FISKARS
EST. GROUP 1649

Financial Statements *2023*

Contents

Key figures 3

Report by the Board of Directors 2023 4

Financial statements 37

Consolidated Financial Statements, IFRS 37
Consolidated income statement 37
Consolidated statement of comprehensive income 37
Consolidated balance sheet 38
Consolidated statement of cash flows 39
Statement of changes in consolidated equity 40
Notes to the consolidated financial statements 41
Parent company financial statements, FAS 100
Parent company income statement 100
Parent company balance sheet 101
Parent company statement of cash flows 102
Notes to the parent company financial statements 103

Board's proposal for distribution of profits and signatures 113

Auditors report 115

Other financial information 121

Items affecting comparability 121
Financial indicators 123
- Five years in figures 123
- Share related figures 124
- Calculation of financial indicators 124
- Shares 125
- Shareholders 126

Notes to the consolidated financial statements

1 General accounting principles 42
- 1.1 Basic information 43
- 1.2 Basis of preparation 43
- 1.3 Consolidation principles 43
- 1.4 Translation of foreign currency items 43
- 1.5 Use of estimates 44
- 1.6 New and amended standards applied in financial year ended 44
- 1.7 Adoption of new and amended standards January 1, 2024 44

2 Financial performance 45
- 2.1 Segment information 46
- 2.2 Other operating income 49
- 2.3 Total expenses 50
- 2.4 Employee benefits and number of personnel 51
- 2.5 Share based payments 52
- 2.6 Financial income and expenses 55
- 2.7 Income taxes 55
- 2.8 Earnings per share 57

3 Intangible and tangible assets 58
- 3.1 Intangible assets 59
- 3.2 Property, plant and equipment 63
- 3.3 Right-of-use assets 65
- 3.4 Biological assets 66
- 3.5 Investment property 66

4 Operative assets and liabilities 67
- 4.1 Inventories 68
- 4.2 Trade and other receivables 69
- 4.3 Trade and other payables 70
- 4.4 Employee defined benefit obligations 70
- 4.5 Provisions 76

5 Capital structure and financial instruments 77
- 5.1 Share capital 78
- 5.2 Financial risk management 79
- 5.3 Financial assets 81
- 5.4 Financial liabilities 83
- 5.5 Lease liabilities 88
- 5.6 Derivatives 89

6 Other notes 90
- 6.1 Subsidiaries 91
- 6.2 Related party transactions 93
- 6.3 Acquisitions and divestments 96
- 6.4 Commitments and contingencies 99
- 6.5 Subsequent events after the reporting period 99

In addition to this PDF-document, Fiskars Group has published Financial Statements in accordance to European Single Electronic Format (ESEF) requirements as a xHTML document which is the official version of the report.

Key figures

EUR million (unless otherwise noted)	2023	2022	Change
Net sales	**1,129.8**	1,248.4	-9.5%
Comparable net sales[1]	**1,076.0**	1,192.2	-9.7%
EBIT	**98.9**	134.7	-26.6%
Items affecting comparability in EBIT	**11.4**	16.3	-29.9%
Comparable EBIT[2]	**110.3**	151.0	-27.0%
Comparable EBIT margin	**9.8%**	12.1%	
EBITDA	**164.9**	194.1	-15.1%
Comparable EBITDA[3]	**175.8**	210.3	-16.4%
Profit before taxes	**79.7**	124.1	-35.7%
Profit for the period	**70.0**	99.1	-29.3%
Earnings per share, EUR	**0.86**	1.21	-28.6%
Comparable earnings per share, EUR	**0.99**	1.37	-27.9%

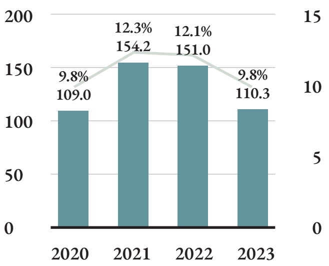
[1] Comparable net sales excludes the impact of exchange rates, acquisitions and divestments.

[2] EBIT excluding items affecting comparability. Comparable EBIT is not adjusted to exclude the EBIT contribution of acquisitions/divestments/disposals.

[3] EBITDA excluding items affecting comparability. Comparable EBITDA is not adjusted to exclude the EBIT contribution of acquisitions/divestments/disposals.

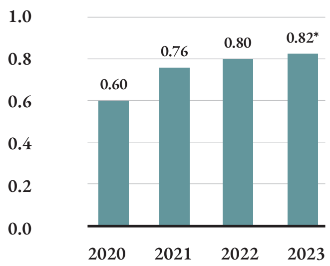
EUR million (unless otherwise noted)	2023	2022	Change
Cash earnings per share (CEPS), EUR	**2.68**	-0.79	
Equity per share, EUR	**10.15**	10.32	-1.7%
Cash flow from operating activities before financial items and taxes	**247.5**	-24.9	
Free cash flow	**184.9**	-100.7	
Free cash flow/comparable net profit (LTM), %	**231.0%**	-90.0%	
Net debt	**446.7**	325.3	37.3%
Net debt/comparable EBITDA (LTM), ratio	**2.54**	1.55	64.3%
Equity ratio, %	**47%**	53%	
Net gearing, %	**54%**	39%	
Capital expenditure	**50.8**	48.1	5.5%
Personnel (FTE), average	**6,133**	6,273	-2.2%

Comparable EBIT and EBIT margin, EUR million, %



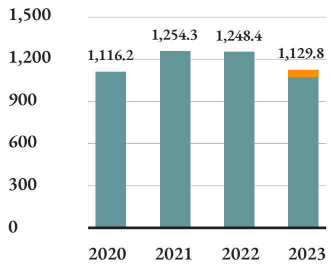
Comparable EBIT margin
Comparable EBIT

Dividend per share, EUR



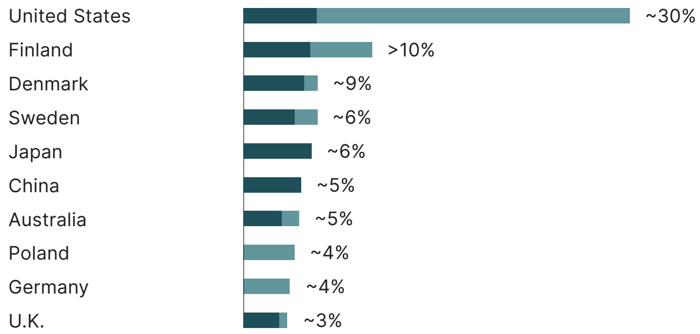
* Board's proposal

Net sales, EUR million



Georg Jensen's share of sales. Georg Jensen was consolidated into Fiskars Group in the fourth quarter of 2023.

Largest countries by sales, % of the Group net sales



Business Area Vita
Business Area Fiskars

Report by the Board of Directors 2023

Business model and strategy

Fiskars Group is the global home of design-driven brands for indoor and outdoor living. The Group is driven by its common purpose: Pioneering design to make the everyday extraordinary. Fiskars Group has a well-balanced portfolio of unique brands including Fiskars, Georg Jensen, Gerber, Iittala, Moomin Arabia, Royal Copenhagen, Waterford, and Wedgwood, as well as several smaller tactical brands. The company's brands are present in more than 100 countries in Asia-Pacific, Europe and the Americas.

The Group serves wholesale customers and B2B customers as well as consumers directly through its own stores and ecommerce. Wholesale is Fiskars Group's largest channel generating close to 70% of the company's sales. Serving end consumers in the direct-to-consumer (DTC) channels is a strategic focus area for Fiskars Group. In 2023, DTC sales amounted to 25% of the Group's sales, including Georg Jensen. The Group has close to 450 own stores around the world, a majority of them in the Asia-Pacific region.

Fiskars Group has a diverse team of approximately 7,000 employees based in 29 countries. The Group recognizes the importance of its people in contributing to its success, and continually invests in opportunities for employees to learn and grow. The Group promotes employee engagement by creating an open, inclusive working environment where everyone can make a meaningful contribution and feel that they belong.

Fiskars Group combines own manufacturing operations with those of its carefully selected suppliers. Fiskars Group has 13 own manufacturing units located in Europe, Asia and the U.S. Fiskars Group has approximately 170 finished goods suppliers and a wide network of suppliers for raw materials, components, and services. The company has built a strong supplier network that meets its business needs, as well as its values and social and environmental expectations.

Fiskars Group's Growth Strategy outlines the strategic choices that will put the company on a healthy path of organic growth and profitability improvement. The strategic logic is clear: the company focuses on winning brands, winning channels, and winning countries. The Growth Strategy consist of four transformation levers; commercial excellence, direct to consumer, the U.S. and China. These levers will transform Fiskars Group across brands, channels, and countries. The growth enablers for the strategy are people, digital, innovation & design, and sustainability. These enablers are at the core of Fiskars Group, and they are critical for executing the Growth Strategy.

Fiskars Group is now halfway through its strategy period and continues the transformation journey while increasing precision in strategy execution. The Group has sharpened its portfolio logic to further accelerate the company profile improvement and has set clear roles for each brand. For example, Fiskars Group wants to accelerate brands such as Royal Copenhagen, Wedgwood, and Georg Jensen, which have high-end positioning as well as strong presence in direct-to-consumer channels. The Group has also taken several steps to simplify the way it operates to enable teams to execute the strategy faster.

Operating environment in 2023

In 2023, the high costs of living affected consumer sentiment and demand negatively in many regions throughout the year.

The U.S. economy was resilient, although consumer spending was tilted toward categories other than discretionary goods. Retailers focused on inventory management, which affected demand in this customer segment.

Demand was strongest in China throughout the year. The spread of the Covid-19 pandemic as well as the timing of the Chinese New Year negatively affected demand in the beginning of the first quarter.

The strong growth rate stabilized during the second half of the year.

In terms of weather conditions, cold spring weather affected demand for gardening products during the first half of the year. At the end of the year, snowfall in the Nordics supported the demand of snow tools in the region.

Year in brief: All-time high cash flow despite a year of challenging market conditions - sales and EBIT declined

Year 2023 was characterized by a challenging operating environment, with low consumer confidence and retailers' focus on inventory management impacting demand negatively in most of Fiskars Group's key markets, particularly in the retailer customer segment. This resulted in net sales decreasing by 9% in 2023 to EUR 1,130 (2021: 1,248) million. Fiskars Group's own e-commerce developed positively and increased by 14% in 2023. Comparable EBIT declined to EUR 110 million (151) due to lower volumes. Free cash flow was at an all-time high level, amounting to EUR 185 million (-101) driven by systematic actions to adjust supply volumes and manage inventories.

During 2023, Fiskars Group continued its transformation journey and the execution of the Growth Strategy, which reached its halfway milestone in the end of 2023. The strategy remains intact, while the Group has increased precision in its execution. In September, the Group announced that it is expanding its portfolio of luxury brands by acquiring the renowned Danish lifestyle brand Georg Jensen. Georg Jensen is an example of a brand Fiskars Group aims to accelerate; a sizeable lifestyle brand with high high-end positioning and a strong presence in direct-to-consumer channels. The acquisition was completed on the 1st of October and Georg Jensen's fourth quarter was consolidated into Fiskars Group. The acquisition was financed with debt, and Fiskars Corporation issued its debut bond under a Sustainability-Linked Bond Framework in November.

To accelerate strategy execution and to increase efficiency, Fiskars Group simplified its organizational structure during the year. Through the changes implemented, the role of the Business Areas and their end end-to-end accountability was strengthened. The implemented changes included combining Business Areas Terra and Crea into one Business Area called Fiskars and to delayering some of the Group's central functions, in particular the global supply chain, to increase efficiency and ensure competitiveness. In total, the organizational changes resulted in a reduction of approximately 500 roles globally.

Fiskars Group continued to make good progress in sustainability, one of the key enablers of its strategy. The key highlight of 2023 was that already 14% of the Group's net sales were generated from circular products and services. Fiskars Group's target is that the majority of its sales comes from circular products and therefore developing new solutions continues. To reinforce the commitment to achieving this ambition, advancing circular products and services was included as a target in the share-based incentive plan for the Group's key employees. During the year, the Group also set the KPI for its fifth ESG target measuring employees' inclusion experience. The target is to be within the global top 10% of high-performing companies in terms of inclusion experience.

In March, Fiskars Group's first employee share savings plan, "MyFiskars", was launched. The aim of MyFiskars is to offer employees the opportunity to acquire and own Fiskars shares thereby creating a stronger culture of ownership and entrepreneurship, as well as to further strengthen employees' long-term commitment to Fiskars Group. At the end of 2023, 13% of all employees and 32% of office employees had joined the plan.

Group performance

In 2023, Fiskars Group's organizational structure featured two Business Areas (BA): Vita and Fiskars. Fiskars Group's three primary reporting segments are Vita, Fiskars and Other. In addition, Fiskars Group reports net sales for three geographical areas: Europe, Americas and Asia-Pacific.

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

BA Fiskars consists of the gardening, watering and outdoor categories as well as the scissors and creating, and cooking categories. The brands include Fiskars and Gerber.

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

In January-September, Fiskars Group reported in four primary segments, which were Vita, Terra, Crea and Other. Business Areas Terra and Crea were combined into one Business Area called Fiskars in October.

Net sales

EUR million	2023	2022	Change	Comparable change*
Group	**1,129.8**	1,248.4	-9.5%	-9.7%
Vita	**555.3**	563.7	-1.5%	-7.2%
Fiskars	**570.5**	680.8	-16.2%	-12.0%
Other	**4.0**	3.9		

* Comparable net sales exclude the impact of exchange rates, acquisitions and divestments.

Fiskars Group's comparable consolidated net sales decreased by 9.7% to EUR 1,076.0 million (2022: 1,192.2). Reported net sales decreased by 9.5%. Georg Jensen's fourth quarter sales are included in reported net sales.

Comparable net sales decreased in both Business Areas due to low consumer confidence and retailer customers' focus on inventory management. In terms of geographical segments, comparable net sales decreased in Europe and the Americas and were relatively stable in Asia-Pacific.

Fiskars Group's comparable DTC sales developed positively and increased by 4%. The growth was driven by 14% growth in e-commerce and stable development in the company's own retail network.

Comparable EBIT

EUR million	2023	2022	Change
Group	**110.3**	151.0	-27.0%
Vita	**62.3**	85.6	-27.2%
Fiskars	**73.8**	82.6	-10.7%
Other	**-25.8**	-17.2	

Items affecting comparability in EBIT include items such as restructuring costs, impairment or provisions charges and releases, acquisition-related costs, and gains and losses from the sale of businesses. Comparable EBIT is not adjusted to exclude the EBIT contribution of acquisitions/divestments/disposals.

Fiskars Group's comparable EBIT was EUR 110.3 million (2022: 151.0), or 9.8% (12.1%) of net sales.

Comparable EBIT decreased in both Business Area Vita and Business Area Fiskars. Georg Jensen's fourth quarter EBIT contribution is included in Vita's comparable EBIT.

Comparable EBIT declined due to lower volumes. Improved gross margin mitigated the negative impact from volumes.

Reporting segments and geographies

Vita segment in 2023

EUR million	2023	2022	Change
Net Sales*	**555.3**	563.7	-1.5%
Comparable EBIT	**62.3**	85.6	-27.2%
Capital Expenditure	**26.8**	20.9	28.0%

* Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 7.2%

Net sales in the Vita segment decreased by 1.5% to EUR 555.3 million (2022: 563.7), including Georg Jensen's fourth quarter sales. Comparable net sales decreased by 7.2% due to lower demand in the retailer customer segment and the continuing execution of the channel strategy. Vita's own e-commerce developed positively.

Including Georg Jensen, net sales in DTC channels were 47% (42%) of total Vita net sales.

Comparable EBIT in the Vita segment declined to EUR 62.3 million (85.6), or 11.2% of net sales (15.2%). Comparable EBIT includes Georg Jensen's EBIT contribution in the fourth quarter. EBIT declined mainly due to lower sales volumes as well as a decline in gross margin.

Fiskars segment in 2023

EUR million	2023	2022	Change
Net Sales*	**570.5**	680.8	-16.2%
Comparable EBIT	**73.8**	82.6	-10.7%
Capital Expenditure	**20.0**	21.5	-6.7%

* Using comparable exchange rates excl. acquisitions and divestments, net sales decreased by 12.0%

Net sales in the Fiskars segment decreased by 16.2% to EUR 570.5 million (2022: 680.8). The figures from the comparison period include the North American Watering business in January 2022, as it was divested on February 1, 2022. Comparable net sales decreased by 12.0%.

Net sales decreased, as low consumer confidence and retailers' focus on inventory management impacted sales negatively throughout the year. The cold spring also had a negative impact during the gardening season in the first half of the year.

Comparable EBIT in the Fiskars segment declined to EUR 73.8 million (82.6), but the margin improved to 12.9% of net sales (12.1%). Significantly lower volumes were the main reason for the decline in EBIT. The impact of the decline in sales volumes was partially mitigated by an improved gross margin and prudent cost management.

Other segment in 2023

EUR million	2023	2022
Net Sales	**4.0**	3.9
Comparable EBIT	**-25.8**	-17.2
Capital Expenditure	**4.0**	5.7

Net sales in the Other segment amounted to EUR 4.0 million (2022: 3.9), consisting of timber sales and rental income. The comparable EBIT for the Other segment declined to EUR -25.8 million (-17.2) due to some unallocated development expenses related to strategic programs.

Net sales by geography in 2023

EUR million	2023	2022	Change	Comparable change*
Europe	**552.2**	596.0	-7.3 %	-9.2%
Americas	**362.4**	432.0	-16.1 %	-12.9%
Asia-Pacific	**211.3**	209.4	0.9 %	-1.3%
Unallocated**	**3.9**	11.1		
Group Total	**1,129.8**	1,248.4	-9.5 %	-9.7%

* Comparable net sales exclude the impact of exchange rates, acquisitions and divestments.

** Geographically unallocated exchange rate differences.

Net sales in Europe decreased by 7.3%, amounting to EUR 552.2 million (2022: 596.0). Comparable net sales decreased by 9.2%. Sales in Europe decreased across the board, apart from Norway.

Net sales in the Americas decreased by 16.1% to EUR 362.4 million (432.0). Comparable net sales decreased by 12.9%.

Net sales in Asia-Pacific were stable at EUR 211.3 million (209.4). Comparable net sales decreased by 1.3 %, with growth of 25% in China offsetting declines elsewhere.

Research and development

In 2023, research and development expenses totaled EUR 19.8 million (2022: 20.8), equivalent to 1.8% (1.7%) of net sales.

Personnel

The average number of full-time equivalent employees (FTE) was 6,133 (2022: 6,273) in 2023. At the end of the year, the Group employed 7,162 (6,595) employees, including approximately 1,200 of Georg Jensen's employees. In Finland, the Group employed 1,078 (1,172) people. In 2023, personnel costs amounted to EUR 289.2 million (289.0), of which wages and salaries constituted EUR 233.9 million (238.0).

Financial items, net result and cash flow

In 2023, financial income and expenses amounted to EUR -24.0 million (2022: -11.7). Foreign exchange differences accounted for EUR -4.8 million (-1.1) of financial items. Net interest expenses from funding, currency hedging and leasing liabilities amounted to EUR -21.2 million (-7.4) and were impacted by higher net debt level as a result of the Georg Jensen acquisition and higher interest rates.

Profit before taxes was EUR 79.7 million (124.1). Income taxes were EUR -9.7 million (-25.0). Earnings per share were EUR 0.86 (1.21). Comparable earnings per share were EUR 0.99 (1.37).

Cash flow from operating activities before financial items and taxes increased to EUR 247.5 million (-24.9). Cash flow was positively impacted by the decrease of inventories of EUR 114.9 million (-89.7). Cash flow from financial items and taxes amounted to EUR -26.7 million (-36.6).

Cash flow from investing activities was EUR -169.8 million (-7.8), including EUR -50.8 million of capital expenditure and EUR -121.3 million relating to business combinations. The comparison figure from 2022 included EUR -48.1 million of capital expenditure on fixed assets, EUR 43.9 million of proceeds from the sale of assets held for sale and EUR -9.2 million from the impact of the disposal of the Russian subsidiary.

Cash flow from financing activities was EUR -40.0 million (149.8), including EUR 198.8 million of proceeds from non-current debt, EUR -145.6 million of change in current debt, EUR -65.1 million of dividends paid and EUR -30.8 million of payments of lease liabilities. The comparison figure from 2022 included EUR 130.1 million proceeds from non-current debt, EUR 129.3 million of change in current debt, EUR -62.9 million of dividends paid, EUR -26.5 million of payments of lease liabilities.

Capital expenditure totaled EUR 50.8 million (48.1) and was mainly related to IT and the supply chain.

Depreciation, amortization and impairment amounted to EUR 66.0 million (59.4).

Balance sheet and financing

Fiskars Group's working capital totaled EUR 304.2 million (337.2) at the end of December. The equity ratio was 47% (53%), and net gearing was 54% (39%).

Cash and cash equivalents at the end of the period totaled EUR 127.3 million (115.8). Net debt amounted to EUR 446.7 million (325.3), of which lease liabilities classified as interest-bearing debt under IFRS 16 accounted for EUR 150.8 million (115.5). Long-term lease liabilities were EUR 117.4 million (92.9), and short-term lease liabilities EUR 33.3 million (22.5). The lease liabilities increased due to the renewal of the U.S. distribution center lease agreement and the inclusion of Georg Jensen lease agreements.

Excluding lease liabilities, short-term borrowing totaled EUR 92.5 million (195.2), and long-term borrowing EUR 330.7 million (130.4). Short-term borrowing consisted mainly of commercial paper maturing in 2024. In November, an unsecured sustainability linked bond with the nominal amount of EUR 200 million was issued to refinance the bridge funding for the acquisition of Georg Jensen and for general corporate purposes. Long-term borrowing also included bilateral loans from financial institutions.

Fiskars Group had EUR 250.0 million (250.0) of long-term committed credit facilities and uncommitted overdraft facilities of EUR 49.4 million (47.0). A commercial paper program of EUR 400.0 million was available with Nordic banks. The long-term committed credit facilities were not in use (50.0). Of the commercial paper program, EUR 92.4 million (145.6) was in use.

Reporting of non-financial information

In this section of the Report by the Board of Directors, we describe the material sustainability topics and disclosures around Fiskars Group's commitments, along with material sustainability topics and KPIs defined by the Non-Financial Reporting Directive. Non-financial risks are covered in the section on Risks and business uncertainties, and the Fiskars Group business model can be found at the beginning of the Report by the Board of Directors. This section consists of information and data excluding Georg Jensen (unless otherwise stated), as the acquisition was not completed until Q4 2023.

More comprehensive information about the Group's sustainability work and results can be found in the 2023 Sustainability Report and Corporate Governance Statement, published as part of Fiskars Group's Annual Report.

ESG in 2023

Sustainability is a key element and one of the strategic growth enablers for Fiskars Group. Sustainability represents an opportunity for Fiskars Group to further strengthen its reputation and increase brand love. Fiskars Group ensures sustainable profitable growth in the long-term by setting concrete ESG targets and linking them to decision making.

The ESG strategy ensures focus is placed on the areas where the Group has the biggest impact. The strategy is closely linked to the business and purpose: Pioneering design to make the everyday extraordinary.

The Fiskars Group ESG strategy prioritizes two commitments and five key targets. The key targets are monitored and frequently reported on at the Group level, both internally and externally.

Commitments

- Pioneering design against throwaway culture
- Making the everyday extraordinary

Key targets and progress

In 2023, focus was placed on key priorities relating to research and implementation for increasing the use of circular materials, developing circular services, further developing the carbon-neutral approach, and working toward health and safety, as well as diversity and inclusion.

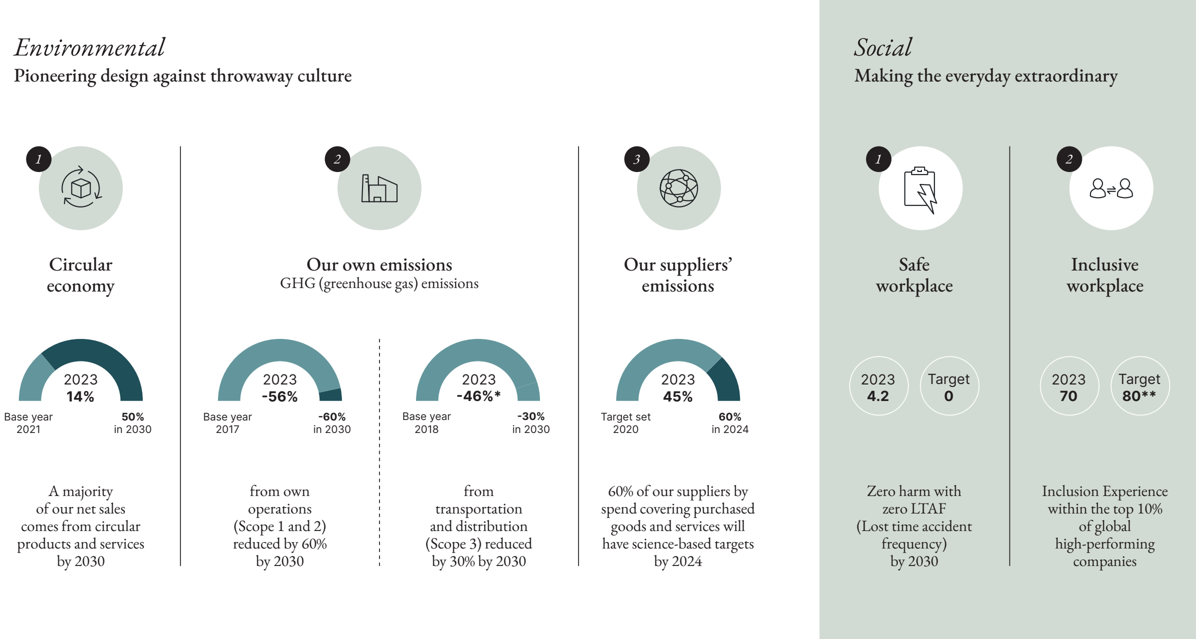
During 2023, Fiskars Group launched its debut bond under a Sustainability-Linked Bond Framework. EUR 200 million sustainability-linked notes were issued. The bond aligns the Group's long-term financing strategy with its ESG targets. The financial characteristics of the notes are linked to the achievement of two of the Group's main ESG targets: reducing GHG emissions from Fiskars Group's own operations (Scopes 1 and 2) and the percentage of suppliers by spend with set science-based emissions reduction targets (Scope 3).

During 2023, we also made advancing circular products and services one of the KPIs in Fiskars Group's Performance Share Plan for our key employees in the Plan's 2023–2025 performance period.

Environment

The responsible and reduced use of natural resources and the careful recirculation and recycling of materials are central to Fiskars Group's sustainability approach. The Group's environmental approach is guided by two main principles: supporting long-term competitiveness and reducing negative impacts.

Fiskars Group is constantly experimenting with alternative and recycled materials, and looking for new ways to extend the lifecycle of its thoughtfully



Georg Jensen figures have been integrated in the ESG target progress presented, excluding transportation and distribution emissions, and the inclusion target.

