars Corporation withdrew its guidance on the outlook for 2020, which was issued on February 5, 2020. Due to the COVID-19 outbreak, the comparable EBITA was seen unlikely to increase in 2020. As the situation evolved rapidly, it was too early to make reasoned estimates on the potential impact. Fiskars expected to guide the outlook for the full year 2020, once a more reliable estimate on the potential impact can be made.

On October 13, Fiskars reinstated its guidance on the outlook for 2020. The company expected the comparable EBITA to increase from 2019.

Fiskars Group's new organizational structure effective

At the beginning of April, Fiskars Group's new organizational structure became effective, as the organization was simplified in line with the announcement on December 4, 2019. Following the change, the company is organized around three Business Areas, global Sales and Consumer Experience & Growth functions, as well as Supply Chain and other Global Functions. The company is targeting annual net cost savings of EUR 20 million by the end of 2021, by renewing the organizational structure and increasing efficiencies. Additionally, the financial reporting structure changed.

The new organizational design was expected to lead to a net reduction of approximately 220 employees in office roles globally. Employee consultations in Finland started on January 20, 2020 and covered altogether 476 employees in office roles. The possible reduction of employees was estimated to affect a maximum 60 employees in Finland. The changes resulted in a total net reduction of 220 positions in office roles globally, of which 31 were in Finland.

Tax decision by the Administrative Court

On April 9, 2020, Fiskars Corporation received a tax decision from the Helsinki Administrative Court, which maintained the decision that obliged the company to pay EUR 28.3 million in additional tax, interest and punitive increases as a result of a tax audit carried out in 2014. The decision concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years. Fiskars Corporation considers the decision unfounded and has sought appeal further from the Supreme Administrative Court.

The reassessment decision had a negative effect of EUR 28.3 million on the cash flow during the third quarter of 2016. Fiskars Corporation has disclosed the ongoing tax appeal process in the earlier Annual Reports and Interim Reports. The company and its external advisors continue to consider the decision unfounded and do not recognize the related taxes and other costs in the income statement.

Charges pressed against a member of the Board of Directors of Fiskars Corporation in a Nokian Tyres related matter

On October 29, Fiskars announced that according to the information that Fiskars Corporation has received, the public prosecutor has decided to press charges related to suspected securities markets offences against Inka Mero, who is a member of the Board at Fiskars Corporation. Charges have been pressed against several persons. Inka Mero was a member of the Board at Nokian Tyres plc during the period referred in the charges, in 2015–2016, and is currently in this position as well. According to the information that Fiskars Corporation has received, Inka Mero denies involvement in any criminal activity.

The matter does not relate to Fiskars Corporation. The charges do not have an effect on the work of the Fiskars Board. The company monitors the progress of the proceedings and revisits the topic latest when the outcome of the proceedings has been determined.

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 2020.

Dividend for the financial year 2019

The Annual General Meeting decided in accordance with the proposal by the Board of Directors to pay dividend of EUR 0.56 per share for the financial period that ended on December 31, 2019. The dividend was paid in two instalments of EUR 0.28 per share. The first instalment of was paid on March 20, 2020 and the second on September 17, 2020.

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 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 during 2020 was EUR 10.88 (2019: 14.75). At the end of the year, the closing price was EUR 14.98 (EUR 11.26) per share and Fiskars had a market capitalization of EUR 1,220.4 million (917.7). The number of shares traded on Nasdaq Helsinki and in alternative marketplaces in 2020 was 11.1 million (9.1), which represents 13.6% (11.2%) of the total number of shares. The total number of shareholders was 25,968 (23,495) at the end of 2020.

Flagging notifications

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

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 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, 2021 and cancels the corresponding authorization granted to the Board by the Annual General Meeting on March 13, 2019.

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 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, 2021 and cancels the corresponding authorization granted to the Board by the Annual General Meeting on March 13, 2019.

Board and board committees

The Annual General Meeting decided that the Board of Directors shall consist of nine (9) members. Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Jyri Luomakoski, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were re-elected. Nathalie Ahlström was elected as a new member. The term of the Board members will expire at the end of the Annual General Meeting in 2021. On November 30, 2020, Nathalie Ahlström assumed her duties as President and CEO of Fiskars Corporation. At the same time, she stepped down from the Board of Directors.

Convening after the Annual General Meeting held on March 11, 2020 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) and Fabian Månsson as the members of the Nomination Committee and Alexander Ehrnrooth as an external member to the Nomination Committee and further decided to establish an Audit Committee and appointed Jyri Luomakoski (Chairman), Nathalie Ahlström, 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 and Peter Sjölander as the members of the committee.

Risks and business uncertainties

Fiskars Group has identified several uncertainties that may have an adverse impact on the business and financial performance of Fiskars Group. Key risks and risk management practices are explained in the Corporate Governance Statement.

Development of new technologies and new retail channels has increased the role of online shopping and social media, and the use of mobile applications. Increasing emphasis on sustainability is expected to add demand for new services and business models. Failure to respond to the changing consumer behavior or increased competition may weaken the competitive position of Fiskars Group and thus lead to potential loss of net sales and profit.

Fiskars Group is exposed to risks from structural changes in retail landscape such as consolidation among retailers, international retailers' increasingly centralized purchasing activity and their shifting strategic focus to own private label businesses. Sustainability requirements for supply chains and materials used are increasing. Failure to meet customer demands may result in Fiskars Group losing customers or listings with customers. This may have a material adverse impact on the net sales and profit of Fiskars Group.

Own manufacturing of Fiskars Group takes place in Asia, Europe and the United States. Most of the suppliers are in Asia. Fiskars Group is exposed to changes in quality, price and availability of products. Failure to deliver high quality and functional products in a timely manner may lead to loss of listings and customers. Failure to meet consumer expectations on the sustainability requirements in the supply chain may have a negative impact on reputation and consumers' trust in our brands.

Fiskars Group is increasingly dependent on centralized information technology systems that hold critical business information. Breaches, malfunctions, cyberattacks and fraud attempts may have a material adverse effect on the net sales, profit and reputation of Fiskars Group, and cause business interruptions.

Fiskars Group global operations are subject to macroeconomic and political uncertainties including trade disputes and geopolitical tensions, as well as megatrends that may shape consumer behavior. Prolonged recession and weak consumer demand may have a negative impact on net sales and profit of Fiskars Group. A prolonged global pandemic slows down the world economy, and may thus directly impact the operations, net sales and profit of Fiskars Group. Securing the wellbeing of the personnel during such a pandemic is a top priority for Fiskars Group.

International tax environment creates uncertainties related to tax obligations. Increasing tax enforcement activity may lead to double taxation and additional costs in the form of penalties and interest. Changes in import duty liabilities and tariffs may affect the profit of Fiskars Group. Fiskars Group has appealed against a tax reassessment claim raised by the Finnish Large Taxpayers' Office in 2016, which obliged the Group to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases.

Changing legal and regulatory environment may expose Fiskars Group to compliance and litigation risks and materially impact the business and reputation of Fiskars. Areas of evolving legislation and regulation include, among others, anti-corruption, climate change, competition, data security, environment, health and safety, and human rights.

Acquisitions are a part of the growth strategy of Fiskars Group. Despite a careful due diligence process, all acquisitions and integration of acquired businesses include risks. Acquired businesses may not perform as expected, key individuals may decide to leave the company, the costs of the integration may exceed expectations, and synergy effects may be lower than expected.

Fiskars Group commits to offering products that are safe to use and fit for the purpose. Failure to meet safety, quality and legal requirements may lead to delivery stop, product recall, reputation loss and indemnities. These costs can be substantial and include punitive elements in some jurisdictions.

Inability to attract and retain talented and committed professionals may have an adverse impact on achievement of strategic objectives. Occupational health and safety risks may cause severe harm to employees and endanger continuity of operations. Different stakeholders expect Fiskars Group to commit to sustainability, ethical business practices, and to respecting human right and anti-corruption activities. Failure to respond to these stakeholder expectations can lead to decrease in employee motivation, and reputational and financial damage. Risk of human error is prevalent in all business operations. Risks pertaining to inadequate or missing process descriptions and deficiencies in implementation of processes may cause inefficiencies and non-compliance with applicable regulation or otherwise unintended outcomes.

Demand for some of the products of Fiskars Group is dependent on the weather. Unfavorable weather conditions such as cold and rainy spring and summer or snowless winter may have a negative impact on the sale of these products. Back-to-school and holiday seasons are important for the sales performance during the second half of the year. For the sale of homeware products, the last quarter of the year is the most important season. Any challenges related to product availability or demand during the important seasons for each of the businesses may affect the full year net sales and profit significantly.

The well-known and strong brands of Fiskars Group are exposed to infringement of intellectual property rights. Counterfeit products may present quality and safety risks to consumers, and damage consumer confidence in Fiskars' products. Infringement of intellectual property rights may lead to loss of net sales and profit of Fiskars Group.

Climate change is one of the most pervasive global issues and may impact Fiskars' performance. Regulations on renewable energy, energy efficiency and emissions as well as potential new taxes may increase energy prices. Increasingly frequent natural catastrophes may interrupt and impact the operations of Fiskars Group.

A significant part of Fiskars Group's operations is located outside the euro zone. Changes in foreign exchange rates may have an adverse impact on the net sales, profit, balance sheet and cash flow of the Group. Changes in foreign exchange rates may also impact the local competitiveness of Fiskars Group negatively.

Fluctuations in price or availability of the most important raw materials, components, and energy may have a negative impact on the profitability of Fiskars Group. Water scarcity and resource scarcity related to fossil based materials are growing global challenges, leading to increased cost of raw materials and to risk of production interruptions. The challenge is the limited availability and higher prices of more sustainable raw materials.

The financial investment portfolio of Fiskars Group mainly consists of investments in unlisted private equity funds. The value of the investments is exposed to fluctuations in the financial markets, including changes in interest rates and foreign exchange rates, and increases in credit risk. The financial investments are treated at fair value through profit or loss.

Events after the reporting period

Fiskars provided preliminary information for 2020 on January 15, 2021

As the year 2020 has been highly volatile due to the COVID-19 pandemic, Fiskars Corporation provided preliminary information on figures for 2020 on January 15, 2021. The year ended in accordance with the Company's expectation. Net sales was expected to be approximately EUR 1,116 million (2019: 1,090.4), comparable EBITA approximately EUR 137 million (90.6) and operating profit (EBIT) approximately EUR 98 million (60.1). The figures were based on preliminary, unaudited information.

Outlook for 2021

In 2021, comparable EBITA is expected to be lower than in 2020, but above EUR 110 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 majority of the savings in 2020 were temporary in nature and impacted for example marketing. To ensure sustainable business in the long-term, similar temporary cost savings cannot be maintained for a prolonged period of time. Furthermore, the benefits from the ongoing Restructuring and Transformation programs are expected to fully materialize in 2022.

Proposal for distribution of dividend

Fiskars' 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 2020, the distributable equity of the parent company was EUR 389.4 million (2019: EUR 428.6 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.60 per share shall be paid for the financial period that ended on December 31, 2020. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.30 per share shall be on March 12, 2020. The first instalment shall be paid to a shareholder who is registered in the shareholder register of the company maintained by Euroclear Finland Oy on the dividend record date March 15, 2021. The payment date proposed by the Board of Directors for this instalment is March 22, 2021.