* Disclaimer: Notable emissions reduction primarily due to decrease in volume.

** Current benchmark: 80 (Q2/2023). The benchmark score is updated every 6 months with the latest data and might change depending on how the global benchmark develops.

designed products, as well as identifying ways to reduce waste streams in production. Fiskars Group is committed to promoting efficiency in energy and resource utilization and identifying new solutions to enable better efficiency across the value chain.

Policies and commitments

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

Targets and actions

Target for 2030: A majority of our net sales comes from circular products and services

The Fiskars Group target is to have the majority of net sales coming from circular products and services by 2030. Creating lasting design and developing circular solutions is key in fighting throwaway culture and delivering sustainable growth. Business models based on the circular economy both create and sustain value by ensuring products and materials stay in use for as long as possible.

The brands have created products that utilize alternative or recycled materials, and services that help elongate the lifecycle of our products. For example, for the Fiskars brand, designing for the long-term is a priority, bringing both materials and services into play. The Fiskars All Steel frying pan brings together recycled, emission-minimized raw materials, lifecycle extension and recyclability. The pans are made from emission-minimized stainless steel, which Outokumpu launched in 2022. The footprint of the steel is as much as 92% smaller compared to the global average*. The All Steel frying pans and casseroles have a non-plastic fluorine-free ceramic Ceratec™ coating that can be extended by recoating through the Fiskars pan care service. The Fiskars pan care service restores the pans' best features and saves natural resources compared to buying a new pan.

In 2023, 13% of the Group's net sales were generated from circular products and services. When integrating Georg Jensen's figures for Q4 2023, the performance for 2023 is 14% respectively. Fiskars Group will further enhance the reporting scope of circular products in the future, as the work on developing and mapping solutions continues.

Mitigating waste

As part of Fiskars Group's commitment to fight against throwaway culture and become more circular, the Group is working on reducing landfill waste from its own operations. The aim is for all waste from Group operations (manufacturing, distribution centers, retail and offices) to be recovered or recycled by 2030 so that no waste ends up in landfills.

* The emission-minimized stainless steel has a 92% smaller carbon footprint compared to the global average according to the GHG Protocol scopes 1 to 3. Figures do not include any carbon offsetting. These calculations aim to be compliant with the ISO 14067:2018 (Greenhouse gases — Carbon footprint of products) standard with certain identified simplifications. The calculations have been reviewed by WSP, the strategic advisory, engineering, and design services consultancy company.

New opportunities to improve material efficiency and increase use of recycled or renewable materials are continuously mapped. The performance and management of waste is regularly assessed in accordance with ISO 14001 to ensure compliance with laws and regulations.

In 2023, the Group's factories and distribution centers gained further insight into developing new opportunities for recycling and recirculating materials, while making changes to waste management processes. As new electricity infrastructure was constructed at the Iittala factory, as part of the electric furnaces project, old glass waste and contaminated soil was delivered to landfill. The waste was stated to be non-hazardous, and the best solution for the waste treatment was investigated by an external party. Without the impact of the landfill waste from the Iittala factory in 2023, overall landfill waste would have been reduced by 83% compared to the 2017 baseline year. However, due to the additional landfill waste, compared to the baseline, landfill waste has reduced by 47%.

In 2023, Fiskars Group continued work with external partners to ensure they had the most efficient and responsible disposal techniques in use for managing the Group's waste. For example, the Group's own manufacturing unit at Sorsakoski, Finland, changed the steel surface treatment from polishing to brushing. The switch reduced the factory's landfill waste by 30% in 2023 compared to the previous year. The change will be implemented gradually, and as a result, the Sorsakoski manufacturing unit will reach zero waste to landfill in 2025, as the waste management partner is able to recycle the waste occurring from brushing. By the end of 2023, six of the Group's factories and distribution centers sent zero waste to landfill, seven years ahead of 2030.

Emissions reduction targets:

- Target for 2030: Greenhouse gas emissions from own operations (Scopes 1 and 2) reduced by 60% from a 2017 base year
- Target for 2030: Greenhouse gas emissions from transportation and distribution (Scope 3) reduced by 30% from a 2018 base year
- 60% of our suppliers by spend covering purchased goods and services will have science-based targets by 2024

In 2023, the Group enhanced energy efficiency by implementing various energy-saving activities that have decreased energy consumption by 10,426 MWh. Since 2018, energy-saving activities have contributed to a decrease in energy consumption of 23,238 MWh. Energy savings consist of multiple actions in manufacturing units and distribution centers.

The lower production volumes in 2023 contributed to a reduction in energy consumption compared to the previous year: Total energy consumption was 823 TJ (2022: 1,031 TJ), with 204 TJ of energy from renewable sources. 25% of the Group's total energy consumption came from renewable sources in 2023.

In 2023, Group-wide greenhouse gas emissions decreased by 25% compared to the previous year. Compared to the 2017 base year, the Group achieved a reduction of 56% as a result of energy-saving actions and investments in renewable energy but also due to a decrease in production volumes in the reporting year. In 2023, Fiskars Group saved 2,882 tons of CO_2 through energy and emissions saving activities in the Group's own manufacturing units and distribution centers. However, reducing emissions (Scopes 1 and 2) by 60% will require continuous efforts to improve energy efficiency at all Group sites.

Fiskars Group has continued to invest in renewable electricity. In June 2023, the Hämeenlinna distribution center switched from using district heating to geothermal energy in heating. The decision to install the new geothermal power plant was agreed during the renewal of the lease contract with the landlord. The goal has been to increase renewable energy solutions locally. Since 2021, Hämeenlinna DC has had its own solar panels in use, generating renewable electricity. The site's electricity consumption is 100% from renewable sources, including the purchased electricity. As electricity is also needed for producing geothermal energy, the switch reduces Hämeenlinna distribution center's carbon emissions by 4 tons of CO_2, cutting its carbon emissions to zero in 2024.

In 2022, Fiskars Group announced an energy investment of approximately EUR 10 million* at the Iittala glass factory in Hämeenlinna, Finland, where Iittala's iconic glass products are manufactured for sale in Finland and globally. The factory's existing natural gas-powered furnaces are being gradually replaced with electricity-powered furnaces. These new furnaces incorporate high-technology solutions and will use renewable energy. The project is planned to be completed during 2026. With this investment in electrically powered furnaces, the glass factory will reduce its annual carbon dioxide emissions by 74% by the end of 2026. In 2023, a 19% reduction of the factory's carbon dioxide emissions was achieved due to the investment and other factors.

In addition to reducing the Iittala factory's carbon dioxide emissions, the new furnaces will decrease the energy consumption of the glass melting furnaces by 67%. The furnaces are responsible for most of the factory's total energy consumption.

Energy

GRI 302-1 Energy consumption within the organization, TJ

	2023	2022	2021	2020
Direct energy consumption: non-renewable	**567**	728	686	606
Direct energy consumption: renewable	**11**	11	12	9
Indirect energy consumption	**245**	293	330	285
Total energy consumption	**823**	1,031	1,029	901

* Approximately 30% of the total investment will be covered by the European Union's NextGenerationEU funding granted by the Ministry of Economic Affairs and Employment of Finland on October 4, 2022. This energy investment aid to the Iittala glass factory amounts to EUR 2.871 million.

Fiskars Group's transportation emissions decreased by 37% from 2022: the Group's emissions from inbound and outbound transportation were 14,044 tCO_2e (22,142 tCO_2e). The decrease was mostly due to noticeably lower transportation volumes and to a steep decline in air freight use. Due to air freight's high emissions, the development is tracked monthly throughout the year. The 2023 decline in air freight was due to improvements in planning and better availability of other modes of transportation.

Overall, transportation emissions have been reduced by 46% from the 2018 target base year, meaning that the 2030 target for transportation emissions has been surpassed. However, as this achievement is primarily attributed to a reduction in transportation volumes during the year, it remains important to continue the work to further reduce these emissions. Discussions with key logistics service providers regarding their sustainability plans and emission targets continued, as the aim is to partner with suppliers with similar ambitions. Improving the efficiency of logistics also continued, through further optimizing packaging efficiency and delivery frequency.

In addition to transportation emissions, Fiskars Group annually measures and reports the emissions from business travel. The calculations take into account all business-related trips made by air or rail from Fiskars Group's main locations. To keep business travel emissions as low as possible, the Group encourages all employees to consider alternatives to travel such as virtual meetings, and it is the aim to keep the number of employees who travel to each event at a minimum. Travel should only be undertaken for a valid business purpose. In 2023, Fiskars Group's business travel emissions increased by 58% from the previous year as Covid-19 travel restrictions eased globally. Business travel emissions for 2023 are 55% less than in 2019, before the Covid-19 restrictions were introduced.

Fiskars Group encourages suppliers to set science-based targets for at least their Scopes 1 and 2 emissions. Fiskars Group engages with its suppliers to communicate this message and to support them with their climate work. In 2023, training sessions were held for sourcing professionals to further reinforce the importance of suppliers' science-based targets and the support that can be provided to suppliers. During the year, suppliers were given direct local support, guidance materials and emissions calculation tools.

By collaborating with suppliers, Fiskars Group was able to make noticeable progress in the supplier engagement target. By the end of the year, 48% (31.12.2022: 25%) of raw material, component, and finished goods suppliers by 2022 spend had set science-based targets. When integrating Georg Jensen's figures for Q4 2023, the performance for 2023 is 45%, respectively. The Group started engaging with its suppliers on this topic in 2021, and by the end of that year, approximately 6% by spend had set science-based targets.

Annually, Fiskars Group collects energy consumption data from key finished goods suppliers to monitor the value chain emissions and the development of their energy efficiency and Scopes 1 and 2 emissions. In 2023, the Group gathered data from 64% of our finished goods suppliers by spend.

Emissions

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

	2023	2022	2021
Scope 1 emissions	**31**	40	38

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

	2023	2022	2021
Scope 2 emissions			
Market-based	**7**	10	16
Location-based	**21**	27	31

GRI 305-3 Energy indirect (Scope 3) GHG emissions, 1,000 t CO_2e

	2023	2022	2021
Scope 3 emissions			
Business travel[1]	**2,229**	1,414	507
Upstream and downstream transportation[2]	**14,044**	22,142	23,100

[1] The reported business travel emissions include all air and rail business trips from the Group's main locations.

[2] In 2023, 90% of Fiskars Group's transportation emissions inventory were calculated using either GHG reports received from our logistics partners or the distance-based method. The remaining 10% was extrapolated by spend to cover all annual transportation emissions.

Social and employee-related matters

Fiskars Group is committed to inspiring and empowering employees to learn, develop as professionals, and bring in new ideas, skills and perspectives. Fiskars Group is building a globally collaborative culture and diverse team so that it can serve its stakeholders in the best possible way. Fiskars Group wants to attract, develop and retain high-performing employees from different backgrounds and cultures. Fiskars Group focuses on creating an extraordinary place to work, while caring about the physical, emotional and social wellbeing of its employees.

One of the key priorities in Fiskars Group's operations is to ensure the safety and wellbeing of employees and people involved in the Group's value chain. Fiskars Group promotes a culture of zero harm 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 that is engaged and enabled to do its best.

Policies and commitments

Fiskars Group has outlined a set of policies and guidelines related to social and employee-related matters to guide its leadership and employees, as well as its partners, in their day-to-day work.

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

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.
In addition to the onboarding, all Fiskars Group employees must complete the training every second year. Classroom training is held at all Manufacturing Units and Distribution Centers in local languages at regular intervals by the local HR. By the end of 2023, approximately 96% of employees had completed the Code of Conduct e-learning course.

Fiskars Group's Employment Policy, which was updated in 2023, aligns topics such as diversity and inclusion, employee wellbeing, freedom of association and employee contracts.

Fiskars Group's Health and Safety Policy promotes a culture of zero harm and supports safety priorities. Health and safety topics such as workplace safety, emergency preparedness, and management and communication on health and safety are also covered in Fiskars Group's Supplier Code of Conduct.

Targets and actions

Health and safety

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

In 2023, Fiskars Group's LTAF decreased to 4.6 from the previous year (2022: 4.8). When integrating Georg Jensen's figures for Q4 2023, the performance for the year 2023 is 4.2, respectively. In 2023, the contractor LTAF was 0 (2022: 0). In 2023, there were fewer working hours due to smaller production volumes on our sites. Currently, LTAF is measured for the Group's own manufacturing units and distribution centers.

Reporting safety hazards, observations and incidents is everyone's responsibility at Fiskars Group. Fiskars Group emphasizes the importance of a culture based on trust and encourages transparency and openness in reporting safety observations, accidents and near-miss events.

The total number of reported safety observations was 15,624 in 2023 (2022: 13,919), an increase of 12% compared to the previous year. The Group's manufacturing units and distribution centers have created safety improvement plans and focused on safety observations, which is also reflected in the number of safety observations made. In 2023, the Group's sixth global Safety Week was arranged with the theme: “I care: Safety365.” The week highlighted the importance of making safety a year-round commitment. Safety Week is an important way for Fiskars Group to promote safety at work and engage every employee.

Diversity, equity, and inclusion

Target: Inclusion Experience within the top 10% of global high-performing companies

Fiskars Group is committed to creating a diverse, equal and inclusive work culture in which employees can do their best. The Group wants to actively participate in promoting DEI topics in society.

At the beginning of 2023, Fiskars Group refreshed its diversity, equity and inclusion (DEI) program and defined three focus areas for the 2023–2025 period.

The focus areas are **Creating an inclusive workplace, Leaders driving inclusion**, and **Visibility through data**. These are underpinned by key targets and KPIs which are regularly followed to remain accountable and ensure that progress is made.

During the second quarter, the Fiskars Group Board of Directors approved the KPI for the fifth key ESG target, Inclusion Experience. The Inclusion Experience KPI is comprised of three questions in Fiskars Group's employee engagement survey, Our Voice:

- **Authenticity:** I feel comfortable being myself at work.
- **Speak My Mind:** I feel free to speak my mind without fear of negative consequences.
- **Belonging:** I feel a sense of belonging at my workplace.

Fiskars Group's target is to be within the global top 10% of high-performing companies in terms of Inclusion Experience. At the end of 2023, the global external benchmark score for Inclusion Experience was 80 (the score is updated every six months with the latest data and may change, depending on how the global benchmark develops).

During 2023, two Our Voice surveys during May and November were held for Fiskars Group office employees. During May, the overall Inclusion Experience score was 72, and during November, 70, a slight decrease.

During 2023, Fiskars Group continued to create an inclusive culture by building awareness and understanding. A company-wide DEI webinar was held, to explore how employees could become better at leveraging diversity by thinking and working differently and by exploring the different perspectives that already exist within Fiskars Group.

A new e-learning course targeted at office employees, Navigating Unconscious Bias, was launched. The course was created to help employees and teams grasp where unconscious biases come from, and how they affect decisions.

It is essential for Fiskars Group to create an environment in which employees feel heard, find a sense of meaning in what they do, see a strong connection between their strengths and role, and perform better. A key part of this is the Group's employee engagement survey, Our Voice.

Engagement is one of the key topics measured in the Our Voice survey. The engagement score is an average of responses to the following questions:

- I would recommend Fiskars Group as a great place to work.
- How happy are you working at Fiskars Group?

The Engagement score for office employees was 63 in November 2023 (October 2022: 68). The next Our Voice survey targeted at all employees is scheduled for May 2024. Based on the survey results, the Fiskars Group Leadership Team selects areas to commit to action to improve employees' wellbeing, inclusion and engagement. In addition, each team reviews their results and identifies their team-level actions.

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	12.5 (12.5)	25 (25.0)	37.5 (37.5)
Over 50	25 (25.0)	37.5 (37.5)	62.5 (62.5)
Total	37.5 (37.5)	62.5 (62.5)	100 (100.0)

Leadership Team Age group	Female, %	Male, %	Total, %
Under 30	0 (0)	0 (0)	0 (0)
30–50	14.3 (10.0)	28.6 (20.0)	42.9 (30.0)
Over 50	14.3 (30.0)	42.9 (40.0)	57.1 (70.0)
Total	28.6 (40.0)	71.4 (60.0)	100.0 (100.0)

Managers with teams Age group	Female, %	Male, %	Total, %
Under 30	1.5 (1.8)	0.8 (0.5)	2.3 (2.5)
30–50	27.3 (27.3)	30.5 (32.5)	57.7 (59.8)
Over 50	17.9 (16.7)	22.1 (21.2)	40.0 (38.0)
Total	46.7 (45.8)	53.3 (54.2)	100.0 (100.0)

Human rights, anti-corruption, and bribery

Fiskars Group impacts people's lives throughout its global value chain. The Group respects all human rights and recognizes the equality of people.

Fiskars Group is committed to full compliance with all the applicable laws and regulations of the countries in which it operates. All business is conducted in accordance with the law and with integrity. Fiskars Group does not allow working conditions or treatment that contravene basic human rights. All Fiskars Group employees must be aware of and conduct their activities in accordance with the Code of Conduct, Employment Policy, and all supporting Fiskars Group policies, even when the Code requires a higher standard of behavior than is required by national laws and local regulations.

Policies and commitments

Fiskars Group's commitment to human rights is deeply ingrained in its values and is an integral part of its policies. The Fiskars Group approach to human rights is defined in the Fiskars Group Code of Conduct, Supplier Code of Conduct, Employment Policy, and other relevant policies, and in the Human Rights Statement. The Fiskars Group Code of Conduct and related training provide a detailed description of the approach to doing business in an ethical way. Civil and political rights, economic, social and cultural rights, labor rights, and the rights of vulnerable groups are essential for creating a positive lasting impact on the quality of life for Fiskars Group employees and the communities in which Fiskars Group operates. Fiskars Group employees receive regular training on the Code of Conduct to increase awareness of and the ability to implement the Group's principles in everyday work. In 2023, Fiskars Group also took part in the Business & Human Rights training program organized by the UN Global Compact.

Fiskars Group expects all business partners, customers and their sub-contractors to be governed by the same or similar principles as those stipulated in the Fiskars Group Code of conduct. The Fiskars Group's Supplier Code of Conduct communicates Fiskars Group's ethical and sustainability expectations to all suppliers and cooperation partners. Every supplier must sign and commit to Fiskars Group's Supplier Code of Conduct if they are to do business with the Group.

Fiskars Group is a member of the United Nations Global Compact, confirming Fiskars Group's commitment to mitigating adverse human rights issues 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, as well as all business partners, 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 they are located. Fiskars Group also expects all its business partners to be governed by the same or similar principles, as stipulated in this policy. Fiskars Group expects all business partners to ensure these principles are communicated to their employees and sub-contractors.

In addition to the United Nations Global Compact principles, Fiskars Group is committed to adhering to the International Bill of Human Rights, UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. Fiskars Group supports the values, freedoms and fundamental rights promoted in these texts and is committed to continuously learning about and following the evolution of human rights.

Targets and actions

Fiskars Group does not allow working conditions or treatment that contravene basic human rights. Fiskars Group has zero tolerance for child labor, and safeguards vulnerable workers from abuse or exploitation, regardless of their employment contract or immigration status. Supplier sustainability audits help assess and control human rights topics in the Fiskars Group supply chain.

Fiskars Group is currently assessing awareness and commitment to human rights and anti-corruption and bribery by measuring the percentage of employees who have participated in Code of Conduct training. By the end of 2023, approximately 96% of employees had completed the Code of Conduct e-learning course.

A human rights assessment was conducted in 2019 to better understand the gaps, risks, opportunities and steps required when developing a human rights due diligence program. Progress has been made since, and work has continued to develop human rights due diligence. Instead of creating a separate new process, Fiskars Group's aim is to integrate human rights management more deeply into existing processes, ESG strategy, policies and management. During 2023, Fiskars Group had participants in the Business & Human Rights training program organized by the UN Global Compact. The program provided useful tools for further developing the Group's human rights actions.

Fiskars Group is committed to conducting its business ethically and responsibly, complying with laws and regulations, and tolerating no violations of Fiskars Group Code of Conduct or Fiskars Group Policies. In 2023, the Fiskars Group Marketing Policy and Employment Policy were updated to ensure a foundation of respect for human rights, dignity and responsibility.

Fiskars Group has in place the global Code of Conduct Violation Response Policy, which defines how the investigation of a suspected code violation is conducted. The Policy complies with the EU Whistleblowing Directive (EU) 2019/1937 and applies to all Fiskars Group employees and all Fiskars Group companies worldwide.

The Fiskars Group Code of Conduct requires all employees or other persons working under Fiskars Group's direction to report any suspected violations to their manager, HR or Legal & Compliance function, through the anonymous written Ethics and Compliance Helpline, or by calling Ethics and Compliance Hotline numbers. Fiskars Group has country-specific numbers for those countries where there is either a manufacturing unit or distribution center or significant suppliers. Anonymous third-party channels are also open to suppliers and partners.

All suspected violations and occurrences of misconduct are promptly, thoroughly and confidentially investigated by the Legal and Compliance function. Depending on the case, relevant functions such as HR are engaged in resolving the issues. All reported cases are reported quarterly to the Board's Audit Committee.

During 2023, Fiskars Group had a total of 45 reported misconduct cases. 22 reports were made anonymously through the Ethics and Compliance Helpline and Hotline, five cases were received via management, 15 cases were received via HR, and three were reported via the compliance email address. The reported cases were related to leadership issues, unethical behavior, the misuse of employee benefits, breaches of policies and guidelines, discrimination, bullying, conflicts of interest, health and safety, fraud, and information security. 43 of these cases were investigated, resolved and closed during 2023. Two remain under investigation or are being followed up. A total of 53 cases were closed during 2023, some being older cases from the previous year. The substantiation rate for 2023 was 44%, and the global report volume per 100 employees was 0.68.

During 2023, Fiskars Group had no significant cases of non-compliance with laws and/or regulations that resulted in fines or non-monetary sanctions.

Risks

The overall objective of Fiskars Group's risk management is to identify, evaluate and manage risks that may threaten the achievement of the Group's business goals. The most material sustainability related risks, including environmental, social and employee matters, respect for human rights, and anti-corruption and bribery matters, are included in the established annual risk management process. This ensures that risks related to sustainability are identified and assessed, and that control measures are set. Fiskars Group has put several processes in place to manage risks, such as supplier risk management processes and strategic initiatives to lower emissions and reduce energy consumption. Detailed risk descriptions can be found under the section on Risks and business uncertainties.

EU Taxonomy

Fiskars Group discloses information according to the Commission Delegated Regulation (EU) 2023/2486, supplementing Regulation (EU) 2020/852 (“EU Taxonomy for sustainable activities”) and amending the Disclosures Delegated Act (Delegated Regulation (EU) 2021/2178) of the European Parliament and of the Council.

The EU has taken an active role in driving sustainable growth. Directing investments toward sustainable projects and activities is necessary to meet the climate targets set by the EU. To support this, the EU has established a classification system for sustainable economic activities, the EU Taxonomy.

The EU Taxonomy consists of a list of environmentally sustainable economic activities. The Taxonomy Regulation establishes six environmental objectives. The Climate Delegated Act (Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2485 amending the Climate Delegated Act) include technical screening criteria for economic activities that substantially contribute to the objectives of climate change mitigation and climate change adaptation. As of January 2023, large companies in Europe have been required to provide information about their Taxonomy-aligned economic activities in addition to Taxonomy-eligible activities for climate change mitigation and climate change adaptation. The Environmental Delegated Act (Delegated Regulation (EU) 2023/2486) includes a new set of EU Taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives. As of January 2024, large companies in Europe report on Taxonomy-eligible activities for the non-climate environmental objectives: the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems.

The European Parliament and the Council have prioritized those economic activities that can make the most relevant contribution to the environmental objectives defined in the Taxonomy. The Environmental Delegated Act has extended the Taxonomy beyond climate, but many economic activities remain excluded from the Taxonomy regulation. Retail mainly remained outside the EU Taxonomy coverage until the Environmental Delegated Act was published. Relevant activities for retail, such as sales of spare parts or second-hand goods, and repair, refurbishment and remanufacturing, have been added under the environmental objective “transition to a circular economy”. However, some relevant sectors and economic activities remain excluded from the Taxonomy, as the EU Commission has stated that it has not been possible to develop criteria for all the sectors in which activities could conceivably make a substantial contribution. The Taxonomy will continue to be developed gradually over time. Fiskars Group's main business is in manufacturing consumer products for indoor and outdoor living. The majority of economic activities carried out by Fiskars Group remain outside the current scope of the EU Taxonomy.

Taxonomy assessment

Fiskars Group has taken a stringent approach to assessing Taxonomy-eligibility and alignment. The Group has assessed turnover, capital and operational expenditure for its forestry, cultural, manufacturing, services and real estate activities. Within the current Taxonomy scope, the most significant environmental objectives for Fiskars Group are the transition to a circular economy and climate change mitigation.

Sustainability is an important part of Fiskars Group's Growth Strategy, and the Group is constantly working to further improve its performance in this area. Fiskars Group views sustainability as an opportunity to take action in solving global challenges and to create solutions that support consumers and customers in their journey toward a more sustainable future. Fiskars Group designs products of timeless, purposeful and functional beauty, and has launched new product series which use circular materials. The Group continues to research and innovate with new sustainable materials. Fiskars Group has also introduced new service-based business models (for example, the Vintage service and Fiskars pan care service) to keep products in circulation for as long as possible. The Group has set ambitious science-based targets to reduce emissions and invests in its operations to constantly improve efficiency and become more circular. More information about Fiskars Group's environmental sustainability can be found in the “Non-financial information” section of this report and the 2023 Sustainability Report, published as part of the Annual Report.

The assessment of economic activities for Taxonomy alignment include meeting the criteria of substantial contribution, do-no-significant harm (DNSH) and complying with minimum safeguards. Fiskars Group assesses a substantial contribution for the specific activity under assessment, whereas the DNSH criteria and minimum safeguards are assessed at Group level. If relevant, DSNH criteria are also assessed at the activity level (e.g., 1.3 Forest Management). The activities that meet all the Taxonomy criteria (substantial contribution, DNSH and minimum safeguards) are considered Taxonomy-aligned.

Fiskars Group has global management processes and policies in place to cover environmental topics. These include areas such as emissions, waste and pollution. All the Group's own manufacturing units and distribution centers hold ISO 14001 certifications. Regarding the value chain, the Group has specific requirements in place to which suppliers must commit. These management processes help ensure negative impacts on the environment are minimized.

Fiskars Group has reviewed the Minimum Social Safeguards set out in Regulation (EU) 2020/852 and the Final Report on Minimum Safeguards by the

EU Platform on Sustainable Finance. The minimum safeguards cover minimum criteria on human rights, bribery and corruption, taxation, and fair competition. Fiskars Group has assessed its activities, policies and processes to be aligned with the established criteria. Fiskars Group has extensive policies in place for the aforementioned topics, extending requirements to the Group's business partners. The Group is committed to and supports the values, freedoms and fundamental rights promoted in internationally recognized labor and human rights standards, as well as guidelines on taxation and preventing bribery and corruption. More information about advancing human rights, anti-corruption and the prevention of bribery can be found in the section on Reporting of non-financial information and the 2023 Sustainability Report.