The second instalment of EUR 0.30 per share shall be paid in September 2021. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Oy 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 then be September 10, 2021, the dividend record date September 13, 2021 and the dividend payment date September 20, 2021, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,471,565. The proposed distribution of dividends would thus be EUR 48.9 million (EUR 45.7 million). This would leave EUR 340.5 million (EUR 383.0) 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, 2021

FISKARS CORPORATION
Board of Directors

Consolidated Financial Statements, IFRS

CONSOLIDATED INCOME STATEMENT

EUR MILLION	NOTE	2020		2019	
Net sales	2.1	**1,116.2**		1,090.4	
Cost of goods sold	2.3	**-664.1**		-643.1	
Gross profit		**452.0**	**40%**	447.3	41%
Other operating income	2.2	**6.5**		2.0	
Sales and marketing expenses	2.3	**-241.5**		-284.3	
Administration expenses	2.3	**-90.4**		-86.2	
Research and development costs	2.3	**-16.5**		-18.4	
Goodwill and trademark impairment	2.3, 3.1	**-11.4**			
Other operating expenses	2.3	**-0.8**		-0.3	
Operating profit		**98.0**	**9%**	60.1	6%
Change in fair value of biological assets	3.4	**0.7**		-0.2	
Other financial income and expenses	2.6	**-8.9**		3.4	
Profit before taxes		**89.8**	**8%**	63.2	6%
Income taxes	2.7	**-21.3**		-10.8	
Profit for the period		**68.5**	**6%**	52.4	5%
Attributable to:					
Equity holders of the parent company		**67.6**		51.7	
Non-controlling interest		**0.8**		0.7	
		68.5		52.4	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	2.8	**0.83**		0.63	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR MILLION	NOTE	2020	2019
Profit for the period		**68.5**	52.4
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		**-25.3**	9.3
Cash flow hedges		**0.3**	0.2
Items that will not be reclassified to profit or loss:			
Net change of investments at fair value through comprehensive income, net of tax			-24.3
Defined benefit plan actuarial gains (losses) net of tax	4.4	**0.2**	2.0
Other comprehensive income for the period net of tax		**-24.8**	-12.9
Total comprehensive income for the period		**43.6**	39.5
Attributable to:			
Equity holders of the parent company		**43.5**	38.5
Non-controlling interest		**0.1**	1.0
		43.6	39.5

CONSOLIDATED BALANCE SHEET

EUR MILLION	NOTE	31.12.2020		31.12.2019	
ASSETS					
NON-CURRENT ASSETS					
Goodwill	3.1	**213.7**		219.6	
Other intangible assets	3.1	**268.2**		288.7	
Property, plant & equipment	3.2	**149.2**		162.2	
Right-of-use assets	3.3	**90.2**		108.6	
Biological assets	3.4	**44.1**		43.4	
Investment property	3.5	**4.0**		3.6	
Financial assets					
Financial assets at fair value through profit or loss	5.2	**24.4**		28.9	
Other investments	5.2	**8.1**		7.9	
Deferred tax assets	2.7	**27.4**		27.9	
Non-current assets total		**829.1**	**62%**	890.7	65%
CURRENT ASSETS					
Inventories	4.1	**207.4**		232.1	
Trade and other receivables	4.2	**213.8**		203.2	
Income tax receivables		**29.2**		28.8	
Interest bearing receivables		**0.0**		0.0	
Cash and cash equivalents	5.2	**62.5**		9.4	
Current assets total		**512.8**	**38%**	473.5	35%
Assets total		**1,342.0**	**100%**	1,364.3	100%

EUR MILLION	NOTE	31.12.2020		31.12.2019	
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the equity holders of the parent company		**757.8**		760.9	
Non-controlling interest		**3.8**		3.6	
Equity total	5.3	**761.6**	**57%**	764.5	56%
NON-CURRENT LIABILITIES					
Interest bearing liabilities	5.4	**51.2**		51.4	
Lease liabilities	3.3, 5.4	**71.8**		88.4	
Other liabilities		**4.5**		4.4	
Deferred tax liabilities	2.7	**31.2**		32.8	
Pension liability	4.4	**13.1**		13.2	
Provisions	4.5	**3.6**		4.1	
Non-current liabilities total		**175.4**	**13%**	194.3	14%
CURRENT LIABILITIES					
Interest bearing liabilities	5.4	**61.2**		108.7	
Lease liabilities	3.3, 5.4	**22.7**		22.9	
Trade and other payables	4.3	**309.8**		267.7	
Income tax liabilities		**5.5**		2.1	
Provisions	4.5	**5.7**		4.1	
Current liabilities total		**404.9**	**30%**	405.5	30%
Equity and liabilities total		**1,342.0**	**100%**	1,364.3	100%

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR MILLION	2020	2019
Cash flow from operating activities		
Profit before taxes	**89.8**	63.2
Adjustments for		
Depreciation, amortization and impairment	**76.1**	59.6
Gain/loss on sale and loss on scrap of non-current assets	**-0.1**	-0.2
Other financial items	**8.6**	-4.0
Change in fair value of biological assets	**-0.7**	0.2
Change in provisions and other non-cash items	**3.9**	-4.7
Cash flow before changes in working capital	**177.6**	114.1
Changes in working capital		
Change in current assets, non-interest bearing	**-25.6**	23.0
Change in inventories	**15.9**	-6.6
Change in current liabilities, non-interest bearing	**55.8**	-12.9
Cash flow from operating activities before financial items and taxes	**223.8**	117.5
Financial items paid (net)	**-4.2**	-2.5
Taxes paid	**-20.3**	-18.4
Cash flow from operating activities (A)	**199.2**	96.5

EUR MILLION	2020	2019
Cash flow from investing activities		
Investments in financial assets	**-1.9**	-8.2
Capital expenditure on fixed assets	**-30.0**	-40.0
Proceeds from sale of fixed assets	**1.2**	0.9
Proceeds from sale of investments at fair value through other comprehensive income	**0.0**	0.5
Other dividends received	**0.0**	7.8
Cash flow from other investments	**1.3**	1.9
Cash flow from investing activities (B)	**-29.4**	-37.0
Cash flow from financing activities		
Purchase of treasury shares	**-0.3**	-1.1
Change in current receivables	**0.0**	0.0
Change in non-current debt	**39.9**	0.8
Change in current debt	**-84.5**	-2.2
Payment of finance lease liabilities	**-24.0**	-21.6
Cash flow from other financing items	**-1.9**	0.7
Dividends paid	**-45.7**	-51.0
Cash flow from financing activities (C)	**-116.5**	-74.5
Change in cash and cash equivalents (A+B+C)	**53.3**	-15.1
Cash and cash equivalents at beginning of period	**9.4**	24.4
Translation difference	**-0.2**	0.0
Cash and cash equivalents at end of period	**62.5**	9.4

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR MILLION	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY								
	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**
Opening Balance Jan 1, 2020	**77.5**	**-7.1**	**20.1**	**-0.2**	**-1.9**	**0.0**	**672.5**	**3.6**	**764.5**
Translation differences			-24.6					-0.7	-25.3
Cash flow hedges				0.3					0.3
Defined benefit plan, actuarial gains (losses), net of tax					0.2				0.2
Other comprehensive income for the period, net of tax, total	0.0	0.0	-24.6	0.3	0.2	0.0	0.0	-0.7	-24.8
Profit for the period							67.6	0.8	68.5
Total comprehensive income for the period	0.0	0.0	-24.6	0.3	0.2	0.0	67.6	0.1	43.6
Purchase and issue of treasury shares		-0.3					0.4		0.1
Dividends paid							-45.7	0.0	-45.7
Other changes		0.3					-1.2		-0.9
Dec 31, 2020	**77.5**	**-7.2**	**-4.5**	**0.1**	**-1.7**	**0.0**	**693.7**	**3.8**	**761.6**

DIVIDENDS

The Board of Directors has proposed a total dividend of EUR 0.60 per share to be paid for the 2020 result.
A cash dividend of EUR 0.56 per share was paid for the 2019 result.

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

Notes to the consolidated financial statements

1

General accounting principles

1.1	Basic information of the Company	26
1.2	Basis of preparation	26
1.3	Use of estimates	26
1.4	Translation of foreign currency items	26
1.5	COVID-19 related matters in Fiskars Group	27
1.6	New and amended standards applied in financial year ended	27
1.7	Adoption of new and amended standards 1st Jan 2021	28

1.1 Basic information of the Company

Fiskars Corporation is a Finnish public limited liability company listed on Nasdaq Helsinki and domiciled in Raseborg, 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 Vita, Terra, Crea 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.

1.2 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, 2020 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.

1.3 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 3.1),
- amount of obsolete inventory (Note 4.1),
- recognition of impairment losses on trade receivables (Note 4.2),
- restructuring provisions (Note 4.5),
- determination of defined benefit pension obligations (Note 4.4),
- value appraisement of biological assets (Note 3.4) and
- the probability of deferred tax assets being recovered against future taxable profits (Note 2.7).

1.4 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.

1.5 COVID-19 related matters in Fiskars Group

Financial position (notes 5.1–5.5)

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

Credit risk of trade receivables (notes 4.2 and 5.1)

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 equivalent level during the financial year 2020 compared to 2019.

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

Goodwill and intangible assets (note 3.1)

Impairment testing for goodwill and trademarks was performed in Q2 2020 due to the changed market outlook resulting from the COVID-19 pandemic. On the basis of the impairment calculations made, there was no need for impairment of goodwill for any CGU for the period ended June 30, 2020. Based on impairment testing performed on trademarks, the Gingher trademark has been impaired with EUR 1.0 million for the period ended June 30, 2020. After impairment, the carrying amount of the Gingher trademark amounts to EUR 2.3 million.

Impairment tests were performed according to the annual schedule during Q4 2020, and on the basis of the impairment calculations made, there has been no need for impairment of goodwill for any CGU for the period ended December 31, 2020. Based on the impairment testing performed during Q4 2020 on trademarks, Waterford trademark has been impaired with EUR 10.4 million. After impairment the carrying amount of the Waterford trademark amounts to EUR 38.1 million.

Customer relationships recognized as intangible assets in the WWRD acquisition in 2015 have been reassessed for their useful life. As a result, the amortization has been accelerated and this generated an additional one-off amortization of EUR 2.5 million in the second quarter of 2020.

1.6 New and amended standards applied in financial year ended

Amendments to IFRS 16 Leases - Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

Fiskars Group has decided to use the practical expedient provided by Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases to all rent concessions that meet the conditions for the practical expedient. Due to this in Note 3.3 Right-of-use assets the Group discloses the amount recognized in profit or loss to reflect changes in lease payments that arise from there COVID-19 related concessions to which the practical expedient has been applied.

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

1.7 Adoption of new and amended standards 1st Jan 2021

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

2
Financial performance

2.1 Segment information 30
2.2 Other operating income 33
2.3 Total expenses 34
2.4 Employee benefits and number of personnel 35
2.5 Share based payments 36
2.6 Financial income and expenses 37
2.7 Income taxes 37
2.8 Earnings per share 39

2.1 Segment information

Accounting principles

Fiskars Group's organizational structure features three Business Areas (BA): Vita, Terra and Crea. As of January 1, 2020 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.

The performance of the reporting segments is reviewed regularly by the chief operating decision-maker, Fiskars Group's Board of Directors, to assess performance and to decide on allocation of resources. The operating segments, BA Vita, Terra and Crea, are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The performance of the segments is reviewed based on segments' operating profit (EBIT). The accounting principles of the segments are the same as those used in the preparation of the financial statements. Financial income and costs and income taxes are managed on group basis and accordingly not allocated to operating segments.

NET SALES AND REVENUE RECOGNITION

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.

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' primary reporting segments Vita, Terra, Crea 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.

Operating segments

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.

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.

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

2020

EUR MILLION	VITA	TERRA	CREA	OTHER	UNALLOCATED AND ELIMINATIONS	GROUP TOTAL
Net sales	456.6	493.8	162.0	3.8	0.0	1,116.2
EBITA excl. Items affecting comparability in operating profit	41.0	67.5	41.1	-12.8	0.0	136.8
Items affecting comparability in EBITA*	-6.9	-3.3	-0.5	-0.4	0.0	-11.0
EBITA	34.1	64.3	40.6	-13.2	0.0	125.8
Amortization					-16.3	-16.3
Impairments					-11.4	-11.4
Change in fair value of biological assets				0.7		0.7
Financial income and expenses					-8.8	-8.8
Profit before taxes						89.8
Income taxes					-21.3	-21.3
Profit for the period						68.5
Capital expenditure	16.3	9.9	1.8	2.2	0.0	30.0
Depreciations, amortizations and impairment	50.4	17.9	4.4	3.3	0.0	76.1

* Includes EUR 8.1 million related to the Restructuring program, EUR 3.0 million related to the Transformation program, EUR 0.2 million costs related to the divestment of the Leborgne business and as well as some other adjustments.

OPERATING SEGMENTS

2019

EUR MILLION	VITA	TERRA	CREA	OTHER	UNALLOCATED AND ELIMINATIONS	GROUP TOTAL
Net sales	500.8	442.9	142.9	3.9	0.0	1,090.4
EBITA excl. Items affecting comparability in operating profit	38.8	36.2	28.0	-12.5	0.0	90.6
Items affecting comparability in EBITA*	-17.1	-0.5		-0.1	0.0	-17.7
EBITA	21.8	35.7	28.0	-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	16.6	0.9	4.2	0.0	40.0
Depreciations, amortizations and impairment	33.1	18.4	3.8	0.7	3.5	59.6

* Includes EUR 17.0 million related to the Transformation program, EUR 0.8 million costs related to the divestment of the Leborgne business and EUR 0.4 million related to the Restructuring program as well as some other adjustments.

Net sales by geography

Accounting principles

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.

NET SALES BY GEOGRAPHY

EUR MILLION	2020	2019
Europe	**495.9**	518.9
Americas	**471.6**	427.5
Asia-Pacific	**154.1**	143.6
Unallocated*	**-5.4**	0.3
Total	**1,116.2**	1,090.4

* Geographically unallocated exchange rate differences.

ADDITIONAL INFORMATION ABOUT GEOGRAPHICAL AREAS

EUR MILLION	2020	2019
Net sales in Finland	**94.3**	112.9
Net sales in the U.S.	**455.5**	411.1
Net sales in other countries	**566.3**	566.4
Total	**1,116.2**	1,090.4

EUR MILLION	2020	2019
Assets in Finland*	**262.6**	280.0
Assets in the U.S.*	**61.8**	161.2
Assets in other countries*	**477.4**	421.6
Total	**801.8**	862.8

* Non-current assets other than deferred tax assets.