There are several reasons why some of Fiskars Group's activities are not considered to be Taxonomy-aligned based on the Group's evaluation. For some of the activities, the technical screening criteria may not be completely relevant or coherent with the activity in question, leaving the objective as eligible for Fiskars Group. Other activities which Fiskars Group considers environmentally sustainable may not yet be established in the Taxonomy at all.

Fiskars Group expects the share of eligibility and alignment to increase as the Taxonomy continues to be developed, and the economic activities within the Taxonomy expanded. The share of turnover, CapEx, and OpEx figures are accounted for from the relevant separate IFRS reported account groups, and no items have been double counted for the numerator.

The figures are presented in the tables at the end of this section.

Taxonomy-eligible and Taxonomy-aligned turnover

The proportion of Taxonomy-eligible turnover has been calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-eligible economic activities (numerator), divided by the net turnover (denominator) of Fiskars Group. The proportion of Taxonomy-aligned turnover has been calculated as the part of net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator) of Fiskars Group.

In addition to providing consumer products and services, Fiskars Group's activities include museums and cultural activities, real estate activities, and forest management. However, these represent a minority of the overall business. Fiskars Group has identified certain activities as Taxonomy-eligible, according to the economic activities CCM 1.3 Forest management, CCM 7.7 Acquisition and ownership of buildings, CCA 13.1 Creative, arts and entertainment activities, and CCA 13.2 Libraries, archives, museums and cultural activities in Annex I of Regulation (EU) 2021/2139. In addition, economic activities CE 1.2. Manufacture of electrical and electronic equipment, CE 5.1. Repair, refurbishment and remanufacturing, CE 5.2 Sale of spare parts, and CE 5.4. Sale of second-hand goods have been identified as Taxonomy-eligible in Annex II of Regulation (EU) 2023/2486. Of the eligible activities mentioned, CCM 1.3 Forest management has also been assessed as Taxonomy-aligned.

CCM 1.3 Forest management

Fiskars Group owns around 14,000 hectares of FSC™-certified (FSC C109750) and PEFC-certified (PEFC / 02-21-18) forests around the area of the company-owned Fiskars Village and elsewhere in Finland. Fiskars Group actively manages these forests and generates income from selling wood (logging).

The carbon stock of the forests is significant. According to an assessment conducted with Natural Resources Institute Finland, the current carbon stock of trees is 2.2 million tons of CO_2 equivalent, and the total combined carbon stock of trees, other biomass and soils is 5.7 million tons of CO_2 equivalent. The current annual carbon sink of the forests is 18,000 tons of CO_2 equivalent. Fiskars Group's forest management meets and in many parts exceeds the criteria set by Finnish law. The Group has assessed the substantial contribution criteria and fulfills the required criteria. Group's Forest management is also continuously audited through the FSC certification requirements, for example.

In 2022, this economic activity was assessed as Taxonomy-eligible. In 2023, this has been assessed as Taxonomy-eligible and Taxonomy-aligned.

CCM 7.7 Acquisition and ownership of buildings

Fiskars Group owns real estate and collects income from tenants renting the buildings in question. However, the majority of rental properties are in protected buildings, for which Energy Performance

Certificates (EPCs) have not been acquired. Protected buildings are not required to have EPCs. Energy Performance measures have not been thoroughly assessed, so Fiskars Group has assessed this activity as Taxonomy-eligible but not aligned.

CCA 13.1 Creative, arts and entertainment activities
Fiskars Group's brands have a strong heritage, and historical and cultural connections are maintained by offering creative experiences, for example. Fiskars Group generates some income from these activities. The Iittala Design Museum in Finland offers glass vase mouth blowing for visitors. The World of Wedgwood in the UK offers creative experiences in the form of clay studios, pottery painting, and other activities and workshops. Iittala & Arabia Design Centre in Helsinki invites visitors to explore their own creativity through workshops, lectures and events, for example.

These activities are solely Taxonomy-eligible and not aligned, as they are not linked to climate change adaptation.

CCA 13.2 Libraries, archives, museums and cultural activities
Fiskars Group collaborates with museums and institutions, including Design Museum Helsinki, generating some income from ticket sales and tours.

Visits and guided tours are also arranged, e.g., at Fiskars Group's factories in Ireland (the House of Waterford), the U.K. (the World of Wedgwood) and Slovenia (Rogaška).

These activities are solely Taxonomy-eligible and not aligned, as they are not linked to climate change adaptation.

CE 1.2. Manufacture of electrical and electronic equipment
Lamps are part of Fiskars Group's product offering.

Reporting for 2023 only covers eligibility for this activity. This economic activity has been assessed as Taxonomy-eligible.

CE 5.1. Repair, refurbishment and remanufacturing
Fiskars Group offers repair services for old frying pans. The lifecycle of Fiskars brand pans is long, but the Fiskars pan care service extends the lifecycle of these products even further by recoating them.

Fiskars pan care was first piloted in 2021. In time, the coating used on frying pans might start to wear off. Instead of buying a new pan, consumers in Finland have been able to bring their old pans to Fiskars Group's stores for proper cleaning and recoating. The Fiskars pan care service restores the pans' best features and saves natural resources compared to buying a new pan.

Reporting for 2023 only covers eligibility for this activity. This economic activity has been assessed as Taxonomy-eligible.

CE 5.2 Sale of spare parts
Fiskars Group offers spare parts for some of its Fiskars brand products. Offering spare parts for products enables longer lifecycles for the products.

Focusing on product design is at the core of the Group's sustainability actions and circular economy framework. Designing for quality, longevity and circularity decreases the burden that manufacturing places on natural resources. Fiskars Group wants to encourage consumers to take proper care of products to keep them in use for as long as possible, providing appropriate instructions and spare parts.

Reporting for 2023 only covers eligibility for this activity. This economic activity has been assessed as Taxonomy-eligible.

CE 5.4. Sale of second-hand goods
Fiskars Group has established a platform, Vintage service, for consumers to buy and sell second-hand Iittala, Arabia and Rörstrand tableware. The Group enables passing on pre-loved classics to new hands and stay in use for longer. First launched in 2019, the Vintage service is currently available in the Group's own stores across Finland and Sweden, with further expansion plans in place.

The Group collaborates with the Helsinki Metropolitan Area Reuse Centre Ltd. to conduct an annual assessment of the environmental savings consumers achieve by buying previously owned tableware through the Vintage service instead of buying new products. In 2023, the service helped avoid the consumption of 120 tons of solid natural resources and saved 40 tons of CO_2 emissions. The figures cover the Finnish and Swedish markets.

There is clear consumer demand for and great interest in buying used products and extending the lifetime of timeless designs. The Vintage service enables sustainable consumption. Consumers can find items that are no longer in production and replenish their tableware collections. Tens of thousands of vintage items have already found new homes through the Vintage service.

Reporting for 2023 only covers eligibility for this activity. This economic activity has been assessed as Taxonomy-eligible.

Fiskars Group has identified 0.7% of Taxonomy-eligible turnover, of which 0.2% is Taxonomy-aligned turnover for 2023 from the economic activities listed above.

Taxonomy-eligible and aligned CapEx

The proportion of taxonomy-eligible CapEx has been calculated as part of the total CapEx related to assets or processes that are associated with Taxonomy-eligible economic activities. The proportion of Taxonomy-aligned CapEx has been calculated as part of the total CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities. In addition, the numerator includes individual measures that enable target activities to become low carbon or lead to greenhouse gas reductions, notably, activity 7.3 Installation, maintenance and repair of energy efficient equipment.

The denominator has been compiled in accordance with the application of international financial reporting standards (IFRS) as adopted by Regulation (EC) No. 1126/2008.

Fiskars Group has set ambitious science-based targets to reduce emissions. In line with these targets, the Group is investing in ways to improve energy efficiency and cut greenhouse gas emissions. To distinguish the investments with the most significant impacts on Fiskars Group's operations and to ensure they represent a meaningful share of the Group's overall CapEx, Fiskars Group has decided to gather CapEx information mainly for activities exceeding EUR 100,000.

Fiskars Group has identified two economic activities under which certain projects were found eligible: 7.3 Installation, maintenance and repair of energy-efficiency equipment; and 7.6 Installation, maintenance and repair of renewable energy technologies, in Annex I of Regulation (EU) 2021/2139. Part of the 7.3 Installation, maintenance and repair of energy-efficiency equipment was assessed as Taxonomy-aligned.

CCM 7.3 Installation, maintenance and repair of energy-efficiency equipment

Under Installation, maintenance and repair of energy-efficiency equipment, Fiskars Group has identified equipment-related expenditures which improve energy efficiency and/or reduce emissions in manufacturing operations. During 2022 and 2023, Fiskars Group invested in a robot coating line which increases energy efficiency. In addition, Fiskars Group is implementing an energy investment of approximately EUR 10 million* in the Iittala glass factory in Hämeenlinna, Finland, where the Group is replacing the factory's existing natural gas-powered furnaces with electricity-powered furnaces. With this investment, the glass factory will reduce its annual carbon dioxide emissions by 74% by the end of 2026. In 2023, the Group continued investments in two new furnaces, which will be run with renewable electricity instead of natural gas.

As this economic activity is listed under Construction and real estate in the EU Taxonomy, the technical criteria listed are related to the energy efficiency of buildings. The criteria are not relevant regarding the investments mentioned above. The investment mentioned has therefore been assessed as Taxonomy-eligible but not aligned.

However, the Group has also continued to replace lighting systems with more energy-efficient LED lighting. In 2022, these investments were assessed as Taxonomy-eligible. In 2023, these investments have been assessed as Taxonomy-eligible and Taxonomy-aligned.

CCM 7.6 Installation, maintenance and repair of renewable energy technologies

During 2023, Fiskars Group continued to invest in solar photovoltaic systems at its manufacturing units. In 2022, this economic activity was assessed as Taxonomy-eligible. In 2023, this has been assessed as Taxonomy-eligible and Taxonomy-aligned.

Of the economic activities listed above, Fiskars Group has identified 3.5% as Taxonomy-eligible, of which 0.3% as Taxonomy-aligned CapEx for 2023.

* Approximately 30% of the total investment will be covered by the European Union's NextGenerationEU funding granted by the Ministry of Economic Affairs and Employment of Finland on October 4, 2022. This energy investment aid to the Iittala glass factory is EUR 2.871 million.

Taxonomy-eligible and aligned OpEx

The OpEx denominator covers direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenditure related to the day-to-day servicing of assets of property, plant and equipment by Fiskars Group or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The OpEx numerator equates to the part of the operating expenditure included in the denominator that is related to assets or processes associated with Taxonomy-eligible economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development.

Fiskars Group has identified relevant operational expenditures related to Taxonomy-eligible turnover from CCM 1.3 Forest management, and CCM 7.7 Acquisition and ownership of buildings and CE 5.1 Repair, refurbishment and remanufacturing. These operational expenditures include personnel, IT, rents and leases, and other running expenses. For forest management, these also include expenses from planting new trees. Fiskars Group's forest management has been assessed as Taxonomy-aligned, and the related OpEx is therefore also assessed as Taxonomy-aligned (reported as Taxonomy-eligible in 2022). Turnover from the acquisition and ownership of buildings, and repair, refurbishment and remanufacturing are assessed as Taxonomy-eligible. OpEx is therefore also assessed as Taxonomy-eligible.

The Group has also identified relevant operational expenditure related to Taxonomy-aligned CapEx from CCM 7.3 Installation, maintenance and repair of energy-efficiency equipment. The CapEx related to LED light investments has been assessed as Taxonomy-aligned. OpEx related to LED light fixtures is therefore also assessed as Taxonomy-aligned (reported as Taxonomy-eligible in 2022).

Of the economic activities listed above, Fiskars Group has identified 7.2% of Taxonomy-eligible OpEx, of which 1.5% is Taxonomy-aligned for 2023.

Turnover

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code(s)	Turnover	Proportion of Turnover, 2023	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
		M EUR	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	2.172	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2.172	0.2	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0		
Of which Enabling		0	0														0		
Of which Transitional		0	0														0		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Libraries, archives, museums and cultural activities	CCA 13.2	0.842	0.1	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.1		
Forest management	CCM 1.3	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Repair, refurbishment and remanufacturing	CE 5.1	0.009	0	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0		
Acquisition and ownership of buildings	CCM 7.7	1.635	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Creative, arts and entertainment activities	CCA 13.1	0.228	0	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0		
Sale of second-hand goods	CE 5.4	0.556	0.1	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0		
Sale of spare parts	CE 5.2	1.731	0.2	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0		
Manufacture of electrical and electronic equipment	CE 1.2	1.07	0.1	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0		
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not-Taxonomy-aligned activities) (A.2)		6.071	0.5	27%	18%	0%	55%	0%	0%								0.4		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		8.243	0.7	46%	13%	0%	41%	0%	0%								0.4		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,121.6	99.3																
TOTAL		1,129.8	100																

CapEx

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code(s)	CapEx	Proportion of CapEx, 2023	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	Category transitional activity
		M EUR	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.198	0.2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.096	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.293	0.3	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0		
Of which Enabling		0.293	0.3	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0	E	
Of which Transitional		0	0														0		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Renovation of existing buildings	CCM 7.2	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3.106	3.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.9		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not-Taxonomy-aligned activities) (A.2)		3.106	3.2	100%	0%	0%	0%	0%	0%								4.4		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		3.399	3.5	100%	0%	0%	0%	0%	0%								4.4		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		94.603	96.5																
TOTAL		98.002	100																

OpEx

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code(s)	OpEx	Proportion of OpEx, 2023	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	Category transitional activity
		M EUR	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	0.507	1.5	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.007	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.514	1.5	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0		
Of which Enabling		0.007	0	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0	E	
Of which Transitional		0	0														0		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Forest management	CCM 1.3	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2		
Acquisition and ownership of buildings	CCM 7.7	1.946	5.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.0		
Repair, refurbishment and remanufacturing	CE 5.1	0.003	0	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0		
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not-Taxonomy-aligned activities) (A.2)		1.949	5.7	100%	0%	0%	0%	0%	0%								6.2		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		2.462	7.2	100%	0%	0%	0%	0%	0%								6.2		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		31.911	92.8																
Total		34.373	100																

Changes in organization and management

Organizational changes and factory furloughs

On January 23, 2023, Fiskars Group announced that it was planning targeted organizational changes to further drive end-to-end accountability in the Business Areas and to enhance their focus on brands and consumers. The organizational changes were completed in the second quarter of 2023, and they resulted in a reduction of approximately 100 roles globally. The changes were mainly related to the Business Areas. In addition, the company made changes in its sales organizations in the Americas and in Europe.

The organizational changes and efficiency improvements announced in January 2023 were expected to result in total annual cost savings of approximately EUR 30 million, of which approximately half were expected to be realized in the second half of 2023. Whilst the changes have been completed according to plans, the first savings have been partially offset by accelerated inflation in general and administrative expenses. One-off costs related to the planned organizational changes amount to a total of approximately EUR 5 million. These costs were recorded as items affecting comparability (IAC) in 2023.

On September 13, 2023, Fiskars Group announced that it was planning to simplify its organizational structure to support the continued transformation of the company and to increase efficiency. The planned changes included combining the current Business Areas Terra and Crea into one Business area, Fiskars, which would offer Fiskars and Gerber branded products for the gardening, outdoor, cooking, scissors and creating categories. Furthermore, the company announced plans to simplify its global supply chain organization to increase efficiency and ensure competitiveness. The organizational changes were completed in the fourth quarter of 2023, and they resulted in a reduction of approximately 400 roles globally.

The organizational changes announced in September 2023 were expected to result in total annual cost savings of approximately EUR 25 million, out of which the majority would realize during 2024. One-off costs related to the changes amounted to a total of approximately EUR 6 million and they were recorded as items affecting comparability (IAC) in 2023.

In addition to the above organizational changes, Fiskars Group temporarily adjusted capacity in some of its factories due to the high level of inventories. The company implemented furloughs of a maximum of 90 calendar days during 2023 in its factories in Billnäs, Sorsakoski and Iittala in Finland. Furthermore, the company reorganized and optimized its retail network in Finland during the second quarter. As a result, three stores were closed.

Changes in management

On March 27, 2023, Fiskars Group appointed Aamir Shaukat as Chief Supply Chain Officer and a member of the Fiskars Group Leadership Team. Aamir started in his position in July 2023, and he reports to President and CEO Nathalie Ahlström.

On April 27, 2023, Fiskars Group announced that Tuomas Hyyryläinen, Executive Vice President for Business Area (BA) Crea and member of the Fiskars Group Leadership Team, had decided to leave Fiskars Group to take on a new challenge outside the company. Jesper Blomster, previously Vice President, Business Finance, BA Crea, took on the leadership of the Crea organization on an interim basis as of June 1, 2023.

On September 13, 2023, Fiskars Group announced its plans to combine the Business Areas Terra and Crea into one Business Area, Fiskars. Fiskars Group announced that Charlene Zappa, Executive Vice President for Business Area Terra, would leave the company, and that Johan Hedberg, Chief Sales officer Americas and President Americas, would step out of the Leadership Team.

On September 26, 2023, Fiskars Group appointed Dr. Steffen Hahn as Executive Vice President of the new Business Area Fiskars and a member of the Fiskars Group Leadership Team. Steffen started in his position after the reporting period on January 5, 2024, and reports to President and CEO Nathalie Ahlström.

Other significant events during the year

Change in official languages of Fiskars Group announced on April 20, 2023

On April 20, 2023, Fiskars Group announced a change in the Group's official languages as of 2024. As of

January 1, 2024, Fiskars Group's official reporting languages for regulatory disclosure are Finnish and English. The Group ceased to use Swedish as an official reporting language starting from the aforementioned date. The reason for this decision was the limited use of the Swedish language materials. With this decision, the Group also aimed to ensure the speed and efficiency of its financial reporting and publication of releases.

Guidance lowered on July 5, 2023

On July 5, 2023, Fiskars Corporation lowered its guidance for 2023, as the volatility in the market environment continued and demand for the company's products was expected to be weaker than previously anticipated in the second half of the year. The company expected comparable EBIT in 2023 to be in the range of EUR 120–130 million. Previously, the company had expected comparable EBIT to be slightly below the 2022 level (2022: EUR 151.0 million).

Guidance lowered on October 12, 2023

On October 12, 2023, the Fiskars Corporation lowered its guidance for 2023. The guidance update was based on challenging market conditions in the second half of the year, as well as the impact from the Georg Jensen acquisition. The company expected comparable EBIT in 2023 to be in the range of EUR 100-120 million. Previously, the company had expected comparable EBIT to be in the range of EUR 120-130 million (2022: EUR 151.0 million).

Acquisition of Georg Jensen announced on September 14, 2023

On September 14, 2023, Fiskars Group announced the acquisition of the renowned Danish luxury lifestyle brand Georg Jensen. Fiskars Group signed an agreement with Investcorp to buy Georg Jensen by acquiring 100% of the shares of Georg Jensen Investment APS. The Georg Jensen brand offers iconic products in the home and jewelry categories. With a 120-year heritage and a strong focus on craftsmanship, creativity and design, Georg Jensen fits Fiskars Group's luxury home brand portfolio well and extends the luxury brands' share of the Group's net sales from 25% to over one third. In 2022, Georg Jensen's net sales were EUR 158.1 million and EBIT was EUR 14.9 million.

Annual synergies are expected to amount to approximately EUR 18 million, the majority of which are expected to be realized by the end of 2025. The integration-related costs are expected to be EUR 10 million and to be realized in 2024-2026. The transaction costs of approximately EUR 5 million have been recorded in Q4 2023 and reported as items affecting comparability.

Fiskars Group completed the acquisition of Georg Jensen on October 1, 2023. The debt-free, cash-free purchase price (enterprise value) was EUR 155 million (USD 165 million). The enterprise value of USD 165 million was converted to EUR based on a EUR/USD rate of 1.0647, which was the rate on September 22, 2023. The impacts caused by foreign exchange fluctuation were hedged. The acquisition was financed with bridge loans from two Nordic banks. The company converted the bridge financing into long-term financing by issuing sustainability-linked notes on November 9, 2023.

Georg Jensen was consolidated to Fiskars Group's financial reporting under Business Area Vita as of October 1, 2023.

Issuance of sustainability-linked notes announced on November 9, 2023

On November 9, 2023, Fiskars Corporation announced the issuance of senior unsecured sustainability-linked notes in the aggregate principal amount of EUR 200 million. The Notes will mature on November 16, 2028 and carry initially a fixed annual interest of 5.125 per cent. The issue date for the Notes was November 16, 2023. The Notes were issued in accordance with Fiskars Group's Sustainability-Linked Bond Framework published on November 6, 2023.

The net proceeds of the offering were used to refinance the bridge financing relating to the acquisition of Georg Jensen Investment ApS and for general corporate purposes.

Corporate Governance

Fiskars Corporation is a Finnish public limited company whose duties and responsibilities are defined in 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 Recommendation 15 of the Finnish Corporate Governance Code as explained in more detail in the Corporate Governance Statement 2023.

Resolutions of Annual General Meeting 2023 and Board's constitutive meeting

The Annual General Meeting (AGM) of shareholders of Fiskars Corporation was held at the Helsinki Exhibition & Convention Centre, the Conference Center Siipi (visiting address: Rautatieläisenkatu 3, Helsinki, Finland), on March 15, 2023.

The AGM approved the financial statements for 2022 and discharged the members of the Board and the President and CEO from the liability.

The AGM decided in accordance with the proposal of the Board of Directors to pay dividend of EUR 0.80 per share for the financial period that ended on December 31, 2022. The dividend was paid in two instalments. The ex-dividend date for the first instalment of EUR 0.40 per share was on March 16, 2023. The first instalment was paid to a shareholder, who was registered in the shareholders' register of the company maintained by Euroclear Finland Ltd. on the dividend record date March 17, 2023. The payment date for this instalment was March 24, 2023.

On September 7, 2023, the Board of Directors resolved in accordance with the resolution of the Annual General Meeting the record date and the payment date of the second instalment of EUR 0.40 per share. The ex-dividend date for the second instalment was September 11, 2023 and the dividend record September 12, 2023. The payment date for the second dividend instalment was September 19, 2023.

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

The AGM decided that the Board of Directors shall consist of eight (8) members. Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Julia Goldin, Carl-Martin Lindahl, Volker Lixfeld, Jyri Luomakoski, and Ritva Sotamaa were re-elected to the Board of Directors. The term of the Board members will expire at the end of the AGM in 2024.

Ernst & Young, Authorized Public Accountants firm, was re-elected as auditor for the term that will expire at the end of the AGM in 2024. Ernst & Young has announced that the responsible auditor will be Kristina Sandin, APA. The Annual General Meeting decided that the auditors' fees shall be would according to a reasonable invoice approved by the Board of Directors.

Convening after the AGM held on March 15, 2023, the Board of Directors elected Paul Ehrnrooth as its Chair and Jyri Luomakoski as the Vice Chair. The Board decided to establish a Nomination Committee and appointed Paul Ehrnrooth (Chair) and Louise Fromond as the members and Alexander Ehrnrooth as an external member to the Nomination Committee. It further decided to establish an Audit Committee and appointed Jyri Luomakoski (Chair), Albert Ehrnrooth, Louise Fromond and Ritva Sotamaa as the members of the Audit Committee. The board also decided to establish a Human Resources and Compensation Committee and appointed Paul Ehrnrooth (Chair), Jyri Luomakoski, Carl-Martin Lindahl and Volker Lixfeld, as the members of the committee.

Board authorizations

Authorizing the Board of Directors to decide on the repurchase and/or the acceptance as pledge of the company's own shares

The Annual General Meeting 2023 decided to authorize the Board of Directors to decide on the repurchase of the company's own shares and/ or the acceptance as pledge of the company's own shares. The maximum number of shares to be repurchased and/or accepted as pledge is 4,000,000. Acquisitions of own shares may be made in one or several instalments and by 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 time 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 as well as otherwise for further transfer, retention or cancellation.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition and/or pledge 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, 2024 and it canceled the authorization to decide on the repurchase of the company's own shares granted to the Board of Directors by the Annual General Meeting on March 16, 2022.

Purchases of the company's own shares in 2023
In 2023, the company acquired 27,205 of its own shares for approximately EUR 0.4 million. The average price of the acquired shares was EUR 14.64 per share, the highest price being EUR 15.00 per share, and the lowest price EUR 14.30 per share. The shares were acquired based on the authorization given by the Annual General Meeting 2022 and 2023.

Authorizing the Board of Directors to decide on the transfer of the company's own shares held as treasury shares (share issue)

The Annual General Meeting 2023 decided to authorize the Board of Directors to decide on the transfer of a total maximum of 4,000,000 own shares held as treasury shares (share issue), 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 incorporate 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, 2024, and it canceled the corresponding authorization granted to the Board of Directors by the Annual General Meeting on March 16, 2022.

Transfers of the company's own shares in 2023
In 2023, the company transferred 243,762 of its own shares in two directed issues. The first directed issue (without consideration) related to rewards based on the company's Performance Share plan to key employees and it was based on authorization given by the Annual General Meeting 2022. The second directed issue (against payment) was related to a new Fiskars Ownership plan directed to the company's President and CEO, Group Leadership Team and certain key employees determined by the Board, and it was also based on authorization given by Annual General Meeting 2022.

Shares and shareholders

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. In 2023, the number of shares in the Corporation totaled 81,000,000. Fiskars Corporation held 202,927 of its own shares at the end of the year. The share capital remained unchanged, at EUR 77,510,200.

Fiskars Corporation shares are traded in the Large Cap segment of Nasdaq Helsinki. The volume weighted average share price in 2023 was EUR 16.33 (18.61). At the end of December, the closing price was EUR 17.86 (EUR 15.38) per share and Fiskars Corporation had a market capitalization of EUR 1,443.0 million (1,239.3). The number of shares traded on Nasdaq Helsinki and in alternative marketplaces in 2023 was 6.0 million (9.7), which represents 7.4% (12.1%) of the total number of shares. The total number of shareholders was 33,776 (32,602) at the end of 2023.

Flagging notifications

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

Risks and business uncertainties

Fiskars Group's operations are subject to risks and uncertainties arising from the Group's operations or changes in the operating environment. The most significant risks and business uncertainties that may have an adverse impact on the company's business and financial performance have been identified. Sustainability related uncertainties are reviewed as a part of Fiskars Group's annual enterprise risk management process and as such are also presented in the following pages. However, risks that are presently either unidentified or deemed immaterial to the company could emerge as material concerns in the future. Fiskars Group's risk management framework is further explained in a separate Corporate Governance Statement.

Risk category	Risk name	Risk description	Risk mitigation actions	Risk trend*
Strategic risks				
	Adaptation to external environment	The risk related to changes in the external environment, such as a shift in consumer behavior and demand, consumer buying power, retail customers' and competitors' actions, trade partners´ financial position, regulatory actions, climate change and macroeconomic environment, can result in decreased net sales and profit.	Fiskars Group has a diversified commercial footprint, both in terms of geography and product portfolio, which enables effective portfolio management. The company adapts its procedures to the changing external environment. For example, in the volatile business environment seen in 2023, the company has safeguarded cash flow and profitability by focusing on cost management and prudent spending. By adjusting the company's organizational structure and operating model to enhance agility, the company enables swift adaptation of business plans to respond promptly to evolving external circumstances. Fiskars Group's long-term strategy aims to effectively position the company to capitalize on the opportunities arising from the evolving landscape while concurrently addressing threats emerging from the external environment.	↑
	Geopolitics	The potential risks arising from geopolitical interactions, including trade relationships, supply chains and territorial disputes between countries, may lead to reduced net sales due to factors such as sanctions, import restrictions and shifts in consumer behavior. The escalation of geopolitical tension could hinder business operations, impacting both net sales and sourcing in affected markets. In terms of sourcing, potential disruptions in the supply chain could increase costs of raw materials and sourced goods or affect their availability. Moreover, changes in the geopolitical environment can influence business dealings with specific countries, affecting value chains and potentially causing a loss of net sales.	Fiskars Group's diversified commercial footprint enhances the company's resilience in navigating uncertainties and challenges by diversifying risks across multiple dimensions. The Group's production strategy is based on a combination of its own manufacturing and carefully selected supply partners. The Group's own manufacturing takes place in Europe, Asia and the United States, and most of the suppliers are located in Asia. The company is dedicated to fostering enduring partnerships with reliable suppliers who align with the Group's corporate values. Multiple suppliers are engaged to avoid reliance on a single source, and potential alternative suppliers, including those in different regions, are proactively mapped to enhance supply chain resilience. The company can also maintain safety stocks to buffer against potential disruptions in the supply chain to ensure product availability during challenging geopolitical situations.	↑

* Risk trend compared to previous year

Risk category	Risk name	Risk description	Risk mitigation actions	Risk trend*
Operational risks				
	IT systems and cybersecurity	Fiskars Group increasingly depends on centralized information technology systems and suppliers that hold and process critical business information. Breaches, malfunctions, cyber attacks and fraud attempts directed at Fiskars Group or its suppliers may cause interruptions in the company's operations at either a regional or global level. Such an interruption may have a material adverse effect on the net sales, profit and reputation of the Group. Risks related to major system implementations such as conflicting or missing data, budget overspend, and project delays can affect business negatively. Operating against IT best practices such as following poor lifecycle management may leave systems vulnerable and cause compromised security. The risk applies both to the Group's own and suppliers' or other third parties' IT environment.	Fiskars Group continuously mitigates IT-related risks by deploying high quality IT solutions and by maintaining, developing, and testing their function and integrity in accordance with internal IT control framework and industry best practices. Critical service and technology providers are required to have continuity and recovery plans for their services in the event of disruptions. Changes to new and existing IT systems are made in accordance with standard processes and procedures. Fiskars Group's information and cyber security governance works to integrate risks into corporate decision making. Security posture and capabilities are ensured with various security technologies, including network, endpoint and cloud detection and response, firewalls, threat intelligence, and security operations. The security awareness program develops and promotes a cyber security and data privacy mindset in all the Group's employees.	↔
	Environment and climate change	The impact of climate change and loss of biodiversity on well-functioning ecosystems, temperatures and sea levels may cause unforeseen challenges to Fiskars Group. Regulations aiming to decrease dependence on fossil fuels and to reduce emissions, including the introduction of new tax policies, may raise energy prices and other associated costs. As regulations are tightening, and public awareness and expectations are growing, past measures to reduce the environmental impact may prove insufficient. The increasing frequency of natural catastrophes such as floods and typhoons and loss of biodiversity may interrupt and impact the operations of Fiskars Group. Water scarcity and resource scarcity related to exhaustible fossil materials are increasing long term global challenges, leading to increased materials costs and the risk of production interruptions. Currently, the challenge is the limited availability and higher prices of more sustainable raw materials such as certified wood materials, renewable plastics and recycled raw materials.	Fiskars Group is constantly increasing its sustainability efforts and aims to minimize environmental risks through systematic risk management. Fiskars Group is committed to promoting the circular economy, combating climate change by taking actions to reduce emissions, reducing the use of energy and promoting renewable energy sources. An example of Fiskars Group's commitment to ESG is the recent issuance of the sustainability-linked bond framework, with the aim of aligning the company's long-term financing strategy with its sustainability targets. Multiple source contracts and ongoing research on alternative sustainable materials are utilized for managing price and availability risks. The financial implications of business interruptions caused by natural hazards are mitigated by insurance.	↔

* Risk trend compared to previous year

Risk category	Risk name	Risk description	Risk mitigation actions	Risk trend*
	Seasonality and weather	The demand for Fiskars Group's products across categories can be influenced by both seasonal variations and weather conditions. For Business Area Fiskars, the first half of the year is important for the gardening category. The demand for garden tools can be significantly influenced by weather conditions. Unfavorable weather, i.e., a cold and rainy spring, can negatively impact the sales of these products, while favorable conditions can boost their sales. In the winter months, a snowless winter can negatively impact sales of snow tools and vice versa. The back-to-school season during the second and third quarters of the year is also important for the scissors category in Business Area Fiskars. For Business Area Vita, the second half, in particular the fourth quarter is the most important time of year due to the holiday season. Any negative developments related to product availability, demand or increased costs in manufacturing or logistics during the important seasons can significantly affect the full-year net sales and profit. The seasonality of demand can differ from a typical year due to volatile market conditions. Extreme weather conditions, for example, storms and wildfires, are expected to increase in the future due to climate change and may also have a local impact on business operations.	Fiskars Group balances the impact of seasonality and changing weather conditions by having an extensive and diverse product portfolio and broad geographical footprint. The company can maintain safety stocks as a buffer against possible supply chain disruptions. Additionally, the company relies on multiple source contracts to manage both price and availability risks. The financial implications of property damage and business interruptions caused by natural hazards are mitigated by comprehensive insurance cover.	↔
	People	People are at the core of Fiskars Group's strategy as the most important asset and enabler. The effective execution of the Growth Strategy relies heavily on having the right individuals in the right roles. A failure to maintain a competitive employer brand poses challenges to attracting and retaining the skilled and dedicated professionals essential for the strategy's success in the competitive job market. Inadequate efforts to cultivate an inspiring and motivating work environment may result in the loss of critical competencies and the departure of key employees from strategic positions. Addressing the evolving demands of modern work life is crucial to preventing a decline in employee engagement, increased absenteeism, and a rise in turnover rates. Occupational health and safety risks carry the potential for severe harm to employees and pose a threat to the continuity of operations. Failing to address these risks may lead to a decline in employee motivation and well-being, along with possible reputational and financial repercussions for the company.	Employee engagement is promoted notably by providing opportunities for professional growth through leadership training and skills development and by committing to a diverse and inclusive culture. The Group regularly conducts "Our Voice" employee surveys to monitor engagement and well-being. Additionally, employees' commitment to the company is enhanced through "MyFiskars," a voluntary employee share savings plan where participating employees are granted a gross reward of one free matching share for every two shares acquired, assuming the employee remains employed at Fiskars Group at the end of the plan period, and they have kept the shares acquired until this date. At the Group level, the company's target is zero lost time accidents. Fiskars Group applies multiple approaches such as conducting risk assessment workshops and LTA review boards to achieve this goal.	↔

* Risk trend compared to previous year

Risk category	Risk name	Risk description	Risk mitigation actions	Risk trend*
	Brand reputation due to ESG	As consumer expectations of ESG matters rise, a failure to meet these standards or a lack of transparency in the supply chain or suppliers' actions can adversely affect Fiskars Group's brand reputation and erode consumer trust and loyalty, potentially leading to a decline in net sales.	Sustainability is a key element and one of the strategic growth enablers for Fiskars Group, and the company has set concrete ESG targets and linked them to decision making. Sustainability, beyond posing a risk, represents an opportunity for Fiskars Group to further strengthen the reputation and increase brand love. More comprehensive information about the Group's sustainability work and results can be found in the 2023 Sustainability Report, Reporting of non-financial information and Corporate Governance Statement, published as part of Fiskars Group's Annual Report. Fiskars Group strives to build strong and long-term relationships with trusted suppliers that live up to the Group's corporate values. All suppliers and business partners must comply with the Supplier Code of Conduct, which outlines non-negotiable minimum standards on topics such as health and safety, environmental protection, and human and labor rights. Suppliers are instructed to adopt similar requirements for their suppliers and to monitor their supply chains. The company conducts assessments on its finished goods suppliers. For raw material and component suppliers, as well as out-licensing partners, the company uses third-party audit services to complement internal assessments.	↑
	Acquisitions	Acquisitions are not a central part of the strategy of Fiskars Group; however, the company may also grow through acquisitions, as seen in 2023, when Fiskars Group acquired the Danish luxury lifestyle brand Georg Jensen. All acquisitions and integrations of acquired businesses include risks. Acquired businesses may not perform as expected, key individuals may decide to leave the company, the costs of integration may exceed expectations, and synergy effects may be lower than expected. Employee uncertainty during the integration process may arise, as the need to harmonize disparities in company cultures, ways of working, processes, tools and practices requires careful consideration. This transitional phase may lead to frustration and disengagement, impacting overall performance.	Fiskars Group follows an acquisition strategy characterized by a systematic and disciplined approach to identifying potential targets. The strategy ensures that only those targets that are closely aligned with the company's and its Business Areas' objectives and business goals are considered for acquisition. In the acquisition due diligence process, Fiskars Group conducts a thorough investigation of the target company's business, market, financial, operational, legal and regulatory aspects. This is a crucial step in evaluating the value and potential of the target company, enhancing the likelihood of a successful acquisition. In this phase of the acquisition, Fiskars Group formulates an integration pre-plan, outlining the key steps needed for successful integration and synergy realization for post-acquisition. The post-acquisition integration program features multiple streams, each with detailed action plans and assigned responsible persons to ensure a structured and coordinated approach to successful integration.	↑
	Product safety and liability	Fiskars Group is committed to offering high quality and functional products that are safe to use and fit for purpose. As a manufacturer and seller of an extensive portfolio, including sharp cutting tools, food contact items and children's products with a broad distribution, there is a risk that the company's products and packaging fail to meet or do not comply with safety, quality and legal requirements, causing a possible halt to deliveries or a product recall, reputation loss, indemnities, and lost sales.	Fiskars Group seeks to ensure all its products meet the pre-set high standards for quality, compliance and product safety. The product development process at Fiskars Group is based on continuous testing and learning, and the company has invested in product development and quality assurance resources to mitigate against any potential product safety concerns in an early stage of product development. Comprehensive insurance cover and a product recall policy are in place to mitigate the financial impact of a recall and to precipitate the process of recalling potentially harmful products from the markets.	↑

* Risk trend compared to previous year

Risk category	Risk name	Risk description	Risk mitigation actions	Risk trend*
Compliance risks				
	Legal and regulatory compliance	As a global company with operations in multiple countries, the changing legal and regulatory environment, both regional and supraregional, may expose Fiskars Group to compliance and litigation risks regarding competition compliance, corruption, tax, customs or export controls, for example. Furthermore, environmental, social and governance (ESG) related legislation and regulations are increasing and may affect the company's supply chain management and choices regarding product materials and manufacturing techniques, for example. If the company is not predictive in identifying changes in laws and regulations and fails to implement necessary changes consistently in its business operations, this may cause financial or reputational damage and exposure to criminal liability. Fiskars Group registers, processes, stores and uses personal data in the course of its business operations, specifically regarding personal data related to consumers. There are increasing regulatory requirements for data protection, as well as accelerating changes in technology and heightened consumer and public expectations. If the company fails to fulfill its control obligations or processes or prevent or detect unauthorized access to personal information causing a violation of the GDPR or other applicable law or leakage of personal data, this may result in reputational damage and/or fines.	Fiskars Group is committed to ethical and responsible business practices and to respecting human rights. To enhance legal and regulatory compliance, Fiskars Group has implemented various compliance programs, policies and processes. There is a mandatory Code of Conduct training program for all employees and other mandatory trainings for targeted employee groups. All finished goods suppliers need to comply with Fiskars Group's Supplier Code of Conduct requirements. Fiskars Group has established a cross-functional body to lead and govern its privacy and cyber security related policies, processes and practices. To ensure accountability, a whistle blowing channel allows anonymous reporting of any misconduct, with the company committed to taking swift corrective action when necessary.	↔
	Intellectual property rights	The well-known and strong Fiskars Group's brands are exposed to infringement of intellectual property rights (IPR). There is a risk that the company, its agents or suppliers can be harmed by employees, agents or third parties using company trade secrets or intellectual property to the Group's detriment. Counterfeit products may present quality and safety risks to consumers and may damage consumer confidence in the Group's products. Fiskars Group is also exposed to the risk of unintentionally violating other parties' intellectual property rights. Infringement of IPRs may lead to a loss of net sales and profit.	Potential IPR infringements are monitored through cross-functional processes and through online monitoring and systems. Fiskars Group has an enforcement policy in place that governs the enforcement actions that are taken to protect the exclusivity of Fiskars Group's IPRs. Fiskars Group has a good understanding of the competitive landscape and provides its employees with training in IPRs.	↔

* Risk trend compared to previous year

Risk category	Risk name	Risk description	Risk mitigation actions	Risk trend*
Financial risks				
	Currency rates	With a significant part of the business in the United States and in other countries outside the eurozone, Fiskars Group is exposed to fluctuations in foreign currency rates. A change in the exchange rate may have a material impact on the reported financial figures. A change in the exchange rate may also negatively impact the local competitiveness of a Fiskars Group company. The most significant transaction risks are related to the appreciation of THB, DKK and USD and the depreciation of SEK, AUD and JPY. The most significant translation risks are related to the depreciation of USD.	Currency risks related to commercial cash flows are first managed by offsetting cash flows denominated in the same foreign currency. Purchases of production inputs and the sales of products are primarily denominated in the local currencies of the Fiskars Group companies. The remaining net exports or imports in foreign currencies are hedged up to 15 months in advance using currency forwards and swaps.	⟷
	Tax and customs	Fiskars Group entities are subject to tax and customs audits in several countries. The risk that the company fails to comply with international or local tax or customs regulation may lead to additional tax obligations and changes in tax or import duty liabilities and may cause loss of profit, penalties and interest, and a negative reputational impact.	Fiskars Group closely monitors changes in tax and customs regulations and international agreements to proactively manage risks related to taxes and duties. Processes and controls are actively developed and maintained to ensure compliance with any local and international requirements. Fiskars Group promotes an open dialog with the tax and customs authorities and may seek advance rulings and other advance processes where necessary to secure its tax positions and customs compliance.	⟷
	Financial investments	The financial investment portfolio of Fiskars Group consists mainly 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. Financial investments are treated at fair value through profit or loss.	The foreign exchange risk is hedged up to 15 months in advance using currency forwards and swaps.	⟷

* Risk trend compared to previous year

Events after the reporting periods

January 9, 2024: Negative goodwill recognized from Georg Jensen acquisition

On January 9, 2024, Fiskars Group announced that it had finalized the purchase price allocation of the Georg Jensen acquisition and recognizes negative goodwill from it. As a result, the company recorded a gain of EUR 25.4 million as items affecting comparability (IAC) in Q4 2023. As the negative goodwill was recorded as IAC in other operating income, it did not impact Fiskars Group's comparable EBIT in 2023 or the company's guidance for 2023. The negative goodwill was generated as the purchase price was lower than the fair value of acquired net assets. In addition to the negative goodwill, the other main items from the purchase price allocation with income statement impact were fair valuation of inventory and intangible assets.

January 10, 2024: Listing application for sustainability-linked notes submitted

On January 10, 2024, Fiskars Corporation announced that it had submitted an application for its EUR 200 million sustainability-linked notes to be admitted to trading on the list of sustainable bonds of Nasdaq Helsinki Ltd. Trading on the Notes was expected to commence on or about 12 January 2024 under the trading code "FSKRSJ512528".

Fiskars Corporation announced its decision to issue the notes on 9 November 2023. The Notes were issued on 16 November 2023.

January 31, 2024: Change in the Fiskars Group Leadership Team

On January 31, 2024, Fiskars Group announced its plans to integrate sales operations into the Business Areas and terminated the Group-level position of Chief Sales Officer, Europe and APAC (excl. China). As a result of this change, Gennady Jilinski stepped out of the leadership team and left the company.

February 2, 2024: Proposals of the Nomination Committee of the Board of Directors to Fiskars Corporation's Annual General Meeting 2024

The Nomination Committee of the Board of Directors proposes to the Annual General Meeting that the following individuals shall be re-elected to the Board of Directors: Albert Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Julia Goldin, Carl-Martin Lindahl, Volker Lixfeld and Jyri Luomakoski. Ritva Sotamaa has informed that she will no longer be available for re-election to the Board of Directors. The Nomination Committee proposes further that the Annual General Meeting shall elect Susan Repo as a new member of the Board of Directors.

The Nomination Committee proposes that the annual fees of the members of the Board of Directors shall be EUR 70,000, the annual fee of the Vice Chairman EUR 105,000 and the annual fee of the Chairman EUR 140,000.

Guidance for 2024

Fiskars Corporation expects comparable EBIT to be slightly above the 2023 level (2023: EUR 110.3 million).

Assumptions behind the guidance

The operating environment is expected to remain challenging and impact demand in 2024. Based on the company's current visibility on the market development, this applies especially to the first half of the year. The savings from the completed organizational changes are expected to support EBIT, although they will be partially offset by wage inflation.

As a result of the Georg Jensen acquisition, the Group's EBIT generation will shift even more toward the end of the year, highlighting the importance of the second half and especially the fourth quarter.

Proposal for the distribution of dividend

Fiskars Corporation's aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2023, the distributable equity of the parent company was EUR 855.8 million (2022: EUR 231.9 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.82 per share shall be paid for the financial period that ended on December 31, 2023. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.41 per share shall be on March 14, 2024. The first 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 March 15, 2024. The payment date proposed by the Board of Directors for this instalment is March 22, 2024.

The second instalment of EUR 0.41 per share shall be paid in September 2024. 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 12, 2024. The ex-dividend date for the second instalment would be September 13, 2024, the dividend record date for the second instalment would be September 16, 2024 and the dividend payment date September 23, 2024, at the latest.

On the date of the financial statement release, the number of shares entitling their holders to a dividend was 80,797,073. The proposed distribution of dividends would thus be EUR 66.3 million (2022: EUR 64.5 million). This would leave EUR 789.5 million (2022: EUR 167.4 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.

Espoo, Finland, February 7, 2024

FISKARS CORPORATION
Board of Directors

Consolidated Financial Statements, IFRS

Consolidated income statement

EUR million	Note	2023		2022	
Net sales	2.1	**1,129.8**		1,248.4	
Cost of goods sold	2.3	**-618.5**		-692.5	
Gross profit		**511.4**	**45%**	555.9	45%
Other operating income	2.2	**28.9**		5.6	
Sales and marketing expenses	2.3	**-292.6**		-276.1	
Administration expenses	2.3	**-124.5**		-120.9	
Research and development expenses	2.3	**-19.8**		-20.8	
Other operating expenses	2.3	**-4.5**		-8.9	
Operating profit (EBIT)		**98.9**	**9%**	134.7	11%
Change in fair value of biological assets	3.4	**4.8**		1.1	
Financial income and expenses	2.6	**-24.0**		-11.7	
Profit before taxes		**79.7**	**7%**	124.1	10%
Income taxes	2.7	**-9.7**		-25.0	
Profit for the period		**70.0**	**6%**	99.1	8%
Attributable to:					
Equity holders of the parent company		**69.9**		98.2	
Non-controlling interest		**0.2**		0.9	
Profit for the period		**70.0**		99.1	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	2.8	**0.86**		1.21	

Consolidated statement of comprehensive income

EUR million	Note	2023	2022
Profit for the period		**70.0**	99.1
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		**-8.3**	3.6
Cash flow hedges		**-0.7**	0.1
Items that will not be reclassified to profit or loss:			
Defined benefit plans, actuarial gains (losses), net of tax	4.4	**-0.1**	1.3
Other comprehensive income for the period, net of tax		**-9.1**	5.1
Total comprehensive income for the period		**61.0**	104.2
Attributable to:			
Equity holders of the parent company		**60.9**	103.2
Non-controlling interest		**0.0**	1.0
Total comprehensive income for the period		**61.0**	104.2

Consolidated balance sheet

EUR million	Note	31.12.2023		31.12.2022	
ASSETS					
NON-CURRENT ASSETS					
Goodwill	3.1	**220.1**		221.2	
Other intangible assets	3.1	**371.7**		278.6	
Property, plant & equipment	3.2	**163.2**		146.3	
Right-of-use assets	3.3	**143.4**		110.6	
Biological assets	3.4	**51.3**		46.5	
Investment property	3.5	**5.3**		5.8	
Financial assets at fair value through profit or loss	5.3	**30.9**		29.0	
Other investments	5.3	**3.5**		3.5	
Deferred tax assets[1]	2.7	**28.4**		31.9	
Other non-current assets	5.3	**11.0**		6.4	
Non-current assets total		**1,028.8**	**59%**	879.7	55%
CURRENT ASSETS					
Inventories	4.1	**364.0**		364.7	
Trade receivables	4.2	**177.2**		170.5	
Other current receivables	4.2, 5.3	**52.0**		48.8	
Income tax receivables		**4.2**		7.2	
Interest-bearing receivables		**1.4**		1.7	
Cash and cash equivalents	5.3	**127.3**		115.8	
Current assets total		**726.1**	**41%**	708.6	45%
Assets total		**1,754.9**	**100%**	1,588.3	100%

EUR million	Note	31.12.2023		31.12.2022	
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the equity holders of the parent company[1]		**819.9**		819.8	
Non-controlling interest		**3.8**		4.1	
Equity total	5.1	**823.7**	**47%**	823.9	52%
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	5.4	**330.7**		130.4	
Lease liabilities	5.5	**117.4**		92.9	
Deferred tax liabilities	2.7	**38.8**		34.5	
Employee defined benefit obligations	4.4	**12.1**		10.8	
Provisions	4.5	**3.3**		2.4	
Other non-current liabilities		**4.1**		4.0	
Non-current liabilities total		**506.4**	**29%**	275.1	17%
CURRENT LIABILITIES					
Interest-bearing liabilities	5.4	**92.5**		195.2	
Lease liabilities	5.5	**33.3**		22.5	
Trade payables[1]	4.3	**102.1**		83.9	
Other current payables	4.3	**184.5**		180.9	
Income tax liabilities		**6.7**		3.8	
Provisions	4.5	**5.8**		3.0	
Current liabilities total		**424.9**	**24%**	489.3	31%
Equity and liabilities total		**1,754.9**	**100%**	1,588.3	100%

[1] 2022 opening balance restated, details in equity statement.

Consolidated statement of cash flows

EUR million	2023	2022
Cash flow from operating activities		
Profit before taxes	**79.7**	124.1
Adjustments for		
Depreciation, amortization and impairment	**66.0**	59.4
Gain/loss on sale and loss on scrap of non-current assets	**-0.4**	0.6
Other financial items	**23.9**	12.3
Change in fair value of biological assets	**-4.8**	-1.1
Change in provisions and other non-cash items	**-27.9**	-11.2
Cash flow before changes in working capital	**136.6**	184.0
Changes in working capital		
Change in current assets, non-interest bearing	**1.2**	14.9
Change in inventories	**114.9**	-89.7
Change in current liabilities, non-interest-bearing	**-5.1**	-134.1
Cash flow from operating activities before financial items and taxes	**247.5**	-24.9
Financial income received and costs paid	**-14.8**	-7.4
Taxes paid	**-11.9**	-29.2
Cash flow from operating activities (A)	**220.8**	-61.4

EUR million	2023	2022
Cash flow from investing activities		
Investments in financial assets	**-0.2**	-0.4
Capital expenditure on fixed assets	**-50.8**	-48.1
Proceeds from sale of fixed assets	**0.9**	1.5
Acquired in business combinations, net of cash acquired	**-121.3**	
Proceeds from sale of assets held for sale		43.9
Disposal of subsidiary, net of cash disposed of		-9.2
Other dividends received	**0.5**	0.2
Cash flow from other investments	**1.1**	4.3
Cash flow from investing activities (B)	**-169.8**	-7.8
Cash flow from financing activities		
Purchase of treasury shares	**-0.4**	-18.0
Change in current receivables	**2.2**	-1.7
Proceeds from non-current debt	**198.8**	130.1
Repayments of non-current debt	**-0.4**	-0.3
Change in current debt	**-145.6**	129.3
Payment of lease liabilities	**-30.8**	-26.5
Cash flow from other financing items	**1.4**	
Dividends paid	**-65.1**	-62.9
Cash flow from financing activities (C)	**-40.0**	149.8
Change in cash and cash equivalents (A+B+C)	**11.1**	80.5
Cash and cash equivalents at beginning of period	**115.8**	31.5
Translation differences	**0.4**	3.7
Cash and cash equivalents at end of period	**127.3**	115.8

Statement of changes in consolidated equity

EUR million	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings	Non-controlling interest	Total
	Equity attributable to shareholders of the parent company							
Opening Balance Jan 1, 2022	**77.5**	**-7.2**	**9.2**	**0.0**	**-1.4**	**733.9**	**4.2**	**816.3**
Translation differences			3.6				0.1	3.6
Cash flow hedges				0.1				0.1
Defined benefit plan, actuarial gains (losses), net of tax					1.3			1.3
Other comprehensive income for the period, net of tax, total	0.0	0.0	3.6	0.1	1.3	0.0	0.1	5.1
Profit for the period						98.2	0.9	99.1
Total comprehensive income for the period	0.0	0.0	3.6	0.1	1.3	98.2	1.0	104.2
Purchase and issue of treasury shares		-18.0						-18.0
Share-based payments		1.8				-4.5		-2.7
Cancellation of treasury shares		16.6				-16.6		0.0
Dividends paid						-61.7	-1.1	-62.8
Other changes			5.4			-6.6		-1.3
Balance at Dec 31, 2022	**77.5**	**-6.7**	**18.1**	**0.1**	**-0.1**	**742.7**	**4.1**	**835.6**
Opening Balance Jan 1, 2023	**77.5**	**-6.7**	**18.1**	**0.1**	**-0.1**	**742.7**	**4.1**	**835.6**
Correction relating to prior years[1]						-11.8		-11.8
Opening Balance Jan 1, 2023	77.5	-6.7	18.1	0.1	-0.1	730.9	4.1	823.9
Translation differences			-8.2				-0.1	-8.3
Cash flow hedges				-0.7				-0.7
Defined benefit plan, actuarial gains (losses), net of tax					-0.1			-0.1
Other comprehensive income for the period, net of tax, total	0.0	0.0	-8.2	-0.7	-0.1	0.0	-0.1	-9.1
Profit for the period						69.9	0.2	70.0
Total comprehensive income for the period	0.0	0.0	-8.2	-0.7	-0.1	69.9	0.0	61.0
Purchase and issue of treasury shares		2.2				0.4		2.6
Share-based payments		1.6				0.4		2.0
Dividends paid						-64.6	-0.3	-65.0
Other changes						-0.8		-0.8
Balance at Dec 31, 2023	**77.5**	**-3.0**	**9.9**	**-0.6**	**-0.1**	**736.2**	**3.8**	**823.7**

[1] Correction to previous years according to IAS 8.43 and 8.44, adjustment related to inventory purchases in the US market. Additionally, 1.1.2023 Trade payables balance has been adjusted by an increase of 14.7 MEUR and Deferred tax assets by 2.9 MEUR.