2.2 Other operating income

Accounting principles

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.

EUR MILLION	2020	2019
Net gain on disposal of fixed assets	**0.7**	0.5
Compensations from insurance company	**4.6**	0.0
Rental income	**0.3**	0.3
Other income	**0.9**	1.2
Total	**6.5**	2.0

2.3 Total expenses

TOTAL EXPENSES BY NATURE

EUR MILLION	2020	2019
Materials and supplies	**439.1**	440.7
Change in inventory	**16.7**	-9.2
External services	**57.5**	62.2
Employee benefits	**263.8**	311.9
Depreciation and amortization	**64.7**	59.6
Impairments	**11.4**	
Other expenses	**171.5**	167.1
Total	**1,024.7**	1,032.3

OTHER OPERATING EXPENSES

Accounting principles

Other operating expenses include losses on the disposal or sale of fixed assets, integration costs and other similar expenses not classified to other cost items.

EUR MILLION	2020	2019
Loss on sale of fixed assets	**0.0**	0.1
Loss on scrap of fixed assets	**0.6**	0.2
Other operating costs	**0.1**	-0.1
Total	**0.8**	0.3

DEPRECIATION, AMORTIZATION AND IMPAIRMENT BY ASSET CLASS

EUR MILLION	2020	2019
Buildings	**27.7**	26.1
Machinery and equipment	**19.3**	20.3
Intangible assets	**17.3**	11.9
Investment property	**0.4**	0.5
GW and trademark impairment	**11.4**	0.8
Total	**76.1**	59.6

FEES PAID TO COMPANIES' AUDITORS

EUR MILLION	2020	2019
Audit fees	**1.3**	1.1
Audit related fees	**0.0**	0.0
Tax consultation	**0.1**	0.2
Other non-audit fees	**0.0**	0.0
Total	**1.4**	1.3

The appointed auditor for the financial year 2020 and 2019 was Ernst & Young. Ernst & Young Oy has provided non-audit services to the entities of Fiskars Group in total of EUR 0.1 million during the financial year 2020.

2.4 Employee benefits and number of personnel

EMPLOYEE BENEFITS

EUR MILLION	2020	2019
Wages and salaries	**213.3**	247.5
Other compulsory personnel costs	**27.6**	36.1
Pension costs, defined contribution plans	**14.5**	17.4
Pension costs, defined benefit plans	**1.3**	1.6
Other post employment benefits	**1.3**	1.1
Termination benefits	**4.9**	8.2
Total	**262.9**	311.9

PERSONNEL AT THE END OF PERIOD

EUR MILLION	2020	2019
Finland	**1,062**	1,132
Slovenia	**659**	788
Poland	**417**	414
UK	**334**	402
Other Europe	**781**	859
USA	**840**	984
Indonesia	**734**	749
Thailand	**627**	657
Other	**957**	999
Total	**6,411**	6,984

PERSONNEL (FTE) IN AVERAGE

EUR MILLION	2020	2019
Direct	**2,213**	2,453
Indirect	**3,891**	4,387
Total	**6,104**	6,840

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

2.5 Share based payments

Long-term incentive plan 2018–2022, settled in shares

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		
EUR MILLION	2020–2022 PERFORMANCE PERIOD	2019–2021 PERFORMANCE PERIOD	2018–2020 PERFOMANCE PERIOD
Maximum number of shares granted, at the end the year	509,900	169,760	178,476
Grant date share price, EUR		10.28	
Estimated realization of share price after vesting and restriction period		14.98	
Expense recorded during the financial year (EUR million)		0.5	
Cumulative expense recorded to equity at the end of the financial year (EUR million)		0.4	
Vesting period starts	Jan 1, 2020	Jan 1, 2019	Jan 1, 2018
Vesting period ends	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Number of participants	43	37	24

2.6 Financial income and expenses

EUR MILLION	2020	2019
Dividends received from investments through other comprehensive income and at fair value through profit and loss		7.8
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	**-0.1**	3.8
Other foreign exchange gains	**0.0**	1.6
Financial income total	**-0.1**	13.2
Interest expenses on debt at amortized cost	**-2.9**	-1.4
Interest cost on lease liability at amortized cost	**-2.4**	-2.8
Derivative revaluation losses, at fair value through profit or loss		-0.4
Foreign exchange losses on commercial hedges	**-1.7**	-3.7
Other foreign exchange losses	**-0.6**	0.0
Other financial expenses	**-1.2**	-1.5
Financial expense total	**-8.8**	-9.8
Financial income and expenses total	**-8.9**	3.4

2.7 Income taxes

Accounting principles

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.

INCOME TAX IN THE INCOME STATEMENT

EUR MILLION	2020	2019
Current taxes	**-24.2**	-16.5
Deferred taxes	**2.9**	5.7
Total income tax expense	**-21.3**	-10.8

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	2020	2019
Profit before taxes	**89.8**	63.2
Income taxes at Finnish statutory tax rate	**-18.0**	-12.6
Difference between Finnish and foreign tax rates	**-2.8**	-0.5
Effect of deferred taxes not recognized	**-4.8**	-3.9
Benefit arising from previously unrecognized deferred tax asset	**0.0**	5.0
Prior year income taxes	**1.5**	-2.6
Effect of changes of tax rates	**-0.6**	0.0
Income taxes on undistributed earnings	**3.6**	0.2
Tax exempt dividends	**0.0**	1.6
Other items	**-0.2**	2.1
Total income tax expense	**-21.3**	-10.8

Deferred taxes

DEFERRED TAX ASSETS

EUR MILLION	2020	2019
Intangible assets and property, plant and equipment	**12.3**	14.1
Inventories	**3.1**	4.1
Post-employment liabilities	**2.8**	2.8
Tax loss carried forward	**10.4**	15.6
Other temporary differences	**16.9**	14.3
Total	**45.4**	50.9
Offset against deferred tax liabilities	**-18.0**	-23.0
Total deferred tax assets	**27.4**	27.9

DEFERRED TAX LIABILITIES

EUR MILLION	2020	2019
Intangible assets and property, plant and equipment	**34.9**	35.9
Investments at fair value	**4.7**	5.6
Undistributed earnings	**3.6**	7.2
Other temporary differences	**6.0**	7.0
Total	**49.2**	55.8
Offset against deferred tax assets	**-18.0**	-23.0
Total deferred tax liabilities	**-31.2**	32.8
Net deferred tax assets(+) and liabilities(-)	**-3.8**	-4.9

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.

Deferred tax liability has been booked fully on undistributed earnings of subsidiaries.

MOVEMENTS IN THE NET DEFERRED TAX BALANCE

EUR MILLION	2020	2019
Net defered tax asset(+)/liability (-) at January 1	**-4.9**	-13.7
Recognized in income statement	**2.9**	5.7
Recognized in other comprehensive income	**0.3**	3.7
Recognized in equity	**-1.3**	0.0
Translation differences	**-0.8**	-0.5
Net defered tax asset(+)/liability (-) at December 31	**-3.8**	-4.9

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:

TAX LOSSES CARRIED FORWARD

EUR MILLION	2020	2019
Expiring within 10 years	**0.4**	0.5
No expiry	**163.1**	150.3
Total	**163.6**	150.8

TAX CREDITS

EUR MILLION	2020	2019
Expiring within 10 years	**0.5**	0.8
Temporary differences	**0.0**	0.0

Taxes in other comprehensive income

2020

EUR MILLION	GROSS	TAX	NET
Translation differences	-25.3	0.0	-25.3
Cash flow hedges	0.3	0.0	0.3
Defined benefit plan actuarial gains (losses)	-0.2	0.3	0.2
Fair value measurement	0.0	0.0	0.0
Total other comprehensive income	-25.2	0.3	-24.8

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

2.8 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.

	2020	2019
Net profit attributable to the ordinary shareholders of the Parent company, EUR million	**67.6**	51.7
Number of shares	**81,905,242**	81,905,242
Weighted average number of shares outstanding	**81,560,233**	81,603,359
Earnings per share, EUR (basic and diluted)	**0.83**	0.63

3

Intangible and tangible assets

3.1 Intangible assets 41
3.2 Property, plant and equipment 45
3.3 Right-of-use assets 47
3.4 Biological assets 48
3.5 Investment property 49

3.1 Intangible assets

Accounting principles

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 2020, research and development expenses amounted to EUR 16.5 million (2019: 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.

2020

EUR MILLION	GOODWILL	TRADEMARKS, PATENTS AND DOMAIN NAMES	SOFTWARE	OTHER INTANGIBLE ASSETS	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	232.1	250.9	103.0	59.2	10.5	655.7
Translation differences	-5.1	-4.2	-2.5	-1.4	-0.3	-13.5
Additions		0.7	10.8	0.0	0.1	11.6
Decreases		0.0	-0.7	-1.9	-0.2	-2.8
Transfers between asset groups			1.0	0.2	-1.2	-0.1
Historical cost, Dec 31	226.9	247.4	111.7	56.0	8.9	650.9
Accumulated amortization and impairment, Jan 1	12.5	12.3	76.9	45.8	0.0	147.6
Translation differences	0.7	-1.2	-2.3	-0.8		-3.7
Amortization for the period		1.0	11.3	3.9		16.3
Impairment for the period	0.0	11.4	0.0	0.0		11.4
Decreases	0.0	0.0	-0.7	-1.9		-2.6
Accumulated amortization and impairment, Dec 31	13.2	23.6	85.2	47.0		169.0
Net book value, Dec 31	213.7	223.8	26.4	9.0	8.9	481.9
Investment commitments for intangible assets						0.0

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
Investment commitments for intangible assets						0.0

Goodwill impairment test in cash-generating units

Accounting principles

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.

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

EUR MILLION	2020	2019
Vita	**209.7**	217.8
Terra		
Crea	**4.0**	1.8
Total	**213.7**	219.6

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The primary reporting segments, which form the CGUs, are Vita, Terra and Crea. 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 2021-2023, 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 impairment of goodwill for any CGU for the period ended December 31, 2020 and 2019.

Fiskars Group has 9 trademarks whose aggregate carrying amount is EUR 202.8 million (2019: 214.3). Total EUR 106.9 million of trademarks, patents and domain names was recorded in the consolidated balance sheet with relation of WWRD acquisition 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, Waterford trademark was impaired with EUR 10.4 million and Gingher trademark with EUR 1.0 million for the period ended December 31, 2020. After impairment, the carrying amount of the Waterford trademark amounts to EUR 38.1 million and Gingher trademark to EUR 2.3 million. For the period ended December 31, 2019, there was no need for impairment of trademarks.

Customer relationships recognized as intangible assets in the WWRD acquisition in 2015 have been reassessed for their useful life. As a result, the amortization has been accelerated and this generated an additional one-off amortization of EUR 2.5 million in the second quarter of 2020.

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. The recoverable amount exceeds the carrying amounts after changes in the key parametres.

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 Waterford and Gingher trademarks, no reasonably possible change in any of the key parameters would lead to impairment. For Waterford trademark, a decrease of 1.0 percentage in terminal growth or an increase of 0.5 percentage point in pre-tax discount rate would result in the recoverable amount being lower than the carrying amount. The recoverable amount of the Gingher trademark currently exceeds its carrying amount of EUR 2.3 million by EUR 0.3 million, and a decrease of 2.0 percentage in terminal growth or an increase of 1.5 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

%	2020		2019	
	GOODWILL	TRADEMARKS*	GOODWILL	TRADEMARKS*
Increase in net sales on average	**3.1**	**2.5**	2.7	1.0
Steady growth rate in projecting terminal value	**1.0**	**1.0**	1.0	1.0
Discount rate, pre-tax, average	**7.4**	**9.4**	6.4	8.0

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

3.2 Property, plant and equipment

Accounting principles

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.

2020

EUR MILLION	LAND AND WATER	BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	22.4	92.0	125.7	10.7	250.8
Translation differences	-0.5	-3.9	-7.5	-1.7	-13.5
Additions		0.8	5.3	12.1	18.3
Decreases	0.0	-6.8	-42.0	-0.4	-49.2
Transfers between asset groups		3.4	11.4	-15.5	-0.7
Historical cost, Dec 31	21.8	85.7	93.0	5.2	205.7
Accumulated depreciation and amortization, Jan 1	0.8	26.4	62.7	-1.2	88.6
Translation differences		-0.7	-6.2	0.7	-6.3
Depreciation for the period		5.1	17.3		22.4
Impairment for the period			0.0		0.0
Decreases		-6.8	-41.4		-48.1
Transfers between asset groups		0.0	1.7	-1.8	0.0
Accumulated depreciation and impairment, Dec 31	0.8	23.9	34.1	-2.3	56.5
Net book value, Dec 31	21.1	61.7	58.9	7.5	149.2
Investment commitments for tangible assets					2.2

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

3.3 Right-of-use assets

Accounting principles

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.

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 5000 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.