Dividends
The Board of Directors has proposed a total dividend of EUR 0.82 per share to be paid for the 2023 result. A cash dividend of EUR 0.80 per share was paid for the 2022 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	43
1.2	Basis of preparation	43
1.3	Consolidation principles	43
1.4	Translation of foreign currency items	43
1.5	Use of estimates	44
1.6	New and amended standards applied in financial year ended	44
1.7	Adoption of new and amended standards January 1, 2024	44

1.1 Basic information

Fiskars Oyj Abp (the "Company" or the "parent company") is a Finnish, public limited liability company, domiciled in Raseborg, Finland. Its registered address is Keilaniementie 10, Espoo, Finland. The Company's shares are listed on the Nasdaq Helsinki Ltd. Fiskars Oyj Abp and its subsidiaries together form the Fiskars Group ("Fiskars Group" or the "Group") that manufactures and markets branded consumer goods globally. Fiskars Group's primary reporting segments are Vita, Fiskars and Other. The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services. Fiskars Group reports group-level net sales for three geographical areas: Europe, Americas, and Asia-Pacific. The Group's international key brands are Fiskars, Georg Jensen, Iittala, Gerber, Royal Copenhagen, Waterford and Wedgwood.

The consolidated financial statements were authorized for issue by the Board of Directors of Fiskars Oyj Abp on February 7, 2024. 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.

1.2 Basis of preparation

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, observing the standards and interpretations effective on December 31, 2023.

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.

Financial statements figures are presented mainly in millions of euros with one decimal. Figures presented are subject to rounding, which may cause that the sum of individual figures might differ from the presented aggregated column and row totals.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

1.3 Consolidation principles

The consolidated financial statements include the parent company, Fiskars Oyj Abp, and 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. Inter-company transactions, profit distribution, receivables, payables and unrealized gains between group companies are eliminated in consolidation. The profit or loss for the period attributable to the owners of the parent company and non-controlling interest is presented in the Consolidated Income Statement and the total comprehensive income for the financial year attributable to the owners of the parent company and non-controlling interest is presented in the Consolidated Statement of Comprehensive Income. The non-controlling interest in equity is presented within equity, separately from the equity of the owners of the parent company.

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. At the moment, there are no investments in associates with significant influence in the Fiskars Group.

1.4 Translation of foreign currency items

Translation of financial statements of foreign subsidiaries

Items included in the financial statements of each of the Fiskars Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in euros, which is the Group's presentation currency. In the consolidated financial statements, income statements, statements of comprehensive income and cash flows of foreign subsidiaries are translated into the Group's presentation currency at the average exchange rates for the period. Balance sheet items are translated at exchange rates prevailing at the end of the reporting period. The resulting exchnage rate differences are recognized in other comprehensive income and presented under cumulative 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.

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 rate differences arising from translation are recognized in the income statement and presented under financial items, except for exchange rate 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.

1.5 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. Significant accounting policies applied, and critical accounting estimates and judgments are described adjacent to each note.

1.6 New and amended standards applied in financial year ended

Fiskars Group has applied amendments and interpretations published by IASB that are effective for the first time for financial reporting periods commencing on January 1, 2023. These amendments and interpretations did not have a material impact on the results, financial position, or presentation of financial statements of Fiskars Group.

1.7 Adoption of new and amended standards January 1, 2024

Fiskars Group has not identified any new standards, amendments or interpretations published by IASB that apply for the first time to financial reporting periods commencing on January 1, 2024, that are expected to have a material impact on the results or financial position, or presentation of financial statements of Fiskars Group.

2. Financial performance

2.1	Segment information	46
2.2	Other operating income	49
2.3	Total expenses	50
2.4	Employee benefits and number of personnel	51
2.5	Share based payments	52
2.6	Financial income and expenses	55
2.7	Income taxes	55
2.8	Earnings per share	57

2.1 Segment information

Accounting principles

Fiskars Group's organizational structure features two Business Areas (BA): Vita and Fiskars. As of October 1, 2023, Fiskars Group´s three primary reporting segments are Vita, Fiskars and Other as the BA Terra and BA Crea were combined as one BA Fiskars. Comparative information has been restated to reflect the current organizational structure. 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, Vita, Fiskars and Other 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 expenses, and income taxes are managed on Group level and thus, not allocated to operating segments.

Operating profit

In Fiskars Group, the operating profit (EBIT) is the net of revenues and other operating income, material purchases and change of inventories, production for own use, employee benefits, depreciations, amortizations and possible impairments and other operating expenses. The operating profit includes operating results of Fiskars Group's primary reporting segments Vita, Fiskars and Other. Change in fair value of biological assets is presented as a separate line item below EBIT in the income statement.

Net sales and revenue recognition

In the Consolidated Income Statement, Net sales comprise the sales of goods and services, adjusted with indirect taxes, discounts, rebates, fees and penalties as well as the exchange rate differences of sales denominated in foreign currency. The share of services of total net sales is not significant. Revenue from the sale of goods is recognized when performance obligation is satisfied. Performance obligation is satisfied when control is transferred to a customer, typically at the time when a product has been delivered to a customer in accordance with the terms of delivery.

Operating segments

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

BA Fiskars consists of the gardening, watering and outdoor categories as well as the scissors and creating, and cooking categories. The brands include Fiskars and Gerber.

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 arm's lenght basis.

Unallocated items

The unallocated items contain group level income and expenses, such as goodwill and trademark impairment and financial income and expenses. Unallocated assets comprise items related to group administration, tax and loan receivables, and shares. 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

2023

EUR million	Vita	Fiskars	Other	Unallocated and Eliminations	Group total
Net sales	555.3	570.5	4.0		1,129.8
EBIT excl. Items affecting comparability in operating profit	62.3	73.8	-25.8		110.3
Items affecting comparability in EBIT[1]	-0.5	-10.5	-0.4		-11.4
EBIT	61.8	63.3	-26.2		98.9
Change in fair value of biological assets			4.8		4.8
Financial income and expenses				-24.0	-24.0
Profit before taxes					79.7
Income taxes				-9.7	-9.7
Profit for the period					70.0
Capital expenditure	26.8	20.0	4.0		50.8
Depreciations, amortizations and impairment	37.6	24.0	4.5		66.0

[1] Detailed in section Other financial information

Operating segments

2022

EUR million	Vita	Fiskars	Other	Unallocated and Eliminations	Group total
Net sales	563.7	680.8	3.9		1,248.4
EBIT excl. Items affecting comparability in operating profit	85.6	82.6	-17.2		151.0
Items affecting comparability in EBIT[1]	-0.1	-14.3	-1.9		-16.3
EBIT	85.5	68.3	-19.1		134.7
Change in fair value of biological assets			1.1		1.1
Financial income and expenses				-11.7	-11.7
Profit before taxes					124.1
Income taxes				-25.0	-25.0
Profit for the period					99.1
Capital expenditure	20.9	21.5	5.7		48.1
Depreciations, amortizations and impairment	33.6	23.1	2.7		59.4

[1] Detailed in section Other financial information

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 Europe and Asia-Pacific, the markets and distribution are more diversified, however, from the customer point of view the business units operate in a common environment.

Net sales by geography

EUR million	2023	2022
Europe	**552.2**	596.0
Americas	**362.4**	432.0
Asia-Pacific	**211.3**	209.4
Unallocated[1]	**3.9**	11.1
Total	**1,129.8**	1,248.4

[1] Geographically unallocated exchange rate differences

Net sales by destination

EUR million	2023	2022
Net sales in Finland	**105.9**	111.9
Net sales in the U.S.	**349.1**	414.7
Net sales in other countries	**674.9**	721.9
Total	**1,129.8**	1,248.4

Non-current assets by location (excl. deferred tax assets)

EUR million	2023	2022
Assets in Finland	**333.3**	307.1
Assets in the U.S.	**72.1**	64.3
Assets in other countries	**594.9**	476.4
Total	**1,000.4**	847.8

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 and other similar income not classified to revenue.

EUR million	2023	2022
Gain on disposal of fixed assets	**0.9**	5.8
Compensations from insurance company	**0.2**	-1.7
Rental income	**0.5**	0.3
Gain from negative goodwill of Georg Jensen acquisition	**25.4**	
Other income	**1.9**	1.2
Total	**28.9**	5.6

2.3 Total expenses

Total expenses by nature

EUR million	2023	2022
Materials and supplies	**305.4**	654.2
Change in inventory	**103.0**	-55.4
External services	**68.4**	73.7
Employee benefits	**289.2**	289.0
Depreciation and amortization	**66.0**	59.4
Other expenses	**228.0**	98.7
Total	**1,059.9**	1,119.7

Other operating expenses

Accounting principles

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

EUR million	2023	2022
Loss on sale of fixed assets	**0.1**	0.4
Loss on scrap of fixed assets	**0.3**	0.8
Other operating costs	**4.0**	7.8
Total	**4.5**	8.9

Depreciation, amortization and impairment by asset class

EUR million	2023	2022
Buildings, tangible assets	**5.1**	4.5
Machinery and equipment, tangible assets	**15.9**	15.8
Real estate, right-of-use assets	**27.2**	22.2
Other leases, right-of use assets	**2.1**	2.7
Intangible assets	**15.1**	13.8
Investment property	**0.5**	0.4
Total	**66.0**	59.4

Fees paid to Group auditors

EUR million	2023	2022
Audit fees	**1.7**	1.5
Tax consultation	**0.0**	0.1
Other non-audit fees	**0.1**	0.1
Total	**1.8**	1.6

Annual General Meeting has selected Ernst & Young Oy as the Group auditor for the financial year 2023 and 2022. Ernst & Young Oy has provided non-audit services to the entities of Fiskars Group in total of EUR 0.1 million (2022: 0.1) during the financial year 2023.

2.4 Employee benefits and number of personnel

Employee benefits

EUR million	2023	2022
Wages and salaries	**233.9**	238.0
Other compulsory personnel costs	**25.7**	27.9
Pension costs, defined contribution plans	**17.7**	18.7
Pension costs, defined benefit plans	**1.6**	0.9
Other post-employment benefits	**1.8**	0.4
Termination benefits	**6.2**	1.7
Share-based payments	**2.4**	1.3
Total	**289.2**	289.0

Personnel at the end of period

	2023	2022
Finland	**1,078**	1,172
Slovenia	**767**	825
Denmark	**481**	231
Poland	**366**	426
UK	**318**	302
Other Europe	**514**	521
Thailand	**1,212**	780
Indonesia	**720**	895
U.S.	**531**	637
Other	**1,175**	806
Total	**7,162**	6,595

Personnel (FTE) in average

	2023	2022
Direct	**2,588**	2,653
Indirect	**3,544**	3,620
Total	**6,133**	6,273

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

Expenses for employee service

EUR million	2023	2022
Expense recorded furing the financial year	**2.4**	1.5
Cumulative expense recorded to equity at the end of the financial year	**2.3**	1.6

Long-term incentive plans, settled in shares and/or cash

In December 2020, the Board of Directors approved the establishment of two share-based Long-term Incentive Plans. The plan includes a Performance Share Plan and a Restricted 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 depends on the achievement of the set targets. No reward will be paid if the targets are not met. For the first 2021–2023 performance period the performance targets relate to the company's absolute total shareholder return and EBITA and for the second 2022–2024 performance period, to the company's absolute total shareholder return and EBIT. For the third 2023–3025 performance period, the performance targets relate to the company's absolute total shareholder return, EBIT and advancement of circular products and services.

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. The first three commenced plans are for years 2021–2023, 2022–2024 and 2023–2025.

If the targets are reached, the rewards for both plans 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. 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.

In February 2023, the Board of Directors approved the launch of new periods for the years 2023–2025 within the Performance Share Plan and Restricted Share Plan, which form a part of Fiskars Group's 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.

Amount of share incentives and terms and assumptions in the fair value calculation

		Performance share plan 2021			Restricted share plan 2021		
		2023–2025 Performance period	2022–2024 Performance period	2021–2023 Performance period	2023–2025 Retention period	2022–2024 Retention period	2021–2023 Retention period
Maximum number of shares granted, at the end the year		297,840	256,378	292,096	19,230	18,500	23,000
Grant date share price, EUR		16.27	18.25	17.20	16.27	18.25	17.20
Estimated realization of share price after vesting and restriction period	17.86						
Vesting period starts		Jan 1, 2023	Jan 1, 2022	Jan 1, 2021	Jan 1, 2023	Jan 1, 2022	Jan 1, 2021
Vesting period ends		Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023
Number of participants		48	41	28	10	20	17

Employee Share Savings Plan, "MyFiskars", settled in shares and/or cash

In March 2023, the Board of Directors approved the establishment of an Employee Share Savings Plan, "MyFiskars", for the employees of Fiskars Group. The aim of MyFiskars is to invite employees to acquire and own Fiskars shares, and it is intended to create a culture of ownership as well as to further strenghten employees' long-term committment to the company.

MyFiskars consists of annually commencing plan periods, each one comprising a 12-month savings period and a holding period. The Board of Directors will decide separately the commencement of each individual plan. MyFiskars is offered to permanent employees of Fiskars Group. The employees are offered the chance to voluntarily save a proportion of their monthly salary and to invest this in Fiskars shares. The savings will be used to acquire Fiskars shares for the participating employees quarterly after the publication dates of the company's interim reports. As a reward for their commitment, Fiskars Group grants the participating employees a gross reward of one free matching share for every two savings shares acquired. The matching shares will be granted if the participating employee remains employed at Fiskars Group at the end of the plan period and if they have kept the shares they have acquired with their savings until this date.

The potential reward will be settled in shares, or partly in shares and partly in cash, after the end of the holding period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward in countries where the employer has the obligation to withhold taxes. Matching shares will be freely transferable after their registration in the participant's book-entry account. Savings shares and matching shares are regular Fiskars shares and entitle the participants to dividends. The participants may choose whether they want to receive dividends in cash or invest the dividends in additional shares on the next acquisition date. The shares purchased with dividends will have an equal right to matching shares as the shares purchased with savings.

The first savings period commenced on 1 July 2023 and ends on 30 June 2024. The holding period begins at the first acquisition of savings shares and ends on 30 June 2026.

Employee Share Savings Plan, "MyFiskars"

	2023–2026 plan period
Maximum number of shares granted, at the end the year	10,041
Grant date share price, EUR	16.27
Estimated realization of share price after vesting and restriction period	17.86
Vesting period starts	Jul 1, 2023
Vesting period ends	Jun 30, 2026
Number of participants	647

Ownership Plan 2023 for the company's management, settled in shares and/or cash

In February 2023 the Board of Directors resolved to launch an Ownership Plan 2023 directed to the company's President and CEO, the Fiskars Group Leadership Team and certain key employees determined by the Board. The aim is to align the objectives of the shareholders and the management for increasing the value of the company in the long-term, to commit the target group to the company and to offer a competitive incentive program.

In the Plan, the target group is given an opportunity to receive free matching shares for their personal investment in Fiskars shares. The rewards based on the Plan will be paid after the end of the three-year matching period in 2026.

The prerequisite for receiving the matching shares is that the participant acquires shares within the limits set by the Board. If the participant's share acquisition prerequisite has been fulfilled and the employment or service relationship with a group company has not terminated by the payment date, the participant will receive reward shares gratuitously according to the matching ratio decided by the Board.

A total of 156,401 treasury shares were subscribed for in the directed share issue, which ended on March 3, 2023. Matching shares will be paid in new shares or treasury shares held by the company, as decided later by the Board.

Onwership plan

	2023–2026 plan period
Maximum number of shares granted, at the end the year	282,608
Grant date share price, EUR	16.27
Estimated realization of share price after vesting and restriction period	17.86
Vesting period starts	Apr 1, 2023
Vesting period ends	Mar 31, 2026
Number of participants	11

2.6 Financial income and expenses

EUR million	2023	2022
Dividends received from investments through other comprehensive income and at fair value through profit and loss	**0.6**	0.3
Interest income	**6.4**	2.8
Net change in fair value of other investments at fair value through profit or loss	**3.5**	
Foreign exchange gains	**43.9**	2.0
Other financial income	**2.0**	
Financial income total	**56.5**	5.1
Interest expenses[1]	**-23.3**	-8.1
Interest cost on lease liabilities at amortized cost	**-4.2**	-2.1
Net change in fair value of other investments at fair value through profit or loss		-1.3
Foreign exchange losses	**-48.8**	-2.5
Other financial expenses[2]	**-4.1**	-2.8
Financial expenses total	**-80.5**	-16.8
Financial income and expenses total	**-24.0**	-11.7

[1] Including EUR 2.2 million interest expense on redeemed bond of acquired business.

[2] Including EUR 1.1 million expense on redeemed bond of acquired business.

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	2023	2022
Current taxes	**-16.2**	-22.6
Deferred taxes	**6.5**	-2.4
Total income tax expense	**-9.7**	-25.0

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	2023	2022
Profit before taxes[1]	**79.7**	124.1
Income taxes at Finnish statutory tax rate	**-15.9**	-24.8
Difference between Finnish and foreign tax rates	**-2.2**	-2.7
Effect of deferred taxes not recognized	**-0.4**	-2.0
Benefit arising from previously unrecognized deferred tax asset	**2.6**	4.4
Prior year income taxes	**1.3**	2.0
Effect of changes of tax rates	**0.2**	0.1
Income taxes on undistributed earnings	**0.7**	-1.0
Effect of tax exempt negative goodwill	**5.6**	
Other items	**-1.4**	-0.8
Total income tax expense	**-9.7**	-25.0

[1] 2023 profit before taxes includes a gain of EUR 25.4 million relating to negative goodwill recognized on the acquisition of Georg Jensen.

Deferred taxes

Deferred tax assets

	2023			2022
EUR million	Total	Acquired in business combinations	Excl. business combinations	
Intangible assets and property, plant and equipment	16.6	4.9	11.6	7.8
Lease liabilities[1]	28.4		28.4	25.7
Accruals and provisions	10.5	1.3	9.3	14.0
Inventories	9.5	3.7	5.8	7.3
Post-employment liabilities	2.1		2.1	3.5
Tax losses recognized	31.6	9.8	21.8	13.1
Other temporary differences	2.5	0.3	2.2	3.0
Total	101.2	20.0	81.2	71.5
Offset against deferred tax liabilities	-72.7	-17.2	-55.5	-42.5
Total deferred tax assets[2]	28.4	2.7	25.7	31.9

Deferred tax liabilities

	2023			2022
EUR million	Total	Acquired in business combinations	Excl. business combinations	
Intangible assets and property, plant and equipment	57.5	20.8	36.8	35.8
Right-of-use assets[1]	26.6		26.6	24.6
Investments at fair value	8.9		8.9	7.3
Inventories	9.6	9.6		
Undistributed earnings	2.7		2.7	3.3
Other temporary differences	6.1	0.2	5.9	6.0
Total	111.5	30.6	80.9	77.0
Offset against deferred tax assets	-72.7	-17.2	-55.5	-42.5
Total deferred tax liabilities	38.8	13.4	25.4	34.5
Net deferred tax assets (+) and liabilities (-)	-10.4	-10.6	0.3	-2.6

[1] Due to the amendments to IAS 12 Income taxes -standard, deferred tax assets and liabilities on right-of-use assets and lease liabilities are presented separately and not offset against each other.

[2] 2022 opening balance restated, details in statement of changes in consolidated equity.

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

Movements in the net deferred tax balance

EUR million	2023	2022
Net deferred tax asset (+) / liability (-) at January 1	-2.6	-4.6
Recognized in income statement	6.5	-2.4
Recognized in other comprehensive income	0.1	-0.2
Recognized in equity[1]		2.9
Acquired in business combinations	-13.1	
Translation differences and other	-1.3	1.7
Net deferred tax asset (+) / liability (-) at December 31	-10.4	-2.6

[1] 2022 opening balance restated, details in statement of changes in consolidated equity.

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	2023	2022
Expiring within 20 years	35.8	0.5
No expiry	158.0	164.3
Total[1]	193.7	164.8

[1] EUR 35.5 million relates to acquired businesses combinations.

Tax credits

EUR million	2023	2022
Expiring within 20 years		0.6
Temporary differences	2.2	2.6

Taxes in other comprehensive income

2023

EUR million	Gross	Tax	Net
Translation differences	-8.3		-8.3
Cash flow hedges	-0.7		-0.7
Defined benefit plans, actuarial gains (losses)	-0.2	0.1	-0.1
Other comprehensive income for the period, total	-9.2	0.1	-9.1

2022

EUR million	Gross	Tax	Net
Translation differences	3.6		3.6
Cash flow hedges	0.1		0.1
Defined benefit plans, actuarial gains (losses)	1.6	-0.2	1.3
Other comprehensive income for the period, total	5.3	-0.2	5.1

Application of OECD Pillar Two model rules

Fiskars Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in Finland which is the jurisdiction of the ultimate parent company of Fiskars Group as well as in various other jurisdictions where Fiskars Group operates. The legislation will be effective for the financial years starting 1 January 2024 or thereafter.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Fiskars Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment includes safe harbor analysis for all Fiskars Group jurisdictions as well as high level GloBE calculations for such jurisdictions where the safe harbor rules may not be applicable. Based on the assessment, Fiskars Group expects the impact of OECD Pillar Two legislation to the Group's effective tax rate to be immaterial.

2.8 Earnings per share

The basic earnings per share is the annual profit for the period attributable to equity holders 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.

	2023	2022
Profit for the period attributable to equity holders of the parent company, EUR million	69.9	98.2
Number of shares	81,000,000	81,000,000
Weighted average number of shares outstanding	80,774,454	81,029,486
Earnings per share, EUR (basic and diluted)	0.86	1.21
Comparable earnings per share, EUR (basic and diluted)	0.99	1.37

3. Intangible and tangible assets

3.1	Intangible assets	59
3.2	Property, plant and equipment	63
3.3	Right-of-use assets	65
3.4	Biological assets	66
3.5	Investment property	66

3.1 Intangible assets

Accounting principles

An intangible asset is initially recognized 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 (CGU). 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.

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 2023, research and development expenses amounted to EUR 19.8 million (2022: 20.8).

Intangible assets not yet available for use are tested annually for impairment. Subsequently 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 the end of reporting period, 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.

2023

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	233.5	250.4	99.9	40.8	23.3	647.7
Translation differences	-1.0	-0.8	-1.0	-0.6	-0.0	-3.4
Additions		0.2	1.8	0.3	22.2	24.5
Acquired in business combinations		61.6	1.8	20.0	2.2	85.7
Decreases			-12.9	-1.0	0.2	-13.7
Transfers between asset groups			15.0	0.3	-16.4	-1.0
Historical cost, Dec 31	232.5	311.4	104.7	60.0	31.4	739.8
Accumulated amortization and impairment, Jan 1	12.2	22.4	79.0	34.3		147.9
Translation differences	0.2	0.4	-1.1	-0.4		-1.0
Amortization		0.7	12.1	2.2		15.1
Decreases			-12.9	-1.1		-14.0
Accumulated amortization and impairment, Dec 31	12.3	23.5	77.1	35.1		148.0
Net book value, Dec 31	220.1	287.9	27.6	24.8	31.4	591.8

2022

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	231.4	249.0	138.5	40.7	8.8	668.4
Translation differences	2.0	1.5	1.3	0.4	-0.2	4.9
Additions		0.5	3.6	0.5	15.7	20.3
Decreases		-0.6	-44.4	-0.8	-0.0	-45.9
Transfers between asset groups			1.0		-1.0	0.0
Historical cost, Dec 31	233.5	250.4	99.9	40.8	23.3	647.7
Accumulated amortization and impairment, Jan 1	12.3	22.7	110.8	33.2		179.1
Translation differences	-0.1	-0.4	1.5	-0.2		0.9
Amortization		0.6	11.2	1.9		13.7
Impairment				0.1		0.1
Decreases		-0.6	-44.4	-0.6		-45.7
Accumulated amortization and impairment, Dec 31	12.2	22.4	79.0	34.3		147.9
Net book value, Dec 31	221.2	228.0	21.0	6.2	23.5	499.8

Goodwill impairment test in cash-generating units

Accounting principles

Fiskars Group's 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, 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 at December 31, 2023 and 2022 as follows:

EUR million	2023	2022
Vita	**217.6**	218.4
Fiskars	**2.5**	2.8
Total	**220.1**	221.2

The primary reporting segments, which form the CGUs, are Vita and Fiskars. The recoverable amounts from CGUs are determined with value in use method, using five-year discounted cash flow projections, based on strategic plans approved by management for years 2024-2026, 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. WACC components have been updated to present the current market conditions. As a result of the annual impairment tests, no impairment was recognized on goodwill in 2023, or in 2022.

Fiskars Group has ten trademarks whose aggregate carrying amount is EUR 287.2 million (2022: 207.7). Total EUR 61.6 million of trademarks, patents and domain names was recorded in the Consolidated Balance Sheet with relation of Georg Jensen acquisition in 2023. Since the benefits from trademarks are indefinite, they are not amortized but are tested at least annually for impairment using a royalty relief method. An exception for this principle is trademark Hackman for which amortization has begun in 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. Georg Jensen trademark was not included in impairment testing as the fair value was measured at acquisition date. As a result of the annual impairment tests, no impairment was recognized on trademarks in 2023, or in 2022.

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 no reasonably possible change in any of the key parameters would lead to impairment.

Key parameters applied in impairment testing

	2023		2022	
%	Goodwill	Trademarks[1]	Goodwill	Trademarks[1]
Increase in net sales on average	**6.1**	**4.1**	7.9	8.7
Steady growth rate in projecting terminal value	**1.0**	**1.0**	1.0	1.0
Discount rate, pre-tax, average	**7.7**	**9.5**	7.8	9.4

[1] 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 property, plant, and equipment are presented in other operating income and other operating expenses.

2023

EUR million	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	20.9	92.0	123.5	14.3	250.7
Translation differences	-0.1	0.2	-3.6	0.0	-3.5
Additions		4.1	8.6	13.3	25.9
Acquired in business combinations		7.5	3.8	0.1	11.4
Decreases	0.0	-1.2	-9.2	0.3	-10.2
Transfers between asset groups		3.1	8.6	-10.6	1.0
Historical cost, Dec 31	20.8	105.7	131.5	17.3	275.3
Accumulated depreciation and amortization, Jan 1		33.2	71.7	-0.6	104.4
Translation differences		-0.2	-3.1	0.0	-3.3
Depreciation		5.1	15.9		21.0
Decreases		-1.1	-8.9		-10.0
Accumulated depreciation and impairment, Dec 31		37.1	75.7	-0.6	112.2
Net book value, Dec 31	20.8	68.6	55.8	18.0	163.2

2022

EUR million	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	21.0	91.9	111.3	10.4	234.6
Translation differences	0.2	0.2	4.5	0.2	5.0
Additions		3.1	8.3	14.5	26.0
Decreases	-0.2	-5.0	-8.3	-0.6	-14.1
Transfers between asset groups		1.8	7.6	-10.2	-0.8
Historical cost, Dec 31	20.9	92.0	123.5	14.3	250.7
Accumulated depreciation and amortization, Jan 1		31.6	58.8	-0.7	89.7
Translation differences		0.4	4.1	0.0	4.5
Depreciation		4.5	15.8		20.3
Decreases		-3.3	-7.0	0.1	-10.2
Accumulated depreciation and impairment, Dec 31		33.2	71.7	-0.6	104.4
Net book value, Dec 31	20.9	58.8	51.7	14.9	146.3

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 initially measured at cost, including the initial measurement of lease liabilities, any initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Subsequently right-of-use asset is measured at cost less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

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

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

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. 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.

Fiskars Group has lease contracts for 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 assets generally have lease terms between 3 and 5 years. Several lease contracts include extension and termination options and variable lease payments. Lease liabilities are described in Note 5.5 Lease liabilities.

2023

EUR million	Real estate	Other	Total
Book value, Jan 1	**107.0**	**3.6**	**110.6**
Translation differences	**-1.7**	**0.0**	**-1.7**
Additions	**46.5**	**2.6**	**49.1**
Acquired in business combinations	**21.1**	**0.3**	**21.4**
Depreciations	**-27.2**	**-2.1**	**-29.3**
Decreases	**-6.6**	**-0.1**	**-6.7**
Book value, Dec 31	**139.2**	**4.2**	**143.4**

2022

EUR million	Real estate	Other	Total
Book value, Jan 1	103.9	2.9	106.8
Translation differences	0.5	0.0	0.5
Additions	25.9	3.0	28.9
Depreciations	-22.2	-2.1	-24.3
Decreases	-1.2	-0.2	-1.3
Book value, Dec 31	107.0	3.6	110.6

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 Consolidated Income Statement after operating profit (EBIT). The revenue from the sale of standing timber is presented in the Consolidated 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 Group applies a three-year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, adjusted with company specific price components.

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

EUR million	2023	2022
Fair value, Jan 1	**46.5**	45.4
Increase due to growth	**2.7**	2.2
Decrease due to harvested timber	**-1.3**	-1.1
Change in fair value	**3.5**	0.0
Fair value, Dec 31	**51.3**	46.5

Fiskars Group owns a total of appr. 14,000 hectares of forest, or which 11,000 hectares are managed forest land.

3.5 Investment property

Accounting principles

The properties that are not used in the Group's operations or which are held to earn rental income 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	2023	2022
Historical cost, Jan 1	**14.3**	11.7
Additions	**0.0**	1.8
Decreases	**-1.9**	
Transfers from tangible assets	**0.0**	0.8
Historical cost, Dec 31	**12.5**	14.3
Accumulated depreciation, Jan 1	**8.6**	8.1
Depreciation and impairment	**0.5**	0.4
Decreases	**-1.9**	
Accumulated depreciation and impairment, Dec 31	**7.2**	8.6
Net book value, Dec 31	**5.3**	5.8

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 5.3 million in 2023 (2022: 5.8).

4. Operative assets and liabilities

4.1	Inventories	68
4.2	Trade and other receivables	69
4.3	Trade and other payables	70
4.4	Employee defined benefit obligations	70
4.5	Provisions	76

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 costs, 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 write-down recognized for obsolete and slow-moving inventories.

EUR million	2023	2022
Raw materials and consumables	**35.2**	36.7
Work in progress	**20.5**	22.2
Finished goods	**327.4**	333.6
Advance payments	**0.3**	1.2
Gross value of inventories	**383.4**	393.7
The amount of write-down of inventories	**-19.4**	-29.0
Total, Dec 31	**364.0**	364.7

4.2 Trade and other receivables

Accounting principles

Trade receivables are measured at amortized cost. According to the simplified impairment model under IFRS 9, an allowance amounting to lifetime expected credit losses is recognized at first reporting date. To measure the lifetime expected credit losses, trade receivables have been grouped based on aging categories. An allowance for doubtful receivables is measured based on historical loss rates adjusted by forward looking estimates and individual assessment. The inputs used in the model are updated on a regular basis. Impairment is recognized as an expense in Other operating expenses. If an amount previously recognized to Consolidated Income Statement is subsequently settled, it is recognized as a reduction to Other operating expenses.

EUR million	2023	2022
Trade receivables	**177.2**	170.5
Derivatives	**8.1**	5.8
Other receivables	**8.3**	5.0
Deferred income and prepaid expenses	**35.6**	38.0
Total, Dec 31	**229.3**	219.2

Aging of trade receivables

EUR million	2023	2022
Not fallen due	**155.1**	143.4
1–30 days past due	**16.4**	21.4
31–60 days past due	**1.8**	4.8
61–90 days past due	**4.4**	1.7
91–120 days past due	**2.0**	0.8
Over 120 days past due	**1.4**	3.3
Allowance for expected credit losses, Dec 31	**-3.8**	-4.9
Total, Dec 31	**177.2**	170.5

Trade receivables' payment terms vary with average being 45 days.

Trade receivables in currencies

EUR million	2023	2022
US Dollars (USD)	**55.5**	61.4
Euros (EUR)	**33.8**	37.7
Danish Krones (DKK)	**23.4**	19.1
Swedish Kronas (SEK)	**17.7**	10.5
Norwegian Krones (NOK)	**10.5**	8.0
Japanese Yens (JPY)	**7.8**	8.1
Australian Dollars (AUD)	**5.5**	5.0
United Kingdom Pounds (GBP)	**4.5**	3.3
Other currencies	**18.6**	17.4
Total, Dec 31	**177.2**	170.5

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. The credit risk is described in more detailed in Note 5.2.

Allowance for expected credit losses

EUR million	2023	2022
Allowance for expected credit losses, Jan 1	**-4.9**	-5.9
Translation differences	**0.1**	-0.2
Additions	**-1.0**	-3.1
Acquired in business combinations	**-0.5**	
Deductions	**2.4**	3.2
Recognised impairment losses	**0.3**	1.2
Recovery of doubtful receivables	**-0.1**	0.0
Allowance for expected credit losses, Dec 31	**-3.8**	-4.9

4.3 Trade and other payables

EUR million	2023	2022
Trade payables[1]	**102.1**	83.9
Other non-interest-bearing payables	**47.2**	39.3
Accrued expenses and deferred income		
Interests	**5.1**	3.2
Wages, salaries and social costs	**34.7**	35.4
Contract liabilities	**49.7**	47.3
Other	**47.9**	55.7
Total, Dec 31	**286.6**	264.8

[1] 2022 opening balance restated, details in statement of changes in consolidated equity.

Contract liabilities includes for example accrued discounts, rebates, customer program credits and other revenue related adjustments. Other accrued expenses includes accrued materials and supplies, amongst other.

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 (OCI).

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 2024 to be EUR 1.5 (2023: 1.2) million.

Characteristics of the defined benefit plans and risks associated with them

	Net liability		
EUR million	**2023**	**2022**	**Description and risks**
Finland	**0.0**	0.0	There are 22 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	**0.8**	0.8	There are 67 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	**2.0**	1.0	There are 1,196 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			There are 173 eligible members in the British pension plan, which is a closed pension fund. The plan has surplus (asset) of GBP 1.6 million at end of 2023 (2022: 1.7), 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 July 31, 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 December 5, 2017 the Company completed a buy-in of GBP 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.	**3.9**	4.1	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.
Taiwan	**0.1**		There is 11 eligible members in Taiwanese pension plan, which is a funded pension obligation. Benefit of the plan is an old age pension. There is no pension increases. Main risks are asset volatility, changes in bond yields and inflation risk.
Indonesia	**3.1**	2.9	There are 707 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	**0.5**	0.6	There are 65 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 839 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	**12.1**	10.8	

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
1.1.2023	22.8	-13.8	8.9	1.9	10.8
Current service cost	0.6		0.6		0.6
Interest expense (+) or income (-)	1.0	-0.6	0.4	0.1	0.5
Administration expenses	0.2	0.2	0.5		0.5
Past service cost and gains and losses from settlements					
Total included in personnel expenses (Note 2.4)	1.8	-0.3	1.5	0.1	1.6
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)	-0.1	-0.1	-0.2		-0.2
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions					
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	0.3		0.3		0.3
Experience adjustment gains (-) and losses (+)	0.2		0.2		0.2
Changes in asset ceiling, excluding amounts included in interest	-0.2		-0.2		-0.2
Remeasurement gains (-) and losses (+) included in OCI	0.2	-0.1	0.1		0.1
Acquired in business combinations	1.3	-0.1	1.2		1.2
Translation differences	-0.4	0.0	-0.4	0.0	-0.3
Employer contributions		-1.2	-1.2		-1.2
Benefits paid	-2.0	2.0			
Other changes				-0.2	-0.2
31.12.2023	23.7	-13.5	10.2	1.9	12.1

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
1.1.2022	30.7	-20.6	10.0	2.7	12.8
Current service cost	0.7		0.7		0.7
Interest expense (+) or income (-)	0.7	-0.3	0.3	0.0	0.4
Administration expenses		0.5	0.5		0.5
Past service cost and gains and losses from settlements	-0.7		-0.7		-0.7
Total included in personnel expenses (Note 2.4)	0.7	0.2	0.9	0.0	0.9
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)		4.6	4.6		4.6
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	-0.4		-0.4		-0.4
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-6.7		-6.7		-6.7
Experience adjustment gains (-) and losses (+)	1.2		1.2		1.2
Changes in asset ceiling, excluding amounts included in interest				-0.7	-0.7
Remeasurement gains (-) and losses (+) included in OCI	-5.9	4.6	-1.3	-0.7	-2.1
Translation differences	-0.6	1.0	0.3	-0.1	0.2
Employer contributions		-1.0	-1.0		-1.0
Benefits paid	-2.1	2.1			
Other changes					
31.12.2022	22.8	-13.8	8.9	1.9	10.8

Plan assets by asset category

	2023		2022	
EUR million	**Quoted**	**Unquoted**	**Quoted**	**Unquoted**
Equity instruments	**0.0**			
Bonds	**0.5**		0.5	
Property				
Insurance contracts		**11.5**		11.8
Cash and cash equivalents	**1.5**		1.6	
Total	**2.0**	**11.5**	2.0	11.8

Principal actuarial assumptions at the balance sheet date

%	2023	2022
Discount rate		
UK	**5.80**	4.90
U.S.	**5.80**	5.20
Indonesia	**7.19**	7.56
Slovenia	**4.10**	3.57
Other countries	**1.30–4.15**	0.60–3.70
Future salary increases		
UK	**n/a**	n/a
U.S.	**n/a**	n/a
Indonesia	**5.00**	5.00
Slovenia	**2024: 5.60 2025+:3.75**	3.90
Other countries	**n/a / 2.00–4.00**	n/a / 1.50–4.00
Future pension increases		
UK	**3.10**	3.05
U.S.		0.00
Indonesia	**5.00**	5.00
Slovenia		0.00
Other countries	**n/a / 2.50–2.75**	n/a / 2.65–2.90

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.

EUR million	2023 Defined benefit obligation		2022 Defined benefit obligation	
	Increase	**Decrease**	**Increase**	**Decrease**
UK				
Discount rate (0.5% change)	**-0.6**	**0.6**	-0.5	0.6
Future salary (0.5% change)	**n/a**	**n/a**	n/a	n/a
Future pension (0.5% change)	**0.3**	**-0.3**	0.2	-0.1
Other Group companies, total				
Discount rate (0.5% change)	**-0.5**	**0.5**	-0.5	0.5
Future salary (0.5% change)	**0.4**	**-0.3**	0.3	-0.3
Future pension (0.5% change)	**0.0**	**-0.0**	0.0	-0.0

The weighted average of the duration of the defined benefit obligation: 9.4 (2022: 9.7)

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 a 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.

2023

EUR million	Warranty provision	Restructuring provision	Other provisions	Total
Provisions, Jan 1	**2.9**	**0.2**	**2.3**	**5.5**
Translation differences	**-0.1**	**0.0**	**-0.0**	**-0.1**
Additions	**0.3**	**4.3**	**0.7**	**5.3**
Acquired in business combinations			**0.4**	**0.4**
Used provisions	**-0.0**	**-0.8**	**-0.5**	**-1.3**
Reversals	**-0.4**	**-0.2**	**-0.1**	**-0.7**
Provisions, Dec 31	**2.7**	**3.6**	**2.8**	**9.0**

2022

EUR million	Warranty provision	Restructuring provision	Other provisions	Total
Provisions, Jan 1	2.8	1.1	13.5	17.3
Translation differences	0.1	-0.0	0.1	0.2
Additions	0.0	-0.1	0.2	0.2
Used provisions	-0.0	-0.6	-7.8	-8.4
Reversals	0.0	-0.1	-3.7	-3.8
Provisions, Dec 31	2.9	0.2	2.3	5.5

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 refurnishment of premises.

5. Capital structure and financial instruments

5.1 Share capital 78
5.2 Financial risk management 79
5.3 Financial assets 81
5.4 Financial liabilities 83
5.5 Lease liabilities 88
5.6 Derivatives 89

5.1 Share capital

	2023 pcs 1000	2022 pcs 1000	2023 EUR million	2022 EUR million
Share capital				
Jan 1	**81,000.0**	81,905.2	**77.5**	77.5
Change		-905.2		
Share capital, Dec 31	**81,000.0**	81,000.0	**77.5**	77.5
Treasury shares				
Jan 1	**419.5**	433.7	**6.7**	7.2
Change	**-216.6**	-14.2	**-3.7**	16.2
Cancellation of treasury shares				-16.6
Treasury shares, Dec 31	**202.9**	419.5	**3.0**	6.7

Number of shares and votes

	Dec 31, 2023			Dec 31, 2022		
	Number of shares	Number of votes	Share capital EUR	Number of shares	Number of votes	Share capital EUR
Shares (1 vote/share)	**81,000,000**	**81,000,000**	**77,510,200**	81,000,000	81,000,000	77,510,200
Total	**81,000,000**	**81,000,000**	**77,510,200**	81,000,000	81,000,000	77,510,200

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

In 2022, Board of Directors of Fiskars Corporation decided to cancel a total of 905,242 treasury shares. After the cancellation, the total number of shares in Fiskars Group is 81,000,000 and the total number of votes attached to the shares is 81,000,000. The cancellation of the shares had no effect on the share capital of Fiskars Group.

5.2 Financial risk management

Financial risks are managed centrally by the Group Treasury in accordance with the Treasury Policy approved by the Board of Directors.

Currency risk

Currency risk refers to changes in income statement, 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, and is measured as net of commercial and financial receivables and payables denominated in foreign currencies. The objective of managing the transaction risk is to reduce the impact of changes in exchange rates on the profit and cash flow of the Group. Group companies are responsible for managing the currency risks associated with their commercial cash flows and to hedge their exposure using currency forwards entered into with the Group Treasury. The net position is hedged with currency derivatives in accordance with the Treasury policy approved by the Board of Directors.

The most significant risks relate to appreciation of THB, DKK and USD, and to depreciation of SEK, AUD and JPY. Fiskars Group is exposed to rate changes in the local currencies of its suppliers, of which the most important is CNY.

Fiskars Group does not apply hedge accounting on foreign exchange derivatives as defined in IFRS 9. All gains and losses resulting from currency derivatives are booked in the income statement. Had hedge accounting been applied on currency derivatives, Fiskars Group's consolidated profit before tax for 2023 would have been EUR 3.9 million higher (1.3 million lower in 2022).

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 net debt/LTM EBITDA (excl. IAC), equity ratio and gearing. Translation risk is not hedged.

Interest rate risk

Exposure of the values of cash flows, assets and liabilities to interest rate fluctuations gives rise to interest rate risk. In Fiskars Group it is measured by the average interest rate reset period of financial liabilities excluding lease 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 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 may be used in the management of interest rate risks, and hedge accounting is applied on interest derivatives. The objective is to maintain the average reset period within the limits of 6 to 48 months as set out in the Treasury policy. Interest rate swaps can be treated as cash flow hedges or as fair value hedges. Cash flow hedges are entered into to offset exposure to variability in cash flows of floating rate debt. Fair value hedges mitigate the risk of exposure to changes in the fair value of the issued bond, on which a fixed yearly coupon is paid. As of December 31, 2023 the Group had interest rate swaps in the amount of EUR 165 million outstanding (2022: EUR 50.0 million). The Group's interest-bearing net debt excluding leasing liabilities as of December 31, 2023 was EUR 295.8 million (2022: 209.8). Of the debt 48% (85%) was linked to variable interest rates. The average interest rate reset period of the debt was 28 months (2022: 8).

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 -0.8 million (2023: -1.6 million) in 2024.

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. The amount of needed liquidity is regularly assessed.

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 and loan facility portfolio.

Fiskars Group had EUR 250 (2022:250.0) million of long-term committed credit facilities and uncommitted overdraft facilities of EUR 49.4 (47.0) million. A commercial paper program of 400.0 million was available with Nordic banks. Of the long-term committed credit facilities EUR 0.0 million was in use (50.0), and of the commercial paper program EUR 92.4 (145.6) million was in use.

Commodity risk

Fiskars Group is exposed to fluctuations in the prices of certain commodities. The Group may use derivatives to hedge its exposure to this risk where appropriate. At the end of the year, the Group held outstanding commodity swaps in gold and silver to hedge the purchase price of these commodities. The nominal value of these derivatives amounted to EUR 4.3 (0.0) million. Hedge accounting is not applied on commodity derivatives.

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 177.2 million (2022: 170.5). The financial statements include provisions for bad debt related to trade receivables totaling EUR 3.8 million (2022: 4.9).

Management of capital

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

The Group's objectives when managing capital are:

- to safeguard the Group's capacity to fund its operations and take care of its obligations
- to maintain a balanced business portfolio that provides return both on short and long term to its shareholders
- to maintain possibilities to act on potential investment opportunities
- to maintain an equity ratio that exceeds 40%
- to maintain a net debt to last 12 months' EBITDA (excl. IAC) ratio of maximum 2.5

5.3 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 financial assets at amortised cost. Financial assets are classified at initial recognition based on their purpose of use. For assets 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. Fair value categories of financial instruments are explained in Note 5.4.

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 on which hedge accounting is not applied, as well as interest rate swaps hedging fair value.

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 in Note 5.6.
Financial assets at fair value through other comprehensive income include listed shares. These assets are measured at fair value at initial recognition and subsequently. Changes in fair value are recognized in other comprehensive income.

Financial assets at amortised cost

Financial assets at amortised cost 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. It also includes deposits to guarantee leases and other similar items presented under Other non-current assets in the Consolidated Balance Sheet. Trade and other receivables are described in more detail in Note 4.2.

Loans and other receivables are measured at amortized cost. The allowance for expected credit losses is based on the risks of the individual items. Carrying amounts of receivables are adjusted to their probable value as a result of this assessment. Loans and receivables are included in current or non-current assets based on their term to maturity. Amounts expected to be recovered or settled in no more than 12 months after the end of the reporting period are included in current assets.

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 in current interest-bearing financial liabilities. Cash and cash equivalents are measured at amortized cost.

Financial assets at fair value through profit or loss

	Level 3	
EUR million	**2023**	**2022**
Book value, Jan 1	**29.0**	32.0
Additions		
Decreases	**-1.0**	-4.4
Transfers		
Change in fair value	**2.9**	1.4
Book value, Dec 31	**30.9**	29.0

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.

Other investments and other non-current assets

	Level 1		Level 3	
EUR million	**2023**	**2022**	**2023**	**2022**
Book value, Jan 1		0.2	**9.8**	10.4
Addition			**1.0**	
Acquired in business combinations			**3.7**	
Decreases		-0.2		-0.6
Change in fair value				
Book value, Dec 31			**14.5**	9.8

Other investments include 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 fair value (level 3). Fair value of unlisted shares equals acquisition value.

Cash and cash equivalents

EUR million	2023	2022
Cash and cash equivalents	**127.3**	115.8
Total, Dec 31	**127.3**	115.8

5.4 Financial 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 initially recognized at fair value, and subsequently carried at amortized cost or, in the case of the issued sustainability linked bond, valued using the effective interest rate method. Fair value hedges in the amount of EUR 60 million have been entered into to hedge the fair value of the issued bond. To the extent the fair value of the bond is hedged, the carrying amount is adjusted by the change in fair value. Derivative liabilities 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 loans and loan commitments are amortized over the expected loan term. Georg Jensen A/S had an outstanding bond with a nominal amount of EUR 40 million. The bond was redeemed early on the 26 October in its entirety. A redemption premium of EUR 1.1 million, interest expense of EUR 0.9 million as well as make-whole interest in the amount of EUR 1.3 million were paid in connection with the early redemption.

Non-current interest-bearing debt

	2023		2022	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Loans from credit institutions	**131.0**	**130.2**	130.1	130.4
Issued bonds	**205.5**	**200.5**		
Total, Dec 31	**336.5**	**330.7**	130.1	130.4

Loans from credit institutions are valued at amortized cost. Issued bonds are valued using effective interest rate method. The fair values of loans from credit institutions 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). The fair value of the bond is calculated based on the market quotations at the end of the reporting period (level 1).

The sustainability linked bond issued 16 November 2023 is unsecured and carries a yearly coupon of 5.125%. The coupon is subject to sustainability performance targets pertaining to Scope 1 and 2 GHG emissions reduction by 50% by year-end 2026 versus 2017, and to 60% of the suppliers by spend of the Group having science-based emission reduction targets by year-end 2024. The step-up margin equals 0.375% p.a. for the last interest period if the first target is not met, and 0.125% p.a. for the last three interest periods if the second target is not met. The principal amount of the bond equals EUR 200 million, and the maturity of the bond is 16 November 2028.

Current interest-bearing debt

	2023		2022	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Bank overdrafts				
Loans from credit institutions	**92.4**	**92.4**	195.2	195.2
Other				
Total, Dec 31	**92.4**	**92.4**	195.2	195.2

Reconciliation of net debt

EUR million	2023	2022
Loans from credit institutions	**222.6**	325.6
Issued bonds	**200.5**	
Lease liabilities	**150.8**	115.5
Cash and cash equivalents	**-127.3**	-115.8
Net debt	**446.5**	325.3

Changes in liabilities arising from financing activities

2023

EUR million	Jan 1	Lease changes	Cash flows	Fx difference	Acquired in business combinations	Other	Dec 31
Non-current loans and borrowings	130.4		198.5			1.7	330.7
Non-current lease liabilities (Note 5.5)	92.9	17.9		-1.6	13.1	-4.9	117.5
Current loans and borrowings	195.2		-102.7				92.5
Current lease liabilities (Note 5.5)	22.5	24.3	-30.7	-0.3	8.3	9.1	33.2
Total	440.9	42.2	65.1	-1.8	21.5	5.9	573.8

2022

EUR million	Jan 1	Lease changes	Cash flows	Fx difference	Other	Dec 31
Non-current loans and borrowings	0.7		129.7			130.4
Non-current lease liabilities (Note 5.5)	88.9	1.4		2.7	-0.1	92.9
Current loans and borrowings	64.4		131.0	-0.2		195.2
Current lease liabilities (Note 5.5)	22.6	26.7	-26.2	-2.0	1.4	22.5
Total	176.6	28.1	234.5	0.5	1.4	440.9

Maturity of liabilities

As of December 31, 2023 the Group had unused committed credit facilities EUR 250.0 million (2022: 200.0) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2023 was 2 years (2022: 3). Maturities of long term loans are presented in the below table. Agreements concerning credit facilities and long term loans include a covenant for the solidity. Non-compliance with the covenant leads to a premature expiry of the agreements. Breach of covenant requires material deterioration of the solidity from the current. The issued bond does not include financial covenants, but the future coupon payments are linked to achievement of certain sustainability metrics.

2023

EUR million	2024	2025	2026	2027	2028	Later years	Total
Issued bonds					200.5		200.5
interests	10.3	10.3	10.3	10.3	9.0		50.0
Other debt	0.2						0.2
Loans from credit institutions	92.4		80.0			50.0	222.4
interests	8.1	6.7	6.2	2.6	2.6	2.6	28.9
Lease liabilities (Note 5.5)	29.0	22.6	19.2	14.9	11.2	38.0	134.9
interests	4.3	3.3	2.5	1.8	1.3	2.6	15.9
Trade payables	102.1						102.1
Derivative liabilities	2.3						2.3
Total, Dec 31	248.7	42.9	118.1	29.6	224.6	93.3	757.2

2022

EUR million	2023	2024	2025	2026	2027	Later years	Total
Other debt	0.2	0.2					0.4
Loans from credit institutions	195.2		80.0			50.0	325.2
interests	5.1	4.2	3.9	1.6	1.6	2.9	19.2
Lease liabilities (Note 5.5)	19.8	16.7	15.7	13.2	10.7	29.3	105.3
interests	2.8	2.2	1.7	1.3	0.8	1.4	10.2
Trade payables	69.2						69.2
Derivative liabilities	1.4						1.4
Total, Dec 31	293.7	23.3	101.3	16.1	13.1	83.5	530.9

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. The impact of a 10% appreciation of a currency would be approximately 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.

	2023				2022			
	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	**-2.5**	**1.0**	**1.5**	**-2.2**	-1.9	2.4	-0.4	-2.0
CAD	**-1.4**	**1.5**	**-0.1**	**-0.8**	-2.0	2.4	-0.3	-1.6
DKK	**3.1**	**0.1**	**-21.1**	**-18.8**				-5.4
JPY	**-2.1**	**3.1**	**-1.0**	**-2.4**	-1.3	2.1	-0.8	-2.3
NOK	**-2.0**	**1.8**	**0.3**	**-0.5**	-0.9	-0.1	1.0	-0.4
SEK	**-3.1**	**2.3**	**0.8**	**-1.3**	-2.2	0.9	1.3	-0.9
THB	**3.5**	**-3.0**	**-0.5**	**-1.7**	3.3	-2.7	-0.6	-1.4
USD	**2.5**	**8.5**	**-11.0**	**-13.1**	3.5	12.7	-16.2	-16.4

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 rise in interest rates at the end of the reporting year. The Group's net interest bearing debt excluding financial leases as of December 31, 2023 was EUR 295.8 million (2022: 209.8) and the average interest reset period of interest-bearing debt was 28 months (2022: 8). A permanent one percentage point rise in all interest rates would increase the corporation's annual interest costs by EUR 0.8 million (2022: 1.6) assuming no change in the amount of the net debt.