IFRS 16 AMENDMENT - COVID-19 RELATED RENT CONCESSIONS

The amendment issued by the IASB provides a relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. Some lessors have provided rent concessions to lessees as a result of the COVID-19 pandemic. These concessions can include rent holidays or rent reductions for a period of time, possibly followed by in creased rent payments in future periods. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification in accordance with IFRS 16. Fiskars Group has decided to use the practical expedient to all rent concessions that meet the conditions for the practical expedient.

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

2020

EUR MILLION	REAL ESTATE	OTHER	TOTAL
Book value, Jan 1	104.7	4.0	108.6
Currency translation adjustment	-2.5	-0.2	-2.7
Additions	17.1	1.6	18.7
Depreciation	-22.6	-2.0	-24.7
Decreases	-9.6	-0.1	-9.8
Book value, Dec 31	86.9	3.3	90.2

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	2020	2019
Book value, Jan 1	**111.3**	120.7
Currency translation adjustment	**-2.9**	0.9
Additions	**19.7**	25.2
Accretion of interest	**-2.4**	-2.8
Payments	**-21.3**	-18.9
Disposals	**-9.9**	-13.7
Book value, Dec 31	**94.5**	111.3
Current lease liability	**22.7**	22.9
Non-current lease liability	**71.8**	88.4

Maturity analysis of lease liabilities is included in note 5.4 Financial and lease liability table Maturity of liabilities.

AMOUNTS RECOGNISED IN INCOME STATEMENT

EUR MILLION	2020	2019
Depreciation expense of right-of-use assets	**-25.1**	-18.0
Interest expense on lease liabilities	**-2.4**	-2.8
Expense relating to short-term leases	**-0.3**	-0.6
Expense relating to leases of low-value assets	**-0.2**	-0.3
Total amount recognised in profit or loss	**-27.9**	-21.8

In 2020 Fiskars Group had total cash outflows for lease of EUR -24.0 (-21.6) million. The Group has recognized in profit or loss EUR -1.0 million of costs that arise from lease payments effected by COVID-19 related concessions. Related to these the practical expedient given by IFRS 16 COVID-19 related amendment has been applied. The future cashflows relating to lease that have not yet commenced are disclosed in note 6.5 Commitments.

3.4 Biological assets

Accounting principles

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.

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

EUR MILLION	2020	2019
Fair value, Jan 1	**43.4**	43.6
Increase due to growth	**2.1**	1.9
Decrease due to harvested timber	**-1.7**	-1.3
Change in fair value	**0.3**	-0.8
Fair value, Dec 31	**44.1**	43.4

Fiskars Group has around 11,000 hectares of productive forest land in Finland. Biological assets consist of growing stock. The harvested amount in 2020 was approximately 56,000 m^3 (2019: 46,000 m^3).

3.5 Investment property

Accounting principles

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.

EUR MILLION	2020	2019
Historical cost, Jan 1	**11.1**	10.9
Translation differences	**0.0**	0.1
Additions	**0.1**	0.2
Decreases	**-0.1**	
Transfers from tangible assets	**0.7**	0.0
Historical cost, Dec 31	**11.7**	11.1
Accumulated depreciation, Jan 1	**7.5**	7.0
Translation differences	**0.0**	0.0
Depreciation and impairment for the period	**0.4**	0.5
Decreases	**-0.1**	
Accumulated depreciation and impairment, Dec 31	**7.8**	7.5
Net book value, Dec 31	**4.0**	3.6

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 4.0 million in 2020 (2019: 3.6).

4

Operational assets and liabilities

4.1 Inventories 51
4.2 Trade and other receivables 51
4.3 Trade and other payables 52
4.4 Employee defined benefit obligations 52
4.5 Provisions 58

4.1 Inventories

Accounting principles

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.

EUR MILLION	2020	2019
Raw materials and consumables	**24.3**	22.6
Work in progress	**15.6**	17.3
Finished goods	**189.4**	214.0
Advance payments	**0.1**	0.3
Gross value of inventories	**229.4**	254.2
Write-down to the carrying value of inventories	**-22.0**	-22.1
Total, Dec 31	**207.4**	232.1

An impairment on inventories of EUR 0.1 (2.1) million was recognised during financial period.

4.2 Trade and other receivables

EUR MILLION	2020	2019
Trade receivables	**183.7**	177.4
Derivatives	**0.0**	0.0
Other receivables	**6.9**	7.2
Prepaid expenses and accrued income	**23.2**	18.6
Total, Dec 31	**213.8**	203.2

AGING OF TRADE RECEIVABLES

EUR MILLION	2020	2019
Not fallen due	**158.0**	154.7
1–30 days past due	**20.4**	17.6
31–60 days past due	**3.1**	3.0
61–90 days past due	**1.9**	1.6
91–120 days past due	**1.4**	0.8
Over 120 days past due	**4.4**	4.1
Less provision for bad debts, Dec 31	**-5.5**	-4.4
Total, Dec 31	**183.7**	177.4

Trade receivables' payment terms vary, but average is 45 days.

TRADE RECEIVABLES IN CURRENCIES

EUR MILLION	2020	2019
US Dollars (USD)	**72.5**	65.9
Euros (EUR)	**32.8**	33.5
Danish Krones (DKK)	**22.9**	21.2
United Kingdom Pounds (GBP)	**3.9**	5.0
Swedish Kronas (SEK)	**12.8**	11.2
Japanese Yens (JPY)	**7.6**	7.2
Australian Dollars (AUD)	**8.8**	4.7
Norwegian Krones (NOK)	**5.8**	7.1
Other currencies	**16.8**	21.6
Total, Dec 31	**183.7**	177.4

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	2020	2019
Allowance on Jan 1	**-4.4**	-4.6
Additions	**-3.0**	-0.8
Deductions	**1.6**	0.8
Recognised impairment losses	**0.3**	0.1
Recovery of doubtful receivables	**-0.1**	0.0
Allowance on Dec 31	**-5.5**	-4.4

4.3 Trade and other payables

EUR MILLION	2020	2019
Trade payables	**100.2**	96.3
Other debt	**38.2**	24.2
Accrued expenses and deferred income		
Interests	**1.9**	2.7
Wages, salaries and social costs	**48.0**	40.3
Customer rebates and commissions	**62.1**	49.5
Other	**59.4**	54.7
Total, Dec 31	**309.8**	267.7

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

4.4 Employee defined benefit obligations

Accounting principles

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.

Most of Fiskars Group's pension plans are defined contribution plans. Vita business area 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. Plan in Finland is taken care of by local pension insurance company. The Group estimates its contributions to the plans during 2021 to be EUR 1.0 (0.9) million.

CHARACTERISTICS OF THE DEFINED BENEFIT PLANS AND RISKS ASSOCIATED WITH THEM

Plan	2020	2019	DESCRIPTION AND RISKS
Finland	**0.1**	0.1	There are 28 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	**1.0**	1.1	There are 73 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	**0.9**	0.5	There are 612 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 (2.9) million at end of 2020, 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. On 5 December, 2017 the Company completed a buy-in of £ 14.5 million of UK Scheme liabilities underwritten by the purchase of the annuity contract. The buy-in policy provides cash flows to match the benefits of the members covered, and is valued at higher than the present value of the defined benefit obligation for those members. The Fund administration costs at the end of 2017 has been recognized as an expense in the company's income statement, and under rules of IAS 19 applicable to the scheme, has been offset with recognition of other comprehensive income to generate nil impact on company reserves for in the period.
U.S.	**4.9**	5.3	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	**3.8**	3.4	There are 735 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	**0.8**	1.0	There are 80 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	**1.6**	1.4	There are 719 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.
Total net liability	**13.1**	13.2	

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, 2020	31.8	-22.0	9.8	3.4	13.2
Current service cost	0.7		0.7		0.7
Interest expense (+) or income (-)	0.7	-0.3	0.4	-0.3	0.1
Administration expenses		0.2	0.2		0.2
Past service cost and gains and losses from settlements	0.0	0.0	0.0		0.0
Total included in personnel expenses (Note 2.4)	1.3	-0.1	1.3	-0.3	0.9
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)		-0.8	-0.8		-0.8
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	1.3		1.3		1.3
Experience adjustment gains (-) and losses (+)	0.3		0.3		0.3
Changes in asset ceiling, excluding amounts included in interest			0.0	-0.2	-0.2
Remeasurement gains (-) and losses (+) included in OCI	1.5	-0.8	0.6	-0.2	0.4
Translation differences	-1.8	1.1	-0.7	0.2	-0.5
Employer contributions		-0.9	-0.9		-0.9
Benefits paid	-1.8	1.8	0.0		0.0
Other changes	0.0	0.0	0.0		0.0
Dec 31, 2020	31.1	-21.0	10.1	3.0	13.1

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 2.4)	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, 2019	31.8	-22.0	9.8	3.4	13.2

PLAN ASSETS BY ASSET CATEGORY

EUR MILLION	2020		2019	
	QUOTED	UNQUOTED	QUOTED	UNQUOTED
Equity instruments	**0.0**		0.0	
Bonds	**0.7**		0.7	
Property	**0.0**		0.0	
Insurance contracts		**17.7**		18.3
Cash and cash equivalents	**2.7**		3.0	
Total	**3.3**	**17.7**	3.7	18.3

PRINCIPAL ACTUARIAL ASSUMPTIONS AT THE BALANCE SHEET DATE

%	2020	2019
Discount rate		
UK	**1.65**	1.95
USA	**1.90**	2.60
Indonesia	**7.02**	7.68
Slovenia	**0.80**	0.80
Other countries	**0.30-2.10**	0.37-2.20
Future salary increases		
UK	**n/a**	n/a
USA	**n/a**	n/a
Indonesia	**5.00**	5.00
Slovenia	**2.50**	2.50
Other countries	**n/a / 0.0–4.0**	n/a / 0.0–5.0
Future pension increases		
UK	**2.9**	2.7
USA	**0.0**	0.0
Indonesia	**5.0**	5.0
Slovenia	**n/a**	n/a
Other countries	**0.82**	1.52

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.

PLAN ASSETS BY ASSET CATEGORY

EUR MILLION	2020		2019	
	DEFINED BENEFIT OBLIGATION		DEFINED BENEFIT OBLIGATION	
	INCREASE	DECREASE	INCREASE	DECREASE
UK				
Discount rate (0.5% change)	**-1.0**	**1.2**	-1.0	1.1
Future salary (0.5% change)	**n/a**	**n/a**	n/a	n/a
Future pension (0.25% change)	**0.1**	**-0.2**	0.1	-0.1
Other Group companies, total				
Discount rate (0.5% change)	**-0.7**	**0.7**	-0.7	0.8
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

The weighted average of the duration of the defined benefit obligation: 12.2 (11.7)

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.

4.5 Provisions

Accounting principles

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.

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.

2020
NON-CURRENT PROVISIONS

EUR MILLION	WARRANTY PROVISION	RESTRUCTURING PROVISION	ONEROUS CONTRACTS AND OTHER PROVISIONS	TOTAL
Provisions, Jan 1	0.4	0.1	3.7	4.1
Translation differences		0.0	-0.1	-0.1
Additions	0.2		0.0	0.2
Used provisions			-0.0	-0.0
Change in estimates			0.0	0.0
Reversals			-0.6	-0.6
Provisions, Dec 31	**0.5**	**0.1**	**3.0**	**3.6**

CURRENT PROVISIONS

EUR MILLION	WARRANTY PROVISION	RESTRUCTURING PROVISION	ONEROUS CONTRACTS AND OTHER PROVISIONS	TOTAL
Provisions, Jan 1	2.5	0.0	1.7	4.1
Translation differences	-0.1		-0.0	-0.2
Additions	0.0	0.6	0.8	1.4
Used provisions	-0.0	-0.1	-0.3	-0.5
Change in estimates	0.0	0.2		0.2
Reversals	-0.1	-0.1		-0.2
Provisions, Dec 31	**2.2**	**0.6**	**2.1**	**4.9**

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**

5

Capital structure and financial instruments

5.1 Financial risk management 60
5.2 Financial assets 61
5.3 Share capital 63
5.4 Financial and lease liabilities 64
5.5 Derivatives 69

5.1 Financial risk management

Financial risks are managed by the Group Treasury in accordance with the risk management principles approved by the Board of Directors.

Currency risk

Currency risk refers to changes in the value of result, cash flow, balance sheet and competitiveness of Fiskars Group due to changes in exchange rates. Fiskars Group's transaction and translation positions are managed separately.

Transaction risk

Transaction risk arises from foreign currency denominated cash flows. The objective of managing the transaction risk is to reduce the impact of changes in exchange rates on the budgeted profit and cash flows of the Group. Group companies are responsible for managing the currency risks associated with their commercial cash flows. Group companies hedge their exposure using currency forwards entered into with the Group Treasury.

Transaction risk is measured as net of commercial and financial receivables and payables 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 IDR, THB and USD, and to depreciation of AUD, JPY, and SEK. Fiskars Group is exposed to rate changes in the local currencies of its suppliers, of which the most important is CNH.