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

2023

EUR million	EUR	USD	GBP	JPY	DKK	SEK	Other	Total
Loans and deposits	**356.1**	**-10.2**	**-0.5**	**-4.3**	**-11.9**	**-4.2**	**-29.3**	**295.8**
Currency derivatives	**-177.7**	**84.6**	**47.9**	**33.9**	**-31.0**	**30.6**	**10.9**	**-0.8**
Net debt and currency derivatives	**178.3**	**74.4**	**47.5**	**29.7**	**-42.9**	**26.4**	**-18.4**	**295.0**
Average interest rate on loans (p.a.)	**5.0%**							
Interest rate sensitivity	**-0.4**	**0.7**	**0.5**	**0.3**	**-0.4**	**0.3**	**-0.2**	**0.8**

2022

EUR million	EUR	USD	GBP	CAD	AUD	JPY	Other	Total
Loans and deposits	255.0	-13.6	-1.2	-4.4	-3.5	-4.0	-18.3	210.0
Currency derivatives	-204.4	126.8	48.1	23.9	23.6	20.9	-41.3	-2.3
Net debt and currency derivatives	50.6	113.2	47.0	19.5	20.1	16.9	-59.6	207.7
Average interest rate on loans (p.a.)	2.5%							
Interest rate sensitivity	0.0	1.1	0.5	0.2	0.2	0.2	-0.6	1.6

Fair value of financial instruments

Accounting principles

Fair value categories

Hierarchy level 1 includes financial assets and liabilities that are publicly quoted in an active market. This category includes listed financial instruments. Level 2 includes financial assets and liabilities measured using directly observable market inputs. Other than publicly quoted 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.

2023

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss			**30.9**	**30.9**
Other investments			**3.5**	**3.5**
Derivative assets		**4.9**		**4.9**
Total assets		**4.9**	**34.3**	**39.2**
Derivative liabilities		**2.3**		**2.3**
Total liabilities		**2.3**		**2.3**

2022

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss			29.0	29.0
Other investments			3.5	3.5
Derivative assets		4.5		4.5
Total assets	0.0	4.5	32.5	37.0
Derivative liabilities		1.4		1.4
Total liabilities		1.4		1.4

5.5 Lease liabilities

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.

Lease liabilities

At the commencement date of the lease, Fiskars Group recognizes lease liabilities measured at the present value of future unpaid lease payments. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives, 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 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 as typically the interest rate implicit in the lease is not readily available. Subsequently lease liability is measured using the effective interest rate method, and the carrying amount of lease liability is increased with the interest on the lease liability, reduced with the amount of lease payments made, and adjusted to reflect any reassessments or lease modifications made. 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.

Fiskars Group has lease contracts for various items of real estate, machinery, vehicles and other equipment used in its operations. Right-of-use assets are presented in Note 3.3 Right-of-use assets.

EUR million	2023	2022
Book value, Jan 1	**115.5**	111.5
Translation differences	**-1.8**	0.7
Additions	**49.0**	28.9
Acquired in business combinations	**21.4**	
Accretion of interest	**4.2**	2.0
Payments	**-30.7**	-26.2
Decreases	**-6.8**	-1.4
Book value, Dec 31	**150.8**	115.5
Current lease liabilities	**33.3**	22.5
Non-current lease liabilities	**117.4**	92.9

Maturity of minimum lease payments

EUR million	2023	2022
Less than one year	**37.7**	25.3
Between one and five years	**85.8**	68.4
More than five years	**43.3**	32.0
Minimum lease payments, total	**166.7**	125.7

5.6 Derivatives

Accounting principles

Derivatives and hedge accounting

Derivatives not designated as hedging instruments are recognized at fair value through profit and loss. The Group does not apply hedge accounting on foreign exchange derivatives. Foreign exchange 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 in profit and loss.

Fiskars Group applies hedge accounting to interest rate swaps (cash flow hedges and fair value hedges). Derivatives on which hedge accounting is applied are initially valued at cost and subsequently at fair value at the end of each reporting period. To the extent the cashflow hedges are effective, the fair value change including deferred tax is recognized in equity through other comprehensive income. Any ineffectiveness is recognised in financial items in profit and loss. Fair value changes of fair value hedges are recognized in financial items in profit and loss. The fair value 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).

Hedge accounting is not applied on commodity derivatives. Fair value changes are recognized in financial items.

Nominal amounts of derivatives

EUR million	2023	2022
Derivatives, hedge accounting not applied:		
Foreign exchange forwards and swaps	338.8	306.2
Commodity derivatives	4.3	
Derivatives, hedge accounting applied:		
Interest rate swaps	165.0	50.0

Fair value of derivatives

EUR million	2023	2022
Derivatives, hedge accounting not applied:		
Foreign exchange forwards and swaps	1.3	3.1
Commodity derivatives	0.1	
Derivatives, hedge accounting applied:		
Interest rate swaps	1.2	0.1

Derivative agreements the Group enters into are governed by International Swaps and Derivatives Association's Master Agreements (ISDA) or by corresponding local agreements. 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	2023	2022
Foreign exchange forwards and swaps		
Assets	2.7	4.5
Liabilities	-1.4	-1.4
Net	1.3	3.1
Interest rate swaps		
Assets	2.0	0.1
Liabilities	-0.9	
Net	1.2	0.1
Commodity derivatives		
Assets	0.1	
Liabilities	0.0	
Net	0.1	

Maturity of derivatives

2023

EUR million	2024	2025	Later years	Total
Foreign exchange forwards and swaps	338.8			338.8
Interest rate swaps		55.0	110.0	165.0
Commodity derivatives	4.3			4.3
Total, Dec 31	343.1	55.0	110.0	508.1

2024

EUR million	2023	2024	Later years	Total
Foreign exchange forwards and swaps	306.2			306.2
Interest rate swaps			50.0	50.0
Total, Dec 31	306.2		50.0	356.2

6. Other notes

6.1	Subsidiaries	91
6.2	Related party transactions	93
6.3	Acquisitions and divestments	96
6.4	Commitments and contingencies	99
6.5	Subsequent events after the reporting period	99

6.1 Subsidiaries

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	Hong Kong	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 (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 BV	Antwerpen	BE	0.5	0.5	S
Iittala BV	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	D
Fiskars Japan Co., Ltd	Tokyo	JP	100.0	100.0	S
Royal Copenhagen Korea Co., 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 Hong Kong Limited	Hong Kong	HK	100.0	100.0	S
Georg Jensen Investment Aps	Frederiksberg	DK	100.0	100.0	H
Georg Jensen A/S	Frederiksberg	DK	100.0	100.0	P
Georg Jensen NUF	Kolsås	NO	100.0	100.0	D
Georg Jensen Retail A/S	Frederiksberg	DK	100.0	100.0	S
Georg Jensen Silver AB	Stockholm	SE	100.0	100.0	S
Georg Jensen GmbH	Hamburg	DE	100.0	100.0	S
Georg Jensen Ltd.	London	GB	100.0	100.0	S
Georg Jensen PTY Ltd.	Frenchs Forest	AU	100.0	100.0	S
Georg Jensen S.A.R.L.	Paris	FR	100.0	100.0	D
Georg Jensen Japan Ltd.	Tokyo	JP	100.0	100.0	S
Georg Jensen (Thailand) Co. Ltd.	Chiangmai	TH	100.0	100.0	P
Georg Jensen Taiwan Ltd.	Taipei	TW	100.0	100.0	S
Georg Jensen Inc.	New York	US	100.0	100.0	S
Georg Jensen HK Holding Ltd.	Hong Kong	HK	100.0	100.0	H
Georg Jensen China Ltd.	Hong Kong	HK	100.0	100.0	D
Georg Jensen HK Ltd.	Hong Kong	HK	100.0	100.0	S
Georg Jensen Beijing Trading Ltd.	Beijing	CN	100.0	100.0	S
Georg Jensen Macau Ltd.	Macau	MO	100.0	100.0	D
Fiskars Deutschland GmbH	Herford	DE	100.0	100.0	D
Fiskars France S.A.S.	Ivry sur Seine	FR	100.0	100.0	S
Fiskars France Sucursal en España	Madrid	ES	100.0	100.0	D
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	S
Fiskars Norway AS	Oslo	NO	100.0	100.0	S
Fiskars Polska Sp. z o.o.	Slupsk	PL	100.0	100.0	P
Fiskars Polska Sp. z.o.o., Magyarországi Fióktelepe	Budapest	HU	100.0	100.0	S
Fiskars Polska Sp. z.o.o., odštěpný závod	Prague	CZ	100.0	100.0	S
Fiskars Form Limited	Bridgend	GB	100.0	100.0	D
Fiskars Commercial (Shanghai) Co., Ltd.	Shanghai	CN	100.0	100.0	S

	Domicile		% of share capital	% of voting power	Nature of main activities
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 Ireland IPCo LLC	Wilmington, DE	US	100.0	100.0	D
WWRD IPCo. LLC	Wilmington, DE	US	100.0	100.0	D
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	D
Fiskars Australia Pty Ltd	Sydney	AU	100.0	100.0	S
Fiskars Australia Pty Ltd - New Zealand Branch	Auckland	NZ	100.0	100.0	S
Josiah Wedgwood & Sons Pty Ltd	Sydney	AU	100.0	100.0	D
Waterford Wedgwood Australia Limited	Stoke-on-Trent	GB	100.0	100.0	D
Fiskars Online Oy Ab	Helsinki	FI	100.0	100.0	S
WWRD Netherlands MidCo B.V.	Amsterdam	NL	100.0	100.0	H
Waterford Wedgwood Trading Singapore Pte Limited	Singapore	SG	100.0	100.0	H
PT Doulton	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

6.2 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 Group 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 associated company 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 2023.

EUR million	2023	2022
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.

EUR million	2023 Own holdings	2023 Holdings of controlled corporations	2023 Total	2022 Own holdings	2022 Holdings of controlled corporations	2022 Total
Ehrnrooth Paul		**11,430,961**	**11,430,961**		11,430,961	11,430,961
Fromond Louise	**601,135**	**10,567,417**	**11,168,552**	601,135	10,567,417	11,168,552
Goldin Julia						
Lindahl Carl-Martin						
Lixfeld Volker						
Luomakoski Jyri	**4,000**		**4,000**	4,000		4,000
Mero Inka						
Månsson Fabian						
Sjölander Peter						
Sotamaa Ritva	**3,000**		**3,000**	3,000		3,000
Ehrnrooth Albert	**855,372**	**13,478,534**	**14,333,906**	855,372	13,478,534	14,333,906
Ahlström Nathalie	**116,213**		**116,213**	29,974		29,974
Andersson Tina[1]						
Bachler Christian	**25,393**		**25,393**	3,540		3,540
Brouillard James[2]						
Gaggl Risto[3]				5,164		5,164
Hedberg Johan[4]				3,312		3,312
Holmberg Peter	**6,213**		**6,213**			
Hyyryläinen Tuomas[5]				6,852		6,852
Jilinski Gennady[6]	**6,206**		**6,206**			
Lindholm Niklas[7]						
Mindelöf Anna[8]	**6,048**		**6,048**			
Shaukat Aamir[9]						
Siitonen Jussi	**77,367**		**77,367**	40,000		40,000
Timonen Päivi[10]				4,144		4,144
Zappa Charlene[11]						

The shareholdings of the Board and key management represent in total 45.9% of the outstanding shares of the company.

[1] Member of the Fiskars Group Leadership Team until February 28, 2022
[2] Member of the Fiskars Group Leadership Team until January 17, 2022
[3] Member of the Fiskars Group Leadership Team until December 31, 2022
[4] Member of the Fiskars Group Leadership Team until September 12, 2023
[5] Member of the Fiskars Group Leadership Team until May 31, 2023
[6] Member of the Fiskars Group Leadership Team as of January 1, 2023
[7] Member of the Fiskars Group Leadership Team until February 28, 2022
[8] Member of the Fiskars Group Leadership Team as of March 1, 2022
[9] Member of the Fiskars Group Leadership Team as of July 10, 2023
[10] Member of the Fiskars Group Leadership Team until December 31, 2022
[11] Member of the Fiskars Group Leadership Team until September 12, 2023

Remuneration of the Board and key management

	2023			2022		
EUR thousand	Salaries and fees	Statutory pension	Supplementary pension	Salaries and fees	Statutory pension	Supplementary pension
Ehrnrooth Paul	**182.5**			159.0		
Luomakoski Jyri	**139.3**			120.5		
Fromond Louise	**93.8**			78.8		
Mero Inka				15.0		
Månsson Fabian				16.3		
Sjölander Peter				15.0		
Sotamaa Ritva	**89.0**			77.8		
Ehrnrooth Albert	**90.0**			77.8		
Ehrnrooth Alexander	**3.8**			1.5		
Lixfeld Volker	**94.8**			69.8		
Lindahl Carl-Martin	**94.8**			69.8		
Goldin Julia[1]	**89.0**			62.3		
Ahlström Nathalie	**1,256.4**	**125.9**	**98.5**	857.7	118.6	94.9
Fiskars Group Leadership Team, excluding CEO and President	**2,983.5**	**111.5**	**87.1**	5,298.0	338.7	203.6
Total	**5,116.9**	**237.4**	**185.6**	6,919.3	457.3	298.5

[1] Board member Julia Goldin was engaged to act as an advisor for the Company with a separately defined limited scope, and was paid arm's length compensation of EUR 15,714 for this task during 2023.

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 share-based long-term incentive plans to which participants are selected by the Board of Directors annually. In 2023 there is one plan in place, Performance Share Plan 2021, which includes three on-going performance periods for years 2021–2023, 2022–2024 and 2023–2025. The Board of Directors confirms the targets separately for each performance period and they are based on the company's total shareholder return and cumulative comparable EBITA (performance period 2021–2023), total shareholder return and cumulative comparable EBIT (performance period 2022–2024) and total shareholder return, cumulative comparable EBIT and circular economy (performance period 2023–2025) 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 members who are part of Finnish social security system have 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 a share-based long-term incentive plan. The President and CEO participates in the ongoing performance periods 2021–2023, 2022–2024 and 2023–2025 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.

On 7 February 2023 it was announced that the Board of Directors of Fiskars Corporation decided to launch the Fiskars Ownership Plan 2023 directed to the company's President and CEO, Group Leadership Team and certain key employees determined by the Board. A total of 156,401 treasury shares were subscribed for in the directed share issue against payment. More information regarding the Ownership Plan 2023 is presented in the Note 2.5 Share based payments. As part of the Plan, the Board resolved to offer to partly finance on an arm's length basis the subscriptions of the company's shares, by providing interest-bearing loans to the Plan participants. The maximum amount of the loan for the President and CEO and Chief Financial Officer was 50 per cent of the borrower's investment in shares, and 75 per cent for other persons in the target group. The aggregate amount of finance provided by the Company in 2023 was EUR 1,206,274.00. The loans were withdrawn in March 2023 and shall be repaid in full on 30 July 2027, at the latest.

The outstanding loan capital bear an interest at the 12-month Euribor Rate added with margin of 1.00 per cent from the relevant drawdown date. The interest will be due for payment every six months, on 1 October and on 1 April, starting from 1 October 2023 until the loan has been fully repaid. Those that utilized the financing by the Company have undertaken to pledge the shares to the company as a security for performing their obligations under the loan agreements, if the Board of Directors later separately decides to accept the shares as pledge by virtue of an authorization of the General Meeting of Shareholders.

6.3 Acquisitions and divestments

Acquisition of Georg Jensen

On October 1, 2023, Fiskars Group announced that it has completed the acquisition of renowned Danish luxury lifestyle brand Georg Jensen by acquiring 100% of the shares of Georg Jensen Investment ApS. Georg Jensen is headquartered in Copenhagen, Denmark and is present in over 10 countries. In 2022, Georg Jensen employed 1,205 employees (FTEs), net sales were EUR 158.1 million and EBIT was EUR 14.9 million.

The enterprise value of the acquisition was approximately EUR 155 million on a cash and debt free basis, and final consideration transferred after ordinary post-closing adjustments was EUR 124.7 million. The amount of consideration is final and does not carry any contingent consideration arrangements. Fiskars Group financed the acquisition with debt.

The acquisition supports Fiskars Group's Growth Strategy by expanding the company's luxury home brand portfolio, which already includes the iconic brands of Royal Copenhagen, Waterford and Wedgwood. Furthermore, reuniting the beloved Danish design brands Georg Jensen and Royal Copenhagen offers attractive commercial excellence opportunities. Georg Jensen's position in direct-to-consumer (DTC) channels is strong with over 50% of sales from own retail and e-commerce. In terms of markets, Fiskars Group sees potential to expand the brand's presence in China in particular. Commercial excellence, DTC and China are three of the four transformation levers in Fiskars Group's Growth strategy.

The transaction is expected to create significant cost synergies related to, for example, support functions and sourcing. The annual synergies are expected to amount approximately EUR 18 million, majority of which is expected to be realized by the end of 2025.

As a result of purchase price allocation Fiskars Group recognized a negative goodwill of EUR 25.4 million. Main items driving fair value of net assets being higher than purchase consideration were valuation of trademark and customer lists, and inventory fair value step-up for finished goods. Fiskars Group was able to acquire Georg Jensen for less than the fair value of its assets because the private equity seller wanted to exit from the Georg Jensen business.

The purchase price allocation is provisional.[1] The following table summarizes the consideration paid, provisional amounts for the fair value of assets acquired and liabilities assumed as well as cash flow impact at the date of acquisition. The net assets acquired are denominated in DKK. EUR values have been translated using foreign exchange rate prevailing at the date of acquisition.

[1] According to IFRS 3, adjustments to purchase price allocation are possible for a year after the closing of the acquisition, that being until September 30, 2024.

EUR million	Oct 1, 2023
Non-current assets	
Intangible assets	85.9
Property, plant & equipment	11.3
Right-of-use assets	21.5
Deferred tax assets	20.2
Other non-current assets	3.8
Non-current assets total	142.7
Current assets	
Inventories	108.5
Trade and other receivables	27.0
Cash and cash equivalents	3.3
Current assets total	138.8
Assets total	281.5
Non-current liabilities	
Interest-bearing liabilities	41.5
Lease liabilities	13.2
Deferred tax liabilities	32.0
Other non-current liabilities	1.5
Non-current liabilities total	88.1

EUR million	Oct 1, 2023
Current liabilities	
Interest-bearing liabilities	2.6
Lease liabilities	8.2
Trade payables	11.1
Other current liabilities	21.3
Current liabilities total	43.3
Liabilities total	131.4
Net assets	150.1
Consideration transferred	124.7
Negative goodwill	-25.4

Cash flows related to acquisition:

EUR million	Oct 1, 2023
Consideration paid	124.7
Cash and cash equivalents acquired	-3.3
Business combinations, net of cash acquired	121.3

The acquired business have been consolidated into the Group financials as of October 1, 2023 onwards. From the date of acquisition, the acquired business has contributed EUR 53.8 million of revenue and EUR 22.3 million of EBIT to the Group, including EUR -13.7 million release of inventory fair value step-up as well as EUR -0.3 million of depreciation and amortization of tangible and intangible assets recognized at acquisition. In October–December, the acquired business contributed comparable EBIT of EUR 12.2 million.

If the acquisition had occurred on January 1, 2023, management estimates that the combined statement of income would show net sales of EUR 1,225.2 million and EBIT of EUR 43.5 million. These pro forma amounts include the fair value adjustments determined as at December 31, 2022 for the period of January–September 2023. Comparable EBIT for the period of January–December would have been EUR 100.6 million.

Acquisition related costs of EUR 5.6 million have been charged to selling, general and administrative costs in the Consolidated statement of income in 2023 and presented as Items Affecting Comparability.

2022

Sale of subsidiary in Russia

On March 7, 2022, Fiskars Group announced that it has decided to withdraw completely from the Russian market due to Russia's attack on Ukraine. The sale of the subsidiary was completed in August 2022.

The company has operated locally mainly through its Fiskars brand and employed approximately 70 people in Moscow and in the St. Petersburg area. The net sales of the Russian business in 2021 were approximately 1% of the company's global net sales. The exit from the Russian market did not have a significant impact on the company's financial position or result in 2022. The one-time impact of the withdrawal is included in Items Affecting Comparability.

Sale of North American Watering business

On February 1, 2022, Fiskars Corporation announced that it had completed the sale of its North American Watering Business to Lawn & Garden LLC, a holding company owned by Centre Lane Partners (CLP), a New York headquartered American private equity company. The transaction was announced on December 21, 2021.

The transaction was structured as an asset sale. The agreement covered intellectual property including the Gilmour and Nelson brands, related trademarks and patents pertaining to watering equipment commercialized in North America. Included in the transaction were the manufacturing plant in Excelsior Springs, Missouri and the warehouse operations in Independence, Missouri, as well as the employees working in these two locations.

Assets directly associated with the sale were previously classified as held for sale.

6.4 Commitments and contingencies

EUR million	2023	2022
Guarantees	**4.7**	6.0
Other contingencies[1]	**1.8**	3.0
Total, Dec 31	**6.5**	9.1

[1] Other contingencies include a commitment of USD 1.7 million (2022: 1.7) to invest in private equity funds.

Litigation

Fiskars Group is involved in a number of legal actions, claims and other proceedings regarding e.g. commercial disputes, IPR infringements, workforce reduction and regulatory compliance. Due to nature of these proceedings, the final outcomes of these cases cannot be predicted. Taking into account the available information to date such outcomes are not expected to have a material adverse impact on the financial position or profitability of the Fiskars Group, as a whole.

Fiskars Group entities are subject to tax audits in certain countries. It is possible that tax audits may lead to reassessment of taxes.

6.5 Subsequent events after the reporting period

There have been no subsequent events after the reporting period that required recognition or disclosure.

Parent company financial statements, FAS

Parent company income statement

EUR	Note	2023		2022	
Net sales	2	**96,948,766.51**		98,010,908.96	
Cost of goods sold	4	**-3,050,902.03**		-2,788,437.64	
Gross profit		**93,897,864.48**	**97%**	95,222,471.32	97%
Administration expenses	4, 6	**-90,020,575.67**		-87,247,903.15	
Other operating income	3	**1,888,763.38**		3,573,427.37	
Operating profit (loss)		**5,766,052.19**	**6%**	11,547,995.54	12%
Financial income and expenses	7	**677,071,160.47**		-9,695,219.63	
Profit (loss) before appropriations and taxes		**682,837,212.66**		1,852,775.91	
Change in appropriations	8	**735,782.25**		-647,606.92	
Group contribution	8	**2,913,269.31**		973,476.35	
Income taxes	9	**-140,836.39**		-333,116.56	
Profit for the period		**686,345,427.83**		1,845,528.78	

Parent company balance sheet

EUR	Note	31.12.2023		31.12.2022	
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	10	**57,831,351.48**		47,690,102.97	
Tangible assets	11				
Land and water		**35,580,454.71**		35,587,738.52	
Buildings		**14,185,450.44**		15,369,798.53	
Machinery and equipment		**2,940,449.59**		2,548,387.42	
Construction in progress		**3,865,746.26**		984,207.35	
Tangible assets total		**56,572,101.00**		54,490,131.82	
Investments	12				
Holdings in subsidiaries		**640,174,887.25**		640,174,887.25	
Other shares		**17,521,437.72**		19,018,741.49	
Investments total		**657,696,324.97**		659,193,628.74	
Non-current assets total		**772,099,777.45**	**48%**	761,373,863.53	58%
CURRENT ASSETS					
Non-current loan receivables		**3,083,348.11**		28,171.14	
Current receivables					
Trade receivables		**219,151.69**		49,591.81	
Receivables from subsidiaries	13	**739,799,260.03**		438,137,441.69	
Other receivables		**8,164,287.35**		8,492,793.62	
Prepayments and accrued income	14	**8,936,620.58**		7,636,758.68	
Current receivables total		**757,119,319.65**		454,316,585.80	
Cash and cash equivalents	15	**85,271,443.64**		86,959,841.00	
Current assets total		**845,474,111.40**	**52%**	541,304,597.94	42%
Assets total		**1,617,573,888.85**	**100%**	1,302,678,461.47	100%

EUR	Note	31.12.2023		31.12.2022	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY	16				
Share capital		**77,510,200.00**		77,510,200.00	
Revaluation reserve		**9,569,177.63**		9,570,932.94	
Reserve for invested non-restricted equity		**2,590,000.56**			
Fair value reserve		**-575,307.46**		107,401.67	
Treasury shares		**-3,018,165.97**		-6,740,357.32	
Other reserves		**3,204,313.18**		3,204,313.18	
Retained earnings		**169,915,143.48**		236,840,122.81	
Profit for the period		**686,345,427.83**		1,845,528.78	
Shareholders' equity total		**945,540,789.25**	**58%**	322,338,142.06	25%
Appropriations				735,782.25	
LIABILITIES					
Non-current liabilities	17				
Loans from credit institutions		**130,118,569.64**		130,236,962.94	
Issued bonds		**200,514,031.00**			
Liabilities to subsidiaries		**2,398.36**		2,398.36	
Non-current liabilities total		**330,634,999.00**		130,239,361.30	
Current liabilities					
Loans from credit institutions		**92,459,324.42**		196,799,373.46	
Trade payables		**11,830,998.56**		8,409,930.20	
Liabilities to subsidiaries	18	**201,243,567.76**		610,992,704.29	
Other payables		**22,623,593.93**		23,608,433.61	
Accruals and deferred income	19	**13,240,615.93**		9,554,734.30	
Current liabilities total		**341,398,100.60**		849,365,175.86	
Liabilities total		**672,033,099.60**	**42%**	979,604,537.16	75%
Shareholders' equity and liabilities total		**1,617,573,888.85**	**100%**	1,302,678,461.47	100%

Parent company statement of cash flows

EUR million	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before appropriations and taxes	**685,751,744.66**	2,826,252.30
Adjustments for		
Depreciation, amortization and impairment	**13,670,090.87**	12,884,111.82
Investment income	**-542,835.89**	-1,582,166.45
Interest income and dividends	**-707,637,105.11**	-7,034,407.54
Unrealized exchange gains and losses	**-24,512,239.30**	4,451,375.13
Interest expenses and other financial costs	**55,397,986.20**	12,475,317.29
Impairment of shares in and receivables from subsidiaries		135,664.72
Group contributions	**-2,913,269.31**	-973,476.35
Change in provisions and other non-cash items	**100,774.23**	10,148.07
Cash flow before changes in working capital	**19,315,146.35**	23,192,818.99
Changes in working capital		
Change in current assets, non-interest bearing	**7,325,312.85**	2,078,765.96
Change in current liabilities, non-interest bearing	**4,181,809.73**	-1,917,801.24
Cash flow from operating activities before financial items and taxes	**30,822,268.93**	23,353,783.71
Financial income received	**14,112,329.42**	6,323,510.72
Financial expenses paid	**-26,345,235.24**	-7,744,997.86
Taxes paid	**627,679.49**	582,882.99
Cash flow from operating activities (A)	**19,217,042.60**	22,515,179.56

EUR million	2023	2022
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in financial assets		-392,488.24
Investments in intangible assets and property, plant & equipment	**-25,901,763.92**	-24,638,724.84
Proceeds from sale of property, plant & equipment and other investments	**551,291.31**	1,820,497.10
Sale of other holdings	**961,535.07**	4,189,427.28
Other dividends received	**690,143,159.85**	157,839.02
Cash flow from investing activities (B)	**665,754,222.31**	-18,863,449.68
CASH FLOW FROM FINANCING ACTIVITIES		
Share issue	**1,383,726.56**	
Purchase of treasury shares	**-399,891.01**	-18,041,187.66
Proceeds from non-current debt	**198,610,116.72**	129,890,895.24
Change in current debt	**-516,164,449.41**	176,455,159.26
Change in current receivables	**-306,414,215.74**	-150,980,403.92
Dividends paid	**-64,648,425.74**	-61,682,295.91
Group contribution received/paid	**973,476.35**	3,049,090.97
Cash flow from financing activities (C)	**-686,659,662.27**	78,691,257.98
Change in cash and cash equivalents (A+B+C)	**-1,688,397.36**	82,342,987.86
Cash and cash equivalents at beginning of period	**86,959,841.00**	4,616,853.14
Cash and cash equivalents at end of period	**85,271,443.64**	86,959,841.00

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.