Fiskars Group does not apply hedge accounting as defined in IFRS 9. All gains and losses resulting from currency derivatives are booked in the income statement. Had hedge accounting been applied to currency derivatives, Fiskars Group's consolidated profit before tax for 2020 would have been EUR 1.0 million above the reported figure (2.8 million above reported in 2019).

Translation risk

Translation risk refers to the impact of changes in exchange rates on the consolidated income statement, consolidated statement of cash flows and consolidated balance sheet. These changes can also impact key indicators, such as equity ratio and gearing. Translation risk is not hedged.

Interest rate risk

Interest rate risk refers to possible changes in cash flow and in the value of assets and liabilities resulting from changes in interest rates. Interest rate risk is measured by the average interest rate reset period of financial assets and liabilities. The average reset period reflects the time it takes on average for the change in interest rates to impact the interest costs of the 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.

Derivatives are used in the management of interest rate risks, and hedge accounting on interest derivatives is applied. The objective is to maintain the average reset period within the agreed limits of 4 to 48 months as set out in the Treasury policy. As of December 31, 2020 the Group did not have any interest rate derivatives outstanding (2019: EUR 50.0 million). The Group's interest-bearing net debt as of December 31, 2020 was EUR 49.6 million (149.8). Of the total debt 55% (69%) was linked to variable interest rates. The average interest rate reset period of interest-bearing debt was 11 months (4).

Sensitivity of interest expenses on changes in market rates has been calculated by assuming permanent one percentage point increase 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 0 million (1.1) in 2021.

Liquidity and refinancing risk

Liquidity risk refers to the risk of the Group's financial assets and sources of funding proving insufficient to fund its business operations or the risk of a situation where arranging such funding would result in substantial additional costs. The objective of liquidity risk 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.

Refinancing risk refers to exposure to unavailability or prohibitively expensive price of financing at the time of maturity of expiring financing lines. The objective of refinancing risk management is to minimize the risk by diversifying the maturity structure of the debt portfolio.

The Group has extensive unused credit facilities at its disposal to guarantee its liquidity. As of the end of the year, the unutilized committed revolving credit facilities totaled EUR 300 million (2019: 300) and overdraft facilities EUR 45 million (37). In addition, the Group's parent company in Finland has a commercial paper program amounting to EUR 400 million, of which none was utilized as of the end of the year.

Commodity risk

Fiskars 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

Group Treasury is responsible for evaluating and monitoring financial counterparty risk. The Group minimizes this risk by limiting its counterparties to creditworthy banks and financial institutions and by working within defined counterparty limits. Sales function is 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 183.7 million (177.4). The financial statements include provisions for bad debt related to trade receivables totaling EUR 5.5 million (4.5).

Management of capital

Fiskars 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 Group's capacity to fund its operations and take care of its obligations
- 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

5.2 Financial assets

Accounting principles

FINANCIAL ASSETS

Fiskars Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 AND VIA OTHER COMPREHENSIVE INCOME

Financial assets at fair value through profit or loss include 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 investments in listed securities and derivative instruments for which hedge accounting is not applied.

Financial assets at fair value through profit or loss 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 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.

Based on the new IFRS 9 standard that Fiskars Group adopted on January 1, 2018, Fiskars Group recorded the change in fair value of the Wärtsilä holding in other comprehensive income instead of recognizing fair value changes in the income statement.

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. They are not held for trading or designated 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 ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	LEVEL 3	
EUR MILLION	2020	2019
Book value, Jan 1	**28.9**	25.3
Additions	**1.9**	8.2
Decreases	**-4.1**	-1.7
Change in fair value	**-2.3**	-2.9
Book value, Dec 31	**24.4**	28.9

Investments at fair value through profit or loss comprise unlisted funds. 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	2020	2019
Book value, Jan 1		453.6
Decreases		-433.3
Change in fair value		-20.3
Book value, Dec 31		0.0

Investments at fair value through other comprehensive income 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 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 in value has been reported in other comprehensive income. The remaining 31,317 shares were sold in September 2019.

OTHER INVESTMENTS

EUR MILLION	LEVEL 1		LEVEL 3	
	2020	2019	2020	2019
Book value, Jan 1	**0.3**	0.4	**7.6**	8.4
Decreases				-0.4
Change in fair value	**-0.1**	-0.1	**0.3**	-0.4
Book value, Dec 31	**0.2**	0.3	**7.9**	7.6

Other investments 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	2020	2019
Cash at bank	**62.5**	9.4
Other current investments	**0.0**	0.0
Total, Dec 31	**62.5**	9.4

5.3 Share capital

	2020 PCS 1000	2019 PCS 1000	2020 EUR MILLION	2019 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	**408.7**	332.6	**6.9**	5.7
Change	**25.0**	76.1	**0.3**	1.1
Treasury shares, Dec 31	**433.7**	408.7	**7.2**	6.9

NUMBER OF SHARES AND VOTES

			DEC 31, 2020			DEC 31, 2019
	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**	81,905,242	81,905,242	77,510,200
Total	**81,905,242**	**81,905,242**	**77,510,200**	81,905,242	81,905,242	77,510,200

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

5.4 Financial and lease liabilities

Accounting principles

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.

Arrangement 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 arrangement fees are amortized over the expected loan term.

NON-CURRENT INTEREST BEARING DEBT

EUR MILLION	2020		2019	
	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT
Loans from credit institutions	**50.0**	**50.0**	50.0	50.0
Lease liability (note 3.3)	**66.1**	**71.8**	80.6	88.4
Other non-current debt	**1.2**	**1.2**	1.4	1.4
Total, Dec 31	**117.3**	**123.0**	132.0	139.8

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).

CURRENT INTEREST BEARING DEBT

EUR MILLION	2020		2019	
	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT
Bank overdrafts	**0.9**	**0.9**	8.4	8.4
Loans from credit institutions	**60.0**	**60.0**	100.0	100.0
Lease liability (note 3.3)	**21.0**	**22.7**	20.6	22.9
Other	**0.3**	**0.3**	0.3	0.3
Total, Dec 31	**82.2**	**83.9**	129.2	131.6

LEASE LIABILITY

EUR MILLION	2020	2019
Lease liabilities are payable as follows:		
Less than one year	**22.7**	22.9
Between one and five years	**48.5**	58.5
More than five years	**23.3**	29.8
Minimum lease payments, total	**94.5**	111.3

EUR MILLION	2020	2019
Present value of minimum lease payments:		
Less than one year	**21.0**	20.6
Between one and five years	**37.2**	46.2
More than five years	**28.9**	34.4
Present value of minimum lease payments, total	**87.1**	101.1
Future finance charges	**7.4**	10.2

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2020

EUR MILLION	JAN 1	LEASE CHANGES	CASH FLOWS	FX DIFFERENCE	OTHER	DEC 31
Non-current loans and borrowings	51.4		39.9		-40.1	51.2
Non-current lease liability (note 3.3)	88.4	0.0	0.0	-2.4	-14.2	71.8
Current loans and borrowings	108.7		-84.5	-3.0	40.0	61.2
Current lease liability (note 3.3)	22.9	10.2	-24.0	-0.4	14.1	22.7
Total	271.4	10.2	-68.6	-5.8	-0.3	206.9

2019

EUR MILLION	FINANCIAL LEASE LIABILITY JAN 1	IFRS 16 LEASE LIABILITY 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 3.3)	0.2	99.3	5.5	-0.1	0.7	-17.3	88.4
Current loans and borrowings	9.3			-1.3	0.7	100.0	108.7
Current lease liability (note 3.3)	0.2	21.2	5.8	-21.4	0.2	17.1	22.9
Total	160.9	120.5	11.2	-22.7	1.6	0.0	271.4

MATURITY OF LIABILITIES

As of December 31, 2020 the Group had unused credit facilities EUR 300 million (300) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2020 was 3.4 years (3.6). Agreements concerning credit facilities and long term loans include a covenant for the solidity. Non-compliance with the covenant would lead to a premature expiry of the agreements. Breach of covenant would require material deterioration of the solidity from the current.

2020

EUR MILLION	2021	2022	2023	2024	2025	LATER	TOTAL
Bank overdrafts	0.9						0.9
Other debt	0.3	0.4	0.4	0.4			1.5
Loans from credit institutions	60.0	50.0					110.0
interests	0.9	0.3					1.2
Lease liabilities (note 3.3)	21.0	16.7	12.8	7.7	7.3	21.6	87.1
interests	1.8	1.4	1.1	0.8	0.7	1.7	7.4
Trade payables	100.2						100.2
Derivative liabilities	0.4						0.4
Total, Dec 31	185.4	68.8	14.2	8.9	8.0	23.3	308.7
	60.1%	22.3%	4.6%	2.9%	2.6%	7.5%	100.0%

2019

EUR MILLION	2020	2021	2022	2023	2024	LATER	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 3.3)	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%

SENSITIVITY ANALYSIS OF CURRENCY EXPOSURE

The exchange rate sensitivity analysis in accordance with IFRS 7 indicates how the profit before taxes or consolidated Group equity would be impacted by a 10% depreciation of a currency. Impact from a 10% appreciation of a currency would be the opposite. The analysis of impact on profit includes internal and external foreign currency denominated financial items of the parent company in the selected currencies. Estimated commercial cash flows of the Group companies consist of net purchases and sales in foreign currencies during the subsequent year. Derivatives include transactions to hedge the estimated commercial flows. Other financial items include foreign currency denominated loans, deposits and investments. The selected currencies represent approximately 90% of the commercial net foreign currency flows. The sensitivity analysis on the consolidated Group equity illustrates translation risk related to the foreign currency denominated equity.

2020

	2020				2019			
	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	-1.1	0.8	0.4	-1.4	-1.5	2.1	-0.5	-1.7
CAD	-1.0	0.9	0.1	-0.5	-1.4	1.2	0.2	-0.7
GBP	-0.8	6.7	-5.9	-3.4	-1.4	6.1	-4.7	-3.8
IDR	1.1	-1.2		0.0	1.4	-1.4		0.0
JPY	-1.0	2.3	-1.2	-2.0	-1.7	2.7	-1.1	-2.1
SEK	-2.0	1.1	0.9	-0.6	-2.0	1.7	0.3	-0.7
THB	3.3	-2.5	-0.8	-1.5	3.6	-2.7	0.9	-1.9
USD	2.4	-1.6	-0.8	-19.1	1.2	-5.8	4.9	-28.7

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, 2020 was EUR 49.6 million (149.8) and the average interest reset period of interest-bearing debt was 11 months (4). A permanent one percentage point raise in all interest rates would increase the corporation's annual interest costs by EUR 0.0 million (1.1) 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.

2020

EUR MILLION	EUR	USD	GBP	DKK	OTHER	TOTAL
External loans and deposits	**84.1**	**-9.2**	**1.1**	**-5.5**	**-21.0**	**49.6**
Currency derivatives	**-53.2**	**-16.3**	**66.7**	**3.4**	**-0.2**	**0.4**
Net debt and currency derivatives	**30.9**	**-25.5**	**67.9**	**-2.1**	**-21.2**	**49.9**
Average interest rate on loans (p.a.)	**0.9%**					
Interest rate sensitivity	**-0.2**	**-0.3**	**0.7**	**0.0**	**-0.2**	**0.0**

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles

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.

2020

EUR MILLION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments at fair value through profit or loss			**24.4**	**24.4**
Other investments	**0.2**		**7.9**	**8.1**
Total assets	**0.2**		**32.2**	**32.4**
Derivative liabilities		**0.4**		**0.4**
Total liabilities		**0.4**		**0.4**

2019

EUR MILLION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments at fair value through profit or loss			28.9	28.9
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

5.5 Derivatives

Accounting principles

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 hierarchy level 2). Fair value changes are recognized in financial items.

Fiskars Group applies hedge accounting to changes in the fair value of derivatives designated, qualifying and effective as cash flow hedges. There were no such derivatives outstanding on balance sheet date.

NOMINAL AMOUNTS OF DERIVATIVES

EUR MILLION	2020	2019
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**223.6**	316.6
Cash flow hedges:		
Interest rate swaps*		50.0

* Hedged instrument: EUR 50 million floating rate long term loan with identical interest rate periods and rates

FAIR VALUE OF DERIVATIVES

EUR MILLION	2020	2019
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**-0.4**	-0.4
Cash flow hedges:		
Interest rate swaps		-0.3

Derivative agreements the Group enters into are governed by International Swaps and Derivatives Association's Master Agreements (ISDA). In case of a credit event as defined by the ISDA the other agreement party may demand early termination and set-off. Gross amounts of derivative assets and liabilities subject to early termination and set-off are presented in the following table.

EUR MILLION	2020	2019
Foreign exchange forwards and swaps		
Assets	**0.6**	0.1
Liabilities	**-1.0**	-0.5
Net	**-0.4**	-0.4

MATURITY OF DERIVATIVES

2020

EUR MILLION	2021	2022	LATER	TOTAL
Foreign exchange forwards and swaps	**223.6**			**223.6**
Interest rate swaps	**0.0**			**0.0**
Total, Dec 31	**223.6**			**223.6**

2019

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

6

Consolidation and other notes

6.1 Consolidated financial statements 71
6.2 Subsidiaries and other participations 71
6.3 Related party transactions 73
6.4 Acquisitions and divestments 76
6.5 Commitments and contingencies 77
6.6 Subsequent events 77

6.1 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.

6.2 Subsidiaries and other participations

SHARES IN SUBSIDIARIES

	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	NATURE OF MAIN ACTIVITIES
Fiskars Americas Holding Oy Ab	Raseborg	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	Raseborg	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
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 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	S
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 Ireland Limited	Waterford	IE	100.0	100.0	P
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
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

	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	NATURE OF MAIN ACTIVITIES
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
Fiskars (Thailand) Co.,Limited	Bangkok	TH	1.0	1.0	H

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

6.3 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 2020.

EUR MILLION	2020	2019
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.

	2020			2019		
	OWN HOLDINGS	HOLDINGS OF CONTROLLED CORPORATIONS	TOTAL	OWN HOLDINGS	HOLDINGS OF CONTROLLED CORPORATIONS	TOTAL
Ehrnrooth Paul	**0**	**10,930,961**	**10,930,961**	0	10,732,841	10,732,841
Fromond Louise	**601,135**	**10,567,417**	**11,168,552**	601,135	10,567,417	11,168,552
Luomakoski Jyri	**1,500**	**0**	**1,500**	1,500	0	1,500
Mero Inka	**700**	**0**	**700**	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**	3,000	0	3,000
Ehrnrooth Albert	**855,372**	**13,051,880**	**13,907,252**	855,372	13,051,880	13,907,252
Ahlström Nathalie[1)]	**5000**	**0**	**5000**			
Pohjonen Sari	**170**	**0**	**170**	170	0	170
Andersson Tina[2)]	**0**	**0**	**0**			
Bachler Christian[3)]	**0**	**0**	**0**	0	0	0
Brouillard James[4)]	**0**	**0**	**0**			
Gaggl Risto	**0**	**0**	**0**	0	0	0
Hedberg Johan[3)]	**0**	**0**	**0**	0	0	0
Hyyryläinen Tuomas	**0**	**0**	**0**	0	0	0
Lindholm Niklas	**0**	**0**	**0**	0	0	0
Taimi Maija	**400**	**0**	**400**	0	0	0
Timonen Päivi	**0**	**0**	**0**	0	0	0
Tuominen Jaana[5)]				23,736	0	23,736
Lettijeff Ulla[6)]				0	0	0
Halak Michael[7)]				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 44.6% of the outstanding shares of the company.

The President & CEO of the company has been Jaana Tuominen until April 21,2020, interim President & CEO Sari Pohjonen as of April 21, 2020 to November 29, 2020 and President & CEO Nathalie Ahlström as of November 30, 2020.

1) Member of the Board of Directors as of March 11, 2020 until November 29, 2020. Member of the Fiskars Group Leadership team as of November 30, 2020.
2) Member of the Fiskars Group Leadership Team as of March 17, 2020
3) Member of the Fiskars Group Leadership Team as of December 4, 2019
4) Member of the Fiskars Group Leadership Team as of April 20, 2020
5) Member of the Fiskars Group Leadership Team until April 21, 2020
6) Member of the Fiskars Group Leadership Team until August 6, 2019
7) Member of the Fiskars Group Leadership Team as of April 1, 2019 until December 3, 2019

REMUNERATION OF THE BOARD AND KEY MANAGEMENT

EUR THOUSANDS	2020			2019		
	SALARIES AND FEES	STATUTORY PENSION	SUPPLEMENTARY PENSION*	SALARIES AND FEES	STATUTORY PENSION	SUPPLEMENTARY PENSION*
Ehrnrooth Paul	**138.8**			127.5		
Luomakoski Jyri	**89.1**			81.5		
Fromond Louise	**65.0**			58.8		
Mero Inka	**66.4**			58.5		
Månsson Fabian	**80.6**			81.0		
Sjölander Peter	**83.3**			79.0		
Sotamaa Ritva	**83.7**			80.0		
Ehrnrooth Albert	**65.0**			59.0		
Ehrnrooth Alexander	**3.0**			4.5		
Ahlström Nathalie[1)]	**45.5**					
Gripenberg Gustaf [8)]				15.0		
Jonasson Blank Ingrid[8)]				19.3		
Ahlström Nathalie[1)]	**41.3**	**10.0**				
Tuominen Jaana	**394.4**	**95.4**	**84.3**	592.4	144.0	109.5
Pohjonen Sari	**565.8**	**136.9**	**45.9**			
Fiskars Group Leadership Team, excluding CEO and President	**3,400.5**	**414.3**	**183.0**	1,955.9	475.3	226.9
Total	**5,122.1**	**656.6**	**313.2**	3,212.3	619.2	336.4

[1)] Member of the Board of Directors as of March 11, 2020 until November 29, 2020. Member of the Fiskars Group Leadership team as of November 30, 2020.
[8)] Member of the Board of Directors until March 13, 2019

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.

Fiskars Group Leadership Team belongs to the long-term incentive plans to which participants are selected by the Board of Directors annually. In 2020 there is one plan in place for years 2018-2022, which includes performance periods 2018-2020, 2019-2021 and 2020-2022. The Board of Directors confirms the targets separately for each performance period and they are based on the company's total shareholder return, EBITA and net sales (performance period 2018-2020) and the company's total shareholder return, net sales and net working capital (performance periods 2019-2021 and 2020-2022) during the vesting period. 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.

Fiskars Group Leadership Team 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 income, excluding bonuses, for CEO and 16%-20% of the preceding year's income, excluding bonuses, for Fiskars Group Leadership Team excl. CEO.

The President and CEO's compensation consists of base salary, annual short-term incentive plan and long-term incentive plan. The President and CEO participates on a pro rata basis (according to time) in the ongoing performance periods 2019-2021 and 2020-2022 of the long-term incentive plan. 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.

6.4 Acquisitions and divestments

Accounting principles

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.

2020

No acquisitions or divestments were closed in 2020.

On 1 December 2020, Fiskars Group entered into an agreement to divest its watering assembly plant and related operations in Ningbo, China to Daye (Ningbo Daye Garden Industry Co. Ltd). The assets and liabilities of Ningbo are not significant on December 31, 2020 and the sale is not expected to have a significant impact on Fiskars Group's financial position or result during 2021.

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.

6.5 Commitments and contingencies

CONTINGENCIES AND PLEDGED ASSETS

EUR MILLION	2020	2019
Guarantees	**11.5**	14.7
Other contingencies*	**1.9**	4.3
Total pledged assets and contingencies, Dec 31	**13.4**	19.0

* Other contingencies include a commitment of USD 1.7 million (3.0) to invest in private equity funds.

At 31 December 2020, 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 9.6 millions within five years and EUR 19.3 millions thereafter.

Litigation

Fiskars Grop is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot 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. In 2016 the Finnish Large Taxpayers' office raised a tax reassessment claim, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases. The administrative court of Helsinki upheld the Large Taxpayers' Offices decision and Fiskars has sought to continue the appeal process in the Supreme Administrative court. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

6.6 Subsequent events

On 22 Jan 2021 Fiskars Group has completed the sale of the watering assembly plant and related operations in Ningbo, China to Daye (Ningbo Daye Garden Industry Co. Ltd.).

The sale is not expected to have a significant impact on Fiskars Group's financial position or result during 2021.

Parent company financial statements, FAS

PARENT COMPANY INCOME STATEMENT

EUR	NOTE	2020		2019	
Net sales	2	**77,675,276.92**		78,477,220.50	
Cost of goods sold	4	**-2,794,053.85**		-2,546,187.62	
Gross profit		**74,881,223.07**	**96%**	75,931,032.88	97%
Administration expenses	4.6	**-58,138,623.47**		-58,261,691.61	
Other operating income	3	**650,506.58**		1,085,509.45	
Other operating expenses	4	**-87,447.46**		-683,042.19	
Operating profit (loss)		**17,305,658.72**	**22%**	18,071,808.53	23%
Financial income and expenses	7	**563,983.45**		9,643,868.15	
Profit (loss) before appropriations and taxes		**17,869,642.17**		27,715,676.68	
Appropriations	8				
Group contribution		**-9,147,159.00**		-7,267,259.67	
Income taxes	9	**-1,991,345.09**		-1,481,766.30	
Profit (loss) for the financial year		**6,731,138.08**		18,966,650.71	

PARENT COMPANY BALANCE SHEET

EUR	NOTE	DEC 31, 2020		DEC 31, 2019	
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	10	**35,119,455.24**		37,225,174.72	
Tangible assets	11				
Land and water		**35,856,295.59**		35,881,486.83	
Buildings		**14,377,181.38**		11,734,291.10	
Machinery and equipment		**2,374,287.71**		2,149,579.96	
Construction in progress		**1,175,757.55**		3,528,612.06	
Tangible assets total		**53,783,522.23**		53,293,969.95	
Investments	12				
Holdings in subsidiaries		**639,943,547.27**		639,994,066.93	
Other shares		**22,117,604.35**		21,353,244.24	
Investments total		**662,061,151.62**		661,347,311.17	
Non-current assets total		**750,964,129.09**	**74%**	751,866,455.84	76%
CURRENT ASSETS					
Non-current loan receivables		**38,706.18**		43,973.70	
Current receivables					
Trade receivables		**4,561.76**		4,731.24	
Receivables from subsidiaries	13	**207,180,197.19**		209,002,388.36	
Other receivables		**28,585,784.03**		26,797,803.72	
Prepayments and accrued income	14	**6,327,498.49**		5,338,744.94	
Current receivables total		**242,098,041.47**		241,143,668.26	
Cash and cash equivalents	15	**27,929,098.03**		172,771.13	
Current assets total		**270,065,845.68**	**26%**	241,360,413.09	24%
Assets total		**1,021,029,974.77**	**100%**	993,226,868.93	100%

EUR	NOTE	DEC 31, 2020		DEC 31, 2019	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	16				
Share capital		**77,510,200.00**		77,510,200.00	
Revaluation reserve		**3,737,397.19**		3,738,507.26	
Fair value reserve				-285,017.25	
Treasury shares		**-7,181,414.46**		-6,877,330.29	
Other reserves		**3,204,313.18**		3,204,313.18	
Retained earnings		**389,823,227.03**		416,508,426.43	
Profit (loss) for the financial year		**6,731,138.08**		18,966,650.71	
Shareholders' equity total		**473,824,861.02**	**46%**	512,765,750.04	52%
LIABILITIES					
Non-current	17				
Loans from credit institutions		**50,685,342.45**		50,720,928.49	
Liabilities to subsidiaries		**2,398.36**		2,398.36	
Non-current liabilities total		**50,687,740.81**		50,723,326.85	
Current					
Loans from credit institutions		**60,868,395.10**		109,002,888.34	
Trade payables		**5,692,686.95**		6,636,887.93	
Liabilities to subsidiaries	18	**404,796,108.26**		295,138,480.55	
Income tax payable		**1,881,183.48**			
Other payables		**14,482,674.45**		11,050,422.76	
Accruals and deferred income	19	**8,796,324.70**		7,909,112.46	
Current liabilities total		**496,517,372.94**		429,737,792.04	
Liabilities total		**547,205,113.75**	**54%**	480,461,118.89	48%
Shareholders' equity and liabilities total		**1,021,029,974.77**	**100%**	993,226,868.93	100%

PARENT COMPANY STATEMENT OF CASH FLOWS

EUR	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before appropriations and taxes	**8,722,483.17**	20,448,418.01
Adjustments for		
Depreciation, amortization and impairment	**14,218,651.79**	11,883,171.52
Investment income	**-451,320.38**	-190,156.15
Interest income and dividends	**-5,860,662.24**	-19,166,316.25
Unrealized exchange gains and losses	**1,040,591.93**	-1,075,300.16
Interest expenses and other financial costs	**4,256,086.86**	4,224,432.15
Impairment of shares in and receivables from subsidiaries		-1,469,082.29
Group contributions	**9,147,159.00**	7,267,259.67
Change in provisions and other non-cash items	**189,790.08**	6,917,598.35
Cash flow before changes in working capital	**31,262,780.21**	28,840,024.85
Changes in working capital		
Change in current assets, non-interest bearing	**-16,339,614.68**	-30,937,192.01
Change in inventories		374,487.98
Change in current liabilities, non-interest bearing	**4,308,009.47**	-136,041.02
Cash flow from operating activities before financial items and taxes	**19,231,175.00**	-1,858,720.20
Dividends received		7,842,398.40
Financial income received	**5,851,805.46**	10,882,424.05
Financial expenses paid	**-5,296,120.81**	-3,630,099.13
Taxes paid	**-1,755,518.80**	-733,644.05
Cash flow from operating activities (A)	**18,031,340.85**	12,502,359.07