Financial instruments

Long term loans are initially recognized at fair value and subsequently carried at amortised cost, or, in the case of the sustainability linked bond, valued using the effective interest rate method. The carrying amount of the bond is adjusted by the amount of change in its fair value to the extent the fair value of the bond is hedged.

Derivatives not designated as hedging instruments are recognized at fair value through profit and loss. Hedge accounting is not applied on foreign exchange derivatives. Foreign exchange 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.

Hedge accounting is applied to interest rate swaps (cash flow hedges and fair value hedges). Derivatives on which hedge accounting is applied are initially valued at cost and subsequently at fair value at the end of each reporting period. To the extent the cashflow hedges are effective, the fair value change including deferred tax is recognized in equity through other comprehensive income. Any ineffectiveness is recognized in financial items in profit and loss. Fair value changes of fair value hedges are recognized in financial items in profit and loss. The fair value 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).

Hedge accounting is not applied on commodity derivatives. Fair value changes are recognized in financial items.

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 Not depreciated

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.

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	2023	2022
Inter-company service fee	67,113,014.87	64,730,662.86
Royalties	23,656,396.93	27,200,880.41
Rental income	3,747,989.08	3,618,900.50
Other	2,431,365.63	2,460,465.19
Total	**96,948,766.51**	98,010,908.96

3. Other operating income

EUR	2023	2022
Gain on sale of property, plant and equipment	542,903.88	1,551,868.45
Compensations from insurance companies	194,734.24	332,078.91
Other income	1,151,125.26	1,689,480.01
Total	**1,888,763.38**	3,573,427.37

4. Total expenses

Total expenses by nature

EUR	2023	2022
Materials and supplies	-444.68	-1,936.25
Employee benefits	-21,531,380.14	-19,910,230.97
Depreciation, amortization and impairment	-13,670,090.87	-12,884,111.82
IT expenses	-28,413,524.36	-29,586,148.96
Consulting fees	-19,511,417.08	-17,121,721.51
External services	-2,629,716.12	-2,531,316.15
Other	-7,314,904.45	-8,000,875.13
Total	**-93,071,477.70**	-90,036,340.79

5. Fees paid to company's auditors

EUR	2023	2022
Audit fees	-521,188.92	-363,802.00
Tax consultation	-27,635.00	-18,502.16
Other	-27,320.00	-23,780.00
Total	**-576,143.92**	-406,084.16

6. Employee Benefits And Number Of Personnel

Employee benefits

EUR	2023	2022
Wages and salaries	-18,176,958.85	-17,091,444.83
Pension costs	-2,789,949.63	-2,299,458.86
Other personnel costs	-564,471.66	-519,327.28
Total	**-21,531,380.14**	-19,910,230.97

Remuneration to management

EUR thousand	2023	2022
Chief Executive Officer	1,480.8	1,071.2
Members of the Board	877.0	763.6
Total	**2,357.8**	1,834.8

Number of personnel

	2023	2022
Average (FTE)	185	173
End of period	186	175

7. Financial income and expenses

EUR	2023	2022
Financial income		
Gain on disposal of financial assets		30,298.00
Financial income from group companies		
Dividend income	690,000,000.00	
Interest income	11,962,850.61	4,213,869.64
Financial income from third parties		
Dividend income	143,159.85	157,839.02
Interest income	5,531,094.65	2,662,698.88
Financial income, total	707,637,105.11	7,064,705.54
Financial expenses		
Loss on disposal of financial assets		-135,664.72
Exchange gain/loss	-2,209,273.32	-4,451,375.13
Financial expenses to group companies		
Interest expenses	-6,790,625.56	-1,533,499.59
Financial expenses to third parties		
Interest expenses	-20,955,047.97	-7,997,621.64
Other financial expenses	-610,997.79	-2,641,764.09
Financial expenses, total	-30,565,944.64	-16,759,925.17
Total financial income and expenses	677,071,160.47	-9,695,219.63

8. Appropriations

EUR	2023	2022
Difference between depreciation according to plan and tax depreciation	735,782.25	-647,606.92
Group contribution received	2,913,269.31	973,476.35
Total	**3,649,051.56**	325,869.43

9. Income taxes

EUR	2023	2022
Income tax, current year	-157,118.56	-369,290.16
Income tax, previous periods	16,282.17	36,173.60
Total	**-140,836.39**	-333,116.56

10. Intangible assets

EUR	2023	2022
Historical cost, Jan 1	98,336,442.44	121,544,965.64
Additions	22,141,805.09	21,435,546.02
Decrease	-12,612,119.55	-45,900,728.37
Transfers between asset groups	12,600.00	1,256,659.15
Historical cost, Dec 31	107,878,727.98	98,336,442.44
Accumulated amortization and impairment, Jan 1	50,646,339.47	85,455,428.25
Amortization for the period	12,013,156.58	11,091,639.59
Decrease	-12,612,119.55	-45,900,728.37
Accumulated amortization and impairment, Dec 31	50,047,376.50	50,646,339.47
Net book value, Dec 31	**57,831,351.48**	47,690,102.97

11. Tangible assets

2023

EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	26,016,805.58	42,510,387.25	7,290,755.02	984,207.35	76,802,155.20
Additions		48,807.86	569,530.05	3,141,620.98	3,759,958.89
Decreases	-5,528.50	-2,041,455.35	-849,309.17		-2,896,293.02
Transfers between asset groups		100,082.75	147,399.32	-260,082.07	-12,600.00
Historical cost, Dec 31	26,011,277.08	40,617,822.51	7,158,375.22	3,865,746.26	77,653,221.07
Accumulated depreciation and impairment, Jan 1		27,140,588.72	4,742,367.60		31,882,956.32
Depreciation for the period		1,333,170.71	323,763.58		1,656,934.29
Decreases		-2,041,387.36	-848,205.55		-2,889,592.91
Accumulated depreciation and impairment, Dec 31		26,432,372.07	4,217,925.63		30,650,297.70
Revaluation, Jan 1	9,570,932.94				9,570,932.94
Decreases	-1,755.31				-1,755.31
Revaluation, Dec 31	9,569,177.63				9,569,177.63
Book value, Dec 31	35,580,454.71	14,185,450.44	2,940,449.59	3,865,746.26	56,572,101.00

2022

EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	26,164,423.51	39,753,025.43	7,205,461.62	2,709,000.93	75,831,911.49
Additions		1,921,512.44	708,353.75	573,312.63	3,203,178.82
Decreases	-147,617.93	-15,095.64	-813,562.39		-976,275.96
Transfers between asset groups		850,945.02	190,502.04	-2,298,106.21	-1,256,659.15
Historical cost, Dec 31	26,016,805.58	42,510,387.25	7,290,755.02	984,207.35	76,802,155.20
Accumulated depreciation and impairment, Jan 1		25,784,293.05	5,131,764.13		30,916,057.18
Depreciation for the period		1,371,391.31	421,080.92		1,792,472.23
Decreases		-15,095.64	-810,477.45		-825,573.09
Accumulated depreciation and impairment, Dec 31		27,140,588.72	4,742,367.60		31,882,956.32
Revaluation, Jan 1	9,658,560.72				9,658,560.72
Decreases	-87,627.78				-87,627.78
Revaluation, Dec 31	9,570,932.94				9,570,932.94
Book value, Dec 31	35,587,738.52	15,369,798.53	2,548,387.42	984,207.35	54,490,131.82

12. Investments

2023

EUR	Holdings in subsidiaries	Other shares	Total
Historical cost, Jan 1	821,174,887.25	19,783,135.77	840,958,023.02
Decreases		-966,998.12	-966,998.12
Currency valuations		-530,305.65	-530,305.65
Historical cost, Dec 31	821,174,887.25	18,285,832.00	839,460,719.25
Write-downs, Jan 1	-181,000,000.00	-764,394.28	-181,764,394.28
Write-downs, Dec 31	-181,000,000.00	-764,394.28	-181,764,394.28
Book value, Dec 31	640,174,887.25	17,521,437.72	657,696,324.97

2022

EUR	Holdings in subsidiaries	Other shares	Total
Historical cost, Jan 1	821,174,887.25	25,219,905.74	846,394,792.99
Additions		1,000.00	1,000.00
Decreases		-6,257,220.95	-6,257,220.95
Currency valuations		819,450.98	819,450.98
Historical cost, Dec 31	821,174,887.25	19,783,135.77	840,958,023.02
Write-downs, Jan 1	-181,000,000.00	-804,721.46	-181,804,721.46
Decreases		40,327.18	40,327.18
Write-downs, Dec 31	-181,000,000.00	-764,394.28	-181,764,394.28
Book value, Dec 31	640,174,887.25	19,018,741.49	659,193,628.74

Shares in subsidiaries

	Number of shares	Domicile		% of share capital	% of voting power	Book value
Fiskars Americas Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	110,071,862.76
Fiskars Europe Holding Oy Ab	2,250	Raasepori	FI	100.0	100.0	530,098,092.55
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, 2023						**640,174,887.25**

13. Receivables from subsidiaries

EUR	2023	2022
Trade receivables	**66,613,844.77**	67,281,902.88
Loan receivables	**628,032,378.71**	108,763,262.04
Cash pool receivables	**10,701,667.34**	223,186,908.17
Group contribution receivables	**2,913,269.31**	973,476.35
Prepayments and accrued income	**3,879,596.84**	4,350,520.40
Other receivables	**27,658,503.06**	33,581,371.85
Total, Dec 31	**739,799,260.03**	438,137,441.69

14. Prepayments and accrued income

EUR	2023	2022
Prepaid and accrued interest	**1,578,466.20**	1,297,438.01
Other prepayments and accruals	**7,358,154.38**	6,339,320.67
Total, Dec 31	**8,936,620.58**	7,636,758.68

15. Cash and cash equivalents

EUR	2023	2022
Cash and cash equivalents	**85,271,443.64**	86,959,841.00
Total, Dec 31	**85,271,443.64**	86,959,841.00

16. Shareholders' equity

EUR	2023	2022
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	**9,570,932.94**	3,731,821.72
Decrease	**-1,755.31**	-104,883.00
Reclassification[1]		5,943,994.22
Revaluation reserve, Dec 31	**9,569,177.63**	9,570,932.94
Reserve for invested non-restricted equity		
Jan 1		
Increase	**2,590,000.56**	
Fair value reserve, Dec 31	**2,590,000.56**	
Fair value reserve		
Jan 1	**107,401.67**	
Increase	**242,180.61**	107,401.67
Decrease	**-924,889.74**	
Fair value reserve, Dec 31	**-575,307.46**	107,401.67
Treasury shares		
Jan 1	**-6,740,357.32**	-7,181,414.46
Increase	**-399,891.02**	-18,041,187.66
Share based incentives	**1,556,178.28**	1,834,407.85
Management ownership program	**2,565,904.09**	
Cancellation of treasury shares		16,647,836.95
Treasury shares, Dec 31	**-3,018,165.97**	-6,740,357.32

EUR	2023	2022
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	**238,685,651.59**	322,949,191.61
Dividends	**-64,648,425.74**	-61,682,295.91
Share based incentives	**-1,556,178.28**	-1,834,407.85
Management ownership program	**-2,565,904.09**	
Cancellation of treasury shares		-16,647,836.95
Revaluation fund reclassification[1]		-5,944,528.09
Net profit	**686,345,427.83**	1,845,528.78
Retained earnings, Dec 31	**856,260,571.31**	238,685,651.59
Distributable earnings, Dec 31	**855,832,405.90**	231,945,294.27
Shareholders' equity total, Dec 31	**945,540,789.25**	322,338,142.06

[1] In 2022, revaluation for land and water was reclassed from retained earnings to revaluation reserve.

17. Non-current liabilities

EUR	2023	2022
Loans from credit institutions payable		
between one and five years	**80,118,569.64**	80,236,962.94
in more than five years	**50,000,000.00**	50,000,000.00
Issued bonds[1]	**200,514,031.00**	
Loans from credit institutions, total	**330,632,600.64**	130,236,962.94
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	**330,634,999.00**	130,239,361.30

[1] The nominal amount of the bond equals EUR 200 million. The main terms of the bond are presented in Note 5.4 to the Group financial statements.

18. Liabilities to subsidiaries

EUR	2023	2022
Trade payables	**34,550.66**	42,394.94
Cash pool payables	**141,025,284.61**	579,941,568.31
Accruals and deferred income	**125,314.72**	12,249.24
Other liabilities	**60,058,417.77**	30,996,491.80
Total, Dec 31	**201,243,567.76**	610,992,704.29

19. Accruals and deferred income

EUR	2023	2022
Interests	**4,633,740.48**	2,698,856.54
Wages, salaries and social costs	**3,334,798.03**	3,272,199.28
Other	**5,272,077.42**	3,583,678.48
Total, Dec 31	**13,240,615.93**	9,554,734.30

20. Lease obligations

EUR	2023	2022
Payments next year	**3,281,194.71**	2,539,788.50
Payments later	**27,121,835.69**	28,328,677.71
Total, Dec 31	**30,403,030.40**	30,868,466.21

21. Contingencies and pledged assets

EUR	2023	2022
As security for own commitments	**1,508,000.00**	1,562,000.00
Guarantees as security for subsidiaries' commitments	**4,711,000.00**	6,684,000.00
Total, Dec 31	**6,219,000.00**	8,246,000.00

VAT liability for real estate investments

The company is obligated to review the VAT deductions made on real estate investments completed during 2013–2022 if the taxable use of the property has changed during the review period.

EUR	2023	2022
Obligation, Dec 31	**2,723,608.00**	3,006,052.00

22. Derivative contracts

Nominal value, EUR	2023	2022
Foreign exchange forwards and swaps	**338,777,316.16**	306,195,896.63
Interest rate swaps	**165,000,000.00**	50,000,000.00
Commodity derivatives	**4,288,488.69**	
Total, Dec 31	**508,065,804.85**	356,195,896.63

Fair value, EUR	2023	2022
Foreign exchange forwards and swaps	**1,304,244.81**	3,134,792.62
Interest rate swaps	**1,152,722.94**	107,401.67
Commodity derivatives	**118,881.00**	
Total, Dec 31	**2,575,848.75**	3,242,194.29

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 Corporation's aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2023, the distributable equity of the parent company was EUR 855.8 million (2022: EUR 231.9 million)

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.82 per share shall be paid for the financial period that ended on December 31, 2023. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.41 per share shall be on March 14, 2024. 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, 2024. The payment date proposed by the Board of Directors for this instalment is March 22, 2024.

The second instalment of EUR 0.41 per share shall be paid in September 2024. 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 12, 2024. The ex-dividend date for the second instalment would then be September 13, 2024, the dividend record date September 16, 2024 and the dividend payment date September 23, 2024, at the latest.

On the date of the financial statement release, the number of shares entitling their holders to a dividend was 80,797,073. The proposed distribution of dividends would thus be EUR 66.3 million (2022: EUR 64.5 million). This would leave EUR 789.5 million (2022: EUR 167.4 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

Espoo, February 7, 2024

Albert Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Jyri Luomakoski

Julia Goldin

Carl-Martin Lindahl

Volker Lixfeld

Ritva Sotamaa

Nathalie Ahlström
President and CEO

The Auditor's Note

Our auditor's report has been issued today.

Espoo, February 7, 2024
Ernst & Young Oy

Kristina Sandin

Authorized Public Accountant, KHT

Auditors 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, 2023. 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 material accounting policy information, 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 ,financial performance and cash flows in accordance with IFRS Accounting Standards 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 2.3 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
Georg Jensen Investment Aps (Georg Jensen) business combination	
Refer to note 6.3 of the consolidated financial statements. The Group acquired Georg Jensen during the financial year. The acquisition date was determined to be October 1, 2023. The purchase consideration of 124,7 million euro was paid in cash. Assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at acquisition date fair value. Management judgement relates specifically to determining the fair value of acquired assets and liabilities, in particular determining the fair values of separately identifiable intangible assets such as trademarks and customer relationships. The provisional purchase price allocation resulted in a bargain purchase amounting to 25,4 million euro. The significant business combination is a key audit matter as it involves valuation processes and methods, and judgments made by management.	Our audit procedures included, among others: • Familiarizing ourselves with the Share Purchase Agreement relating to the business combination of Georg Jensen. • Assessment together with our valuation specialists the valuation processes and methodologies to identify acquired assets and liabilities and to determine the fair value of these. • Assessment of the adequacy of disclosures relating to the business combination.

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 especially 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 3.2 of the consolidated financial statements. The value of goodwill at the date of the financial statements 31.12.2023 amounted to 220,1 million euro representing 13 % of total assets and 27 % 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 of 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 strategic plans 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 3.2 of the consolidated financial statements. The Group has 10 trademarks, for which the value at the date of the financial statements 31.12.2023 amounted to 287,2 million euro representing 16 % of total assets and 35 % of equity. Trademarks with indefinite useful life are tested for impairment at least annually. Valuation of trademarks is based on management's estimate about the value in use calculations of the trademarks. Management prepares the impairment tests of trademarks based on the "relief from royalty" -method. There are a number of underlying assumptions used to determine the value in use, including development of revenue for individual trademarks and the discount rate applied on cash flows. Valuation of trademarks was a key audit matter because the assessment process is complex and is based on numerous judgmental estimates and because the number 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 of 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 strategic plans 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 383,4 million euro and 19,4 million euro, respectively (net 364,0 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

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 IFRS Accounting Standards 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 five 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.

Espoo, February 7, 2024
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 Consolidated 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 in Goodwill and trademark impairment when the impairment concerns goodwill or trademarks. Write-downs are presented in other operating expenses.

2023

On March 30, 2023, Fiskars Group announced it has initiated employee consultations in its Iittala factory and retail network in Finland that were completed during spring. The number of employees covered by the consultations in factory and retail network was 175 and 26, respectively. One-off costs related to these changes amounted to a total of approximately EUR 5 million and they were recorded as items affecting comparability during 2023.

On September 13, 2023, Fiskars Group announced its plans to simplify its organizational structure to speed up the continued transformation of the company and to increase efficiency. The planned organizational changes were estimated to result in total annual cost savings of approximately 400 roles globally, the majority of which are in the global supply chain. The planned changes were estimated to result in annual cost savings of approximately EUR 25 million, out of which the majority would realize during 2024. One-off costs related to the planned changes were expected to amount to a total of approximately EUR 6 million and those were recorded as items affecting comparability in Q4 2023.

On October 1, 2023, Fiskars Group announced that it has completed the acquisition of Georg Jensen. Acquisition related costs include transaction costs and other costs such as inventory fair value step-up release. More information about the acquisitions can be found from Note 6.3.

2022

In 2022, items affecting comparability included one-time impact of the sale of subsidiary in Russia, sale of North American Watering business and changes in Leadership team. More detailed information of disposals can be found from Note 6.3.

EUR million	2023	2022
EBIT	**98.9**	134.7
Depreciation and amortization	**66.0**	59.4
EBITDA	**164.9**	194.1
Items affecting comparability in EBIT		
Organizational changes	**12.3**	
Georg Jensen acquisition / Inventory fair value step-up release	**13.7**	
Georg Jensen acquisition / Gain from negative goodwill	**-25.4**	
Georg Jensen acquisition / Transaction costs	**5.6**	
Georg Jensen acquisition / Integration costs	**1.6**	
Sale of Watering business	**3.6**	3.3
Sale of subsidiary in Russia		11.9
Changes in Group Leadership Team		1.1
Total items affecting comparability in EBIT	**11.4**	16.3
Comparable EBIT	**110.3**	151.0
Depreciation and amortization, excl. IAC	**65.5**	59.3
Comparable EBITDA	**175.8**	210.3

EBIT and Comparable EBIT by income statement line item

EUR million	2023 Total	2023 Items affecting comparability[1]	2023 Excl. items affecting comparability	2022 Total	2022 Items affecting comparability[1]	2022 Excl. items affecting comparability
Net sales	**1,129.8**		**1,129.8**	1,248.4		1,248.4
Cost of goods sold	**-618.5**	**17.3**	**-601.2**	-692.5	4.2	-688.3
Sales and marketing expenses	**-292.6**	**13.9**	**-278.7**	-276.1	0.9	-275.2
Administration expenses	**-124.5**	**1.8**	**-122.7**	-120.9	1.7	-119.2
Research and development expenses	**-19.8**	**0.1**	**-19.7**	-20.8		-20.8
Other operating income and expenses	**24.5**	**-21.7**	**2.8**	-3.3	9.5	6.2
EBIT	**98.9**	**11.4**	**110.3**	134.7	16.3	151.0

[1] Total items affecting comparability included EUR 0.5 million (0.1) depreciation and amortization related items in 2023.

Financial indicators

Five years in figures

		2023	2022	2021	2020	2019
Net sales	EUR million	**1,129.8**	1,248.4	1,254.3	1,116.2	1,090.4
of which outside Finland	EUR million	**1,024.0**	1,136.0	1,142.0	1,021.9	977.5
% of net sales	%	**90.6**	91.0	91.0	91.5	89.6
export from Finland	EUR million	**21.2**	20.4	24.2	20.1	20.2
Change in net sales, %	%	**-9.5**	-0.5	12.4	2.4	-2.5
Gross profit	EUR million	**511.4**	555.9	539.8	452.0	447.3
% of net sales	%	**45.3**	44.5	43.0	40.5	41.0
EBIT	EUR million	**98.9**	134.7	142.8	98.0	60.1
% of net sales	%	**8.7**	10.8	11.4	8.8	5.5
Comparable EBIT	EUR million	**110.3**	151.0	154.2	109.0	77.7
Comparable EBITDA	EUR million	**175.8**	210.3	215.7	185.1	137.3
Change in fair value of biological assets	EUR million	**4.8**	1.1	1.3	0.7	-0.2
Financial items, net	EUR million	**-24.0**	-11.7	0.0	-8.9	3.4
% of net sales	%	**-2.1**	-0.9	0.0	-0.8	0.3
Profit before taxes	EUR million	**79.7**	124.1	144.1	89.8	63.2
% of net sales	%	**7.1**	9.9	11.5	8.0	5.8
Income tax	EUR million	**-9.7**	-25.0	-56.5	-21.3	-10.8
Profit for the period attributable to the equity holders of the parent company	EUR million	**69.9**	98.2	86.6	67.6	51.7
% of net sales	%	**6.2**	7.9	6.9	6.1	4.7
Non-controlling interest	EUR million	**0.2**	0.9	0.9	0.8	0.7
Employee benefits	EUR million	**289.2**	289.0	293.7	262.9	311.9

		2023	2022	2021	2020	2019
Depreciation, amortization and impairment	EUR million	**66.0**	59.4	61.6	76.1	59.6
% of net sales	%	**5.8**	4.8	4.9	6.8	5.5
Cash flow from operating activities	EUR million	**220.8**	-61.4	122.9	199.2	96.5
Capital expenditure (excl. Business combinations)	EUR million	**50.8**	48.1	34.4	30.0	40.0
% of net sales	%	**4.5**	3.9	2.7	2.7	3.7
Research and development expenses in income statement	EUR million	**19.8**	20.8	15.5	16.5	18.4
% of net sales	%	**1.8**	1.7	1.2	1.5	1.7
Equity attributable to equity holders of the parent company	EUR million	**819.9**	831.6	812.1	757.8	760.9
Non-controlling interest	EUR million	**3.8**	4.1	4.2	3.8	3.6
Equity total	EUR million	**823.7**	835.6	816.3	761.6	764.5
Net debt	EUR million	**446.7**	325.3	145.0	143.7	261.1
Net debt/LTM EBITDA excl. IAC	ratio	**2.54**	1.55	0.67	0.78	1.91
Working capital	EUR million	**304.2**	337.2	164.5	134.2	194.4
Balance sheet total	EUR million	**1,754.9**	1,585.4	1,435.5	1,342.0	1,364.3
Return on investment	%	**8.7**	12.1	15.3	9.9	6.0
Return on equity	%	**8.4**	12.0	11.1	9.0	5.3
Equity ratio	%	**46.9**	52.7	56.9	56.8	56.0
Net gearing	%	**54.2**	38.9	17.7	18.9	34.2
Personnel (FTE), average		**6,133**	6,273	6,081	6,104	6,840
Personnel, end of period		**7,162**	6,595	6,690	6,411	6,984
of which outside Finland		**6,084**	5,423	5,579	5,348	5,852

Share related figures

		2023	2022	2021	2020	2019
Share capital	EUR million	**77.5**	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)	EUR	**0.86**	1.21	1.06	0.83	0.63
Comparable earnings per share, EUR	EUR	**0.99**	1.37	1.15	0.93	0.81
Dividend per share	EUR/share	**0.82**[1]	0.80	0.76	0.60	0.56
Dividend	EUR million	**66.3**[1]	64.5	61.9	48.9	45.6
Equity per share	EUR	**10.15**	10.32	9.97	9.30	9.34
Average price	EUR/share	**16.33**	18.51	18.55	11.47	15.40
Lowest price per share	EUR	**13.62**	14.04	14.46	7.80	11.16
Highest price per share	EUR	**18.52**	24.45	23.40	15.02	20.60
Price per share, Dec 31	EUR	**17.86**	15.38	23.00	14.98	11.26
Market value of shares	EUR million	**1,443.0**	1,239.3	1,873.8	1,220.4	917.7
Number of shares, 1,000 pcs		**81,000.0**	81,000.0	81,905.2	81,905.2	81,905.2
Number of treasury shares, 1,000 pcs		**202.9**	419.5	433.7	433.7	408.7
Number of shares traded, 1,000 pcs		**5,962.2**	9,724.6	8,016.4	11,112.7	9,148.1
Price per earnings	EUR	**20.6**	12.7	21.7	18.1	17.8
Dividend per earnings in percent	%	**94.8**[1]	62.7	71.5	72.3	88.4
Dividend yield in percent	%	**4.6**[1]	4.9	3.3	4.0	5.0
Number of shareholders, Dec 31		**33,776**	32,602	30,080	25,968	23,495

[1] Board's proposal.

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

Calculation of financial indicators

In addition to financial performance indicators defined by IFRS, Fiskars Group published certain Alternative Performance Measures to better reflect the operational business performance and to facilitate comparisons between financial periods. Reconciliation of comparable EBIT and comparable EBITDA can be found in section Other financial information.

EBIT = Operating