EUR	2020	2019
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in other subsidiaries		-13,480,547.88
Liquidation loss from subsidiaries	**-50,519.66**	
Investments in financial assets	**-1,893,517.26**	-8,164,757.16
Investments in intangible assets and property, plant & equipment	**-12,730,935.91**	-19,891,812.23
Proceeds from sale of property, plant & equipment and other investments	**632,143.21**	648,396.93
Sale of other holdings	**1,129,157.15**	1,702,424.16
Change in long term loan receivables	**-95,415.00**	5,800,000.00
Cash flow from investing activities (B)	**-13,009,087.47**	-33,386,296.18
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	**-304,084.17**	-1,143,681.20
Change of non-current debt	**140,002.30**	261,766.04
Change in current debt	**58,661,852.39**	57,467,712.81
Change in current receivables	**17,155,412.78**	4,356,027.64
Dividends paid	**-45,651,850.11**	-50,906,679.88
Group contribution received/paid	**-7,267,259.67**	-464,472.39
Cash flow from financing activities (C)	**22,734,073.52**	9,570,673.02
Change in cash and cash equivalents (A+B+C)	**27,756,326.90**	-11,313,264.09
Cash and cash equivalents at beginning of period	**172,771.13**	11,486,035.22
Cash and cash equivalents at end of period	**27,929,098.03**	172,771.13

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

nventories 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	2020	2019
Dividens from financial assets in inventories		7,842,398.40
IC Service fee	**47,001,882.92**	43,367,846.56
Royalties	**24,925,625.80**	21,430,311.32
Lease income	**1,894,521.72**	1,889,416.51
Other	**3,853,246.48**	3,947,247.71
Total	**77,675,276.92**	78,477,220.50

3. Other operating income

EUR	2020	2019
Net gain on sale of property, plant and equipment	**538,767.84**	531,119.23
Other income	**111,738.74**	554,390.22
Total	**650,506.58**	1,085,509.45

4. Total expenses

TOTAL EXPENSES BY NATURE

EUR	2020	2019
Materials and supplies	**-8,502.93**	-9,989.74
Employee benefits	**-17,001,540.05**	-18,404,593.37
Depreciation, amortization and impairment	**-14,218,651.79**	-11,883,172.52
IT expenses	**-17,903,148.10**	-16,166,853.47
Consulting fees	**-4,539,897.98**	-5,007,594.66
External services	**-1,857,831.10**	-2,011,156.04
Other	**-5,403,105.37**	-7,324,519.43
Total	**-60,932,677.32**	-60,807,879.23

OTHER OPERATING EXPENSES

EUR	2020	2019
Scrapping of fixed assets	**-36,927.80**	-340,963.08
Liquidation of subsidiary shares	**-50,519.66**	
To subsidiaries		-342,079.11
Total	**-87,447.46**	-683,042.19

5. Fees paid to company's auditors

EUR	2020	2019
Audit fees	**-299,012.00**	-266,500.00
Other	**-66,709.00**	-11,090.00
Total	**-365,721.00**	-277,590.00

6. Personnel costs and number of employees

PERSONNEL COSTS

EUR	2020	2019
Wages and salaries	**-14,410,521.18**	-15,258,218.91
Pension costs	**-1,993,758.21**	-2,611,135.34
Other personnel costs	**-597,260.66**	-535,239.12
Total	**-17,001,540.05**	-18,404,593.37

NUMBER OF EMPLOYEES

	2020	2019
Average (FTE)	**170**	175
End of period	**171**	179

7. Financial income and expenses

EUR	2020	2019
Interest and financial income from non-current investments		
From group companies	**3,024,801.32**	11,091,670.67
Interest and financial income from non-current investments, total	**3,024,801.32**	11,091,670.67
Other interest and financial income		
From third parties	**6,658,140.06**	8,277,023.70
Other interest and financial income, total	**6,658,140.06**	8,277,023.70
Interest and financial income, total	**9,682,941.38**	19,368,694.37
Interest and other financial expenses		
To subsidiaries		
Interest expenses	**-463,108.70**	-1,417,417.13
Loss on disposal of financial assets		-5,320,670.09
Interest and other financial expenses to other parties	**-8,655,849.23**	-2,986,739.00
Interest and other financial expenses, total	**-9,118,957.93**	-9,724,826.22
Total financial income and expenses	**563,983.45**	9,643,868.15
Net exchange gains and losses included in financial items	**1,040,591.93**	1,075,300.16

8. Appropriations

EUR	2020	2019
Group contribution paid	**-9,147,159.00**	-7,267,259.67
Total	**-9,147,159.00**	-7,267,259.67

9. Income taxes

EUR	2020	2019
Current year taxes for profit before extraordinary items	**-1,987,893.36**	-1,825,276.60
Income tax for previous periods	**-3,451.73**	343,510.30
Income taxes per income statement	**-1,991,345.09**	-1,481,766.30

10. Intangible assets

EUR	2020	2019
Historical cost, Jan 1	**98,660,218.04**	82,474,169.54
Additions	**10,620,035.31**	16,389,395.02
Transfers	**-363,792.18**	-203,346.52
Historical cost, Dec 31	**108,916,461.17**	98,660,218.04
Accumulated amortization according to plan, Jan 1	**61,435,043.32**	51,517,180.77
Amortization for the period	**12,361,962.61**	9,917,862.55
Accumulated amortization and impairment, Dec 31	**73,797,005.93**	61,435,043.32
Net book value, Dec 31	**35,119,455.24**	37,225,174.72

11. Tangible assets

2020

EUR	LAND AND WATER	BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Historical cost, Jan 1	26,216,240.57	35,047,058.44	7,379,267.65	3,528,612.06	72,171,178.72
Additions		624,124.53	386,862.18	1,099,913.89	2,110,900.60
Decreases	-24,081.17	-36,664.96	-449,759.85		-510,505.98
Transfers		3,317,948.40	498,612.18	-3,452,768.40	363,792.18
Historical cost, Dec 31	26,192,159.40	38,952,466.41	7,814,982.16	1,175,757.55	74,135,365.52
Accumulated depreciation and impairment, Jan 1		23,312,767.34	5,229,687.69		28,542,455.03
Depreciation for the period		1,299,182.65	557,506.53		1,856,689.18
Decreases		-36,664.96	-346,499.77		-383,164.73
Accumulated depreciation and impairment, Dec 31		24,575,285.03	5,440,694.45		30,015,979.48
Revaluation, Jan 1	9,665,246.26				9,665,246.26
Decreases	-1,110.07				-1,110.07
Revaluation, Dec 31	9,664,136.19				9,664,136.19
Book value Dec 31	35,856,295.59	14,377,181.38	2,374,287.71	1,175,757.55	53,783,522.23

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	35,881,486.83	11,734,291.10	2,149,579.96	3,528,612.06	53,293,969.95

12. Investments

2020

EUR	HOLDINGS IN SUBSIDIARIES	RECEIVABLES FROM SUBSIDIARIES	OTHER SHARES	TOTAL
Historical cost, Jan 1	**913,794,066.93**		**22,157,965.70**	**935,952,032.63**
Additions			**1,893,517.26**	**1,893,517.26**
Decreases	**-92,850,519.66**		**-1,129,157.15**	**-93,979,676.81**
Historical cost, Dec 31	**820,943,547.27**		**22,922,325.81**	**843,865,873.08**
Write-downs, Jan 1	**-273,800,000.00**		**-804,721.46**	**-274,604,721.46**
Reversal	**92,800,000.00**			
Write-downs, Dec 31	**-181,000,000.00**		**-804,721.46**	**-181,804,721.46**
Book value Dec 31, 2020	**639,943,547.27**		**22,117,604.35**	**662,061,151.62**

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	0.00	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			-400,000.00
Write-downs, Dec 31	-273,800,000.00		-804,721.46	-274,604,721.46
Book value Dec 31	639,994,066.93	0.00	21,353,244.24	661,347,311.17

SHARES IN SUBSIDIARIES

	NUMBER OF SHARES	DOMICILE		% OF SHARE CAPITAL	% OF VOTING POWER	BOOK VALUE
Fiskars Americas Holding Oy Ab	1,000	Raseborg	FI	100.0	100.0	110,071,862.76
Fiskars Europe Holding Oy Ab	11,000	Raseborg	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, 2020						**639,943,547.27**

OTHER SHARES

EUR	BOOK VALUE
Other shares owned by the parent company	22,117,604.35
Total, Dec 31, 2020	**22,117,604.35**

13. Receivables from subsidiaries

EUR	2020	2019
Trade receivables	**41,831,293.82**	32,328,625.24
Loan receivables	**107,768,321.69**	110,129,821.56
Other receivables	**53,673,223.48**	63,072,140.13
Prepayments and accrued income	**3,907,358.20**	3,471,801.43
Total, Dec 31	**207,180,197.19**	209,002,388.36

14. Prepayments and accrued income

EUR	2020	2019
Prepaid and accrued interest	**1,905,102.16**	1,905,099.36
Other prepayments and accruals	**4,422,396.33**	3,433,645.58
Total, Dec 31	**6,327,498.49**	5,338,744.94

15. Cash and cash equivalents

EUR	2020	2019
Cash and cash equivalents	**27,929,098.03**	172,771.13
Total, Dec 31	**27,929,098.03**	172,771.13

16. Shareholders' equity

EUR	2020	2019
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	**3,738,507.26**	3,744,129.92
Decrease	**-1,110.07**	-5,622.66
Revaluation reserve, Dec 31	**3,737,397.19**	3,738,507.26
Fair value reserve		
Jan 1	**-285,017.25**	-556,170.26
Decrease	**285,017.25**	271,153.01
Fair value reserve, Dec 31	**0.00**	-285,017.25
Treasury shares		
Jan 1	**-6,877,330.29**	-5,733,649.09
Increase	**-304,084.17**	-1,143,681.20
Treasury shares, Dec 31	**-7,181,414.46**	-6,877,330.29
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	**435,475,077.14**	900,392,050.31
Dividends	**-45,651,850.11**	-483,883,623.88
Net profit	**6,731,138.08**	18,966,650.71
Retained earnings, Dec 31	**396,554,365.11**	435,475,077.14
Distributable earnings, Dec 31	**389,372,950.65**	428,597,746.85
Shareholders' equity total, Dec 31	**473,824,861.02**	512,765,750.04

17. Non-current liabilities

EUR	2020	2019
Loans from credit institutions payable		
Between one and five years	**50,685,342.45**	50,720,928.49
Loans from credit institutions, total	**50,685,342.45**	50,720,928.49

EUR	2020	2019
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	**50,687,740.81**	50,723,326.85

18. Liabilities to subsidiaries

EUR	2020	2019
Trade payables	**-220,599.05**	-12,138.95
Other liabilities	**405,013,524.11**	295,125,392.03
Accruals and deferred income	**3,183.20**	25,227.47
Total, Dec 31	**404,796,108.26**	295,138,480.55

19. Accruals and deferred income

EUR	2020	2019
Interests	**662,481.22**	1,694,790.90
Wages, salaries and social costs	**5,646,113.41**	4,587,462.70
Other	**2,487,730.07**	1,626,858.86
Total, Dec 31	**8,796,324.70**	7,909,112.46

20. Lease obligations

EUR	2020	2019
Payments next year	**1,917,097.00**	1,933,358.80
Payments later	**30,355,509.00**	31,523,064.10
Total, Dec 31	**32,272,606.00**	33,456,422.90

21. Contingencies and pledged assets

EUR	2020	2019
As security for own commitments	**1,358,000.00**	3,041,013.00
Guarantees as security for subsidiaries' commitments	**11,516,000.00**	14,749,357.00
Total, Dec 31	**12,874,000.00**	17,790,370.00

22. Derivative contracts

Nominal value, EUR	2020	2019
Foreign exchange forwards and swaps	**388,659,837.70**	492,249,356.52
Interest rate swaps		50,000,000.00
Total, Dec 31	**388,659,837.70**	542,249,356.52

Fair value, EUR	2020	2019
Foreign exchange forwards and swaps	**745,738.81**	911,338.51
Interest rate swaps		-285,017.00
Total, Dec 31	**745,738.81**	626,321.51

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' 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 2020, the distributable equity of the parent company was EUR 389.4 million (2019: EUR 428.6 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.60 per share shall be paid for the financial period that ended on December 31, 2020. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.30 per share shall be on March 12, 2020. The first instalment shall be paid to a shareholder who is registered in the shareholder register of the company maintained by Euroclear Finland Oy on the dividend record date March 15, 2021. The payment date proposed by the Board of Directors for this instalment is March 22, 2021.

The second instalment of EUR 0.30 per share shall be paid in September 2021. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Oy 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 then be September 10, 2021, the dividend record date September 13, 2021 and the dividend payment date September 20, 2021, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,471,565. The proposed distribution of dividends would thus be EUR 48.9 million (EUR 45.7 million). This would leave EUR 340.5 million (EUR 383.0 million) 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, 2021

Albert Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Jyri Luomakoski

Inka Mero

Fabian Månsson

Peter Sjölander

Ritva Sotamaa

Nathalie Ahlström
President and CEO

The Auditor's Note

Our auditor's report has been issued today.

Helsinki, February 4, 2021
Ernst & Young Oy

Kristina Sandin
Authorized Public Accountant, KHT

Auditor's Report

(Translation of the Finnish original)

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, 2020. 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition	
Refer to note 2.1 of the consolidated financial statements. 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of goodwill	
Refer to note 3.1 of the consolidated financial statements. The value of goodwill at the date of the financial statements amounted to 213,7 million euro representing 16 % of total assets and 28 % 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. Valuation of goodwill 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 valuation of goodwill 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of trademarks	
Refer to note 3.1 of the consolidated financial statements. The Group has 9 trademarks, for which the value at the date of the financial statements amounted to 223,8 million euro representing 17 % of total assets and 29 % of equity. An impairment amounting to 11,4 million euro has been recognized in 2020. 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. Valuation of trademarks 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 valuation of trademarks 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of inventories	
Refer to note 4.1 of the consolidated financial statements. 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 229,4 million euro and 22,0 million euro, respectively (net 207,4 million euro). 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 and our appointment represents a total period of uninterrupted engagement of two years.

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, 2021

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 items affecting comparability. 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

Fiskars Group 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 8.5 million had been recorded by the end of 2020, which will be recorded as items affecting comparability (IAC).

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 December 2020. The costs are recorded as items affecting comparability (IAC).

Other items affecting comparability in 2020

Leborgne divestment costs amounted to EUR 0.2 million. Other adjustments to operating profit totalled EUR -0.3 million in 2020.

EUR MILLION	2020	2019
Operating profit (EBIT)	**98.0**	60.1
Amortization	**-27.8**	-12.9
EBITA	**125.8**	72.9
Items affecting comparability in EBITA		
Restructuring Program	**8.1**	0.4
Transformation program	**3.0**	17.0
Leborgne divestment	**0.2**	0.8
Alignment program		-0.2
Other adjustments to operating profit	**-0.3**	-0.3
Total items affecting comparability in EBITA	**11.0**	17.7
Comparable EBITA	**136.8**	90.6

Financial indicators

FIVE YEARS IN FIGURES

EUR MILLION		2020	2019	2018	2017	2016
Net sales	EUR million	**1,116.2**	1,090.4	1,118.5	1,185.5	1,204.6
of which outside Finland	EUR million	**1,021.9**	977.5	1,006.6	1,073.1	1,102.0
in percent of net sales	%	**91.5**	89.6	90.0	90.5	91.5
export from Finland	EUR million	**20.1**	20.2	19.5	22.8	24.3
Percentage change of net sales	%	**2.4**	-2.5	-5.6	-1.6	8.8
Gross profit	EUR million	**452.0**	447.3	485.1	512.2	502.9
in percent of net sales	%	**40.5**	41.0	43.4	43.2	41.7
EBITA	EUR million	**125.8**	72.9	112.5	113.2	96.7
in percent of net sales	%	**11.3**	6.7	10.1	9.5	8.0
Comparable EBITA	EUR million	**136.8**	90.6	121.7	119.0	107.1
Change in fair value of biological assets	EUR million	**0.7**	-0.2	2.0	0.7	-0.5
Financial items net	EUR million	**-8.9**	3.4	9.4	119.3	10.5
in percent of net sales	%	**-0.8**	0.3	0.8	10.1	0.9
Profit before taxes	EUR million	**89.8**	63.2	103.0	217.8	92.8
in percent of net sales	%	**8.0**	5.8	9.2	18.4	7.7
Income tax	EUR million	**-21.3**	-10.8	-21.1	-50.8	-27.4
Profit for the period attributable to the equity holders of the company	EUR million	**67.6**	51.7	81.6	166.4	64.1
in percent of net sales	%	**6.1**	4.7	7.3	14.0	5.3
Non-controlling interests' share of profit	EUR million	**0.8**	0.7	0.2	0.7	1.3
Employee benefits	EUR million	**262.9**	311.9	307.9	315.3	337.1
Depreciation, amortization and impairment	EUR million	**76.1**	59.6	43.8	38.8	37.4
in percent of net sales	%	**6.8**	5.5	3.9	3.3	3.1

EUR MILLION		2020	2019	2018	2017	2016
Cash flow from operating activities	EUR million	**199.2**	96.5	105.9	103.8	83.8
Capital expenditure	EUR million	**30.0**	40.0	46.2	32.8	37.6
in percent of net sales	%	**2.7**	3.7	4.1	2.8	3.1
Research and development costs in income statement	EUR million	**16.5**	18.4	18.4	18.8	18.0
in percent of net sales	%	**1.5**	1.7	1.6	1.6	1.5
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	**757.8**	760.9	1,207.0	1,269.4	1,218.1
Non-controlling interest	EUR million	**3.8**	3.6	2.7	2.8	1.9
Equity total	EUR million	**761.6**	764.5	1,209.7	1,272.1	1,220.1
Net interest bearing debt	EUR million	**143.7**	261.1	135.4	147.7	152.4
Working capital	EUR million	**134.2**	194.4	197.0	195.9	217.8
Balance sheet total	EUR million	**1,342.0**	1,364.3	1,719.2	1,837.9	1,760.1
Return on investment	%	**9.9**	6.0	7.9	15.4	6.8
Return on equity	%	**9.0**	5.3	6.6	13.4	5.4
Equity ratio	%	**56.8**	56.0	70.4	69.2	69.3
Net gearing	%	**18.9**	34.2	11.2	11.6	12.5
Personnel (FTE), average		**6,104**	6,840	7,219	7,709	8,000
Personnel, end of period		**6,411**	6,984	7,615	7,932	8,560
of which outside Finland		**5,348**	5,852	6,581	6,806	7,336

SHARE RELATED FIGURES

EUR MILLION		2020	2019	2018	2017	2016
Share capital	EUR million	**77.5**	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)[1]	€/share	**0.83**	0.63	1.00	2.04	0.78
Dividend per share	€/share	**0,60[2]**	0.56	0,54+5,31[3]	0.72	0,71+0,35
Dividend	EUR million	**48.9[2]**	45.60	44.0	58.8	86.6
Equity per share	€	**9.30**	9.34	14.80	15.53	14.91
Average price	€/share	**11.47**	15.40	19.37	20.84	17.11
Lowest price per share	€/share	**7.80**	11.16	14.48	17.67	15.00
Highest price per share	€/share	**15.02**	20.60	25.00	24.00	18.74
Price per share, Dec 31	€/share	**14.98**	11.26	15.04	23.96	17.60
Market value of shares	EUR million	**1,220.4**	917.7	1,226.9	1,954.5	1,438.2
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		**433.7**	408.7	332.6	191.5	187.8
Number of shares traded, 1,000 pcs		**11,112.7**	9,148.1	3,149.5	5,217.9	2,838.0
Price per earnings		**18.1**	17.8	15.1	11.7	22.5
Dividend per earnings in percent	%	**72,3[2]**	88.4	54.1	35.4	135.5
Dividend yield in percent	%	**4,0[2]**	5.0	3.6	3.0	6.0
Number of shareholders, Dec 31		**25,968**	23,495	20,013	19,536	18,643

[1] Reported earnings per share figures for fiscal years 2016-2017 include net changes in the fair value of the investment portfolio.
[2] Board's proposal.
[3] 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

Return on investment in percent = (Profit for the period + income taxes + interest and other financial expenses) / (Equity, total + interest-bearing liabilities (average of beginning and end of year amounts)) x 100

Return on equity in percent = Profit for the period / Equity, total (average of beginning and end of year amounts) x 100

Equity ratio in percent = Equity, total / Balance sheet total x 100

Net gearing in percent = Interest bearing debt - cash and bank / Equity, total x 100

Earnings per share = Profit attributable to equity holders of the company / Weighted average number of outstanding ordinary shares, Dec 31

Equity per share = Equity attributable to equity holders of the company / Number of outstanding ordinary shares, Dec 31

Adjusted average share price = Value of shares traded during the period / Number of shares traded during the period, adjusted for emissions

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

Price per earnings (P/E) = Market quotation per share, Dec 31 / Earnings per share

Dividend per earnings in percent = Dividend paid / Profit attributable to equity holders of the company x 100

Dividend per share = Dividend paid / Number of outstanding shares, Dec 31

Dividend yield in percent = Dividend per share / Market quotation, Dec 31 adjusted for emissions x 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.

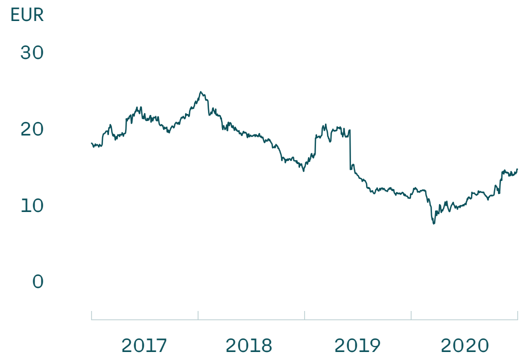
The total number of shares at the end of 2020 81,905,242 (81,905,242). The share capital remained unchanged in 2020 at EUR 77,510,200.

SHARE DETAILS

Market	Nasdaq Helsinki
ISIN	FI0009000400
Trading code	FSKRS
Segment	Large Cap
Industry	3000 Consumer Goods
Supersector	3700 Personal & Household Goods
Shares as of Dec 31, 2020	81,905,242

FISKARS SHARE PRICE DEVELOPMENT

EUR, Jan 1, 2017–Dec 31, 2020



*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 owned 433,677 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 2020 decided to authorize the Board to acquire and convey a maximum 4,000,000 of Fiskars' own shares.

CHANGES IN THE NUMBER OF SHARES, 2016–2020

	TOTAL
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
Total shares, Dec 31, 2020	81,905,242
Treasury shares Dec 31, 2020	433,677

Shareholders

Fiskars Corporation had 25,968 (23,495) shareholders as of the end of the year. Approximately 5.4% (3.1) of the share capital was owned by shareholders outside Finland or nominee-registered shareholders.

Management shareholding

On December 31 2020, 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 35,821,015 (35,839,501) shares corresponding to 43.7% (43.8) of the Company's shares and votes. The Company did not have any share option programs.

SHARE OWNERSHIP, DECEMBER 31, 2020

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES AND VOTES	%
Private companies	672	2.59	28,298,314	34.55
Financial and insurance institutions	42	0.16	14,622,874	17.85
Public sector organizations	6	0.02	4,086,522	4.99
Non-profit organizations	215	0.83	5,910,192	7.22
Households	24,902	95.89	27,879,561	34.04
Outside Finland	131	0.50	1,107,779	1.35
Nominee registered	12	0.05	3,319,973	4.05
Total	25,968	100.00	81,905,242	100.00

DISTRIBUTION OF SHARES, DECEMBER 31, 2020

Number of shares	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES AND VOTES	%
1–100	12,971	49.95	596,267	0.73
101–500	8,700	33.50	2,257,326	2.76
501–1,000	2,056	7.92	1,582,880	1.93
1,001–5,000	1,773	6.83	3,778,157	4.61
5,001–10,000	218	0.84	1,505,783	1.84
10,001–50,000	163	0.63	3,298,889	4.03
50,001–100,000	27	0.10	1,756,487	2.14
100,001–500,000	33	0.13	8,030,390	9.80
500,001–999,999,999,999	27	0.10	59,099,063	72.16
Total	25,968	100.00	81,905,242	100.00

MAJOR SHAREHOLDERS, DECEMBER 31, 2020

		TOTAL SHARES	% OF SHARES AND VOTES
1	Virala Oy Ab	12,650,000	15.44
2	Turret Oy Ab	10,885,961	13.29
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	Gripenberg Gerda Margareta Lindsay Db	1,982,000	2.42
7	Ilmarinen Mutual Pension Insurance Company	1,776,305	2.17
8	Varma Mutual Pension Insurance Company	1,719,326	2.10
9	von Julin Sofia Margareta dödsbo	1,560,000	1.90
10	Wrede Anna Helena Sophie dödsbo	928,684	1.13
11	Ehrnrooth Albert	855,372	1.04
12	Lindsay von Julin & Co Ab	750,000	0.92
13	Hartwall Peter Johan	748,450	0.91
14	Therman Anna Maria Elisabeth	722,436	0.88
15	Åberg Albertina	711,063	0.87
16	Fromond Louise	601,135	0.73
17	Fromond Anna	600,518	0.73
18	von Limburg Stirum Mariana Brita Lovisa	596,298	0.73
19	Ehrnrooth Jacob Robert Göran	576,929	0.70
20	Elo Mutual Pension Insurance Company	575,591	0.70
20 major shareholders		53,515,955	65.32

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 have a presence 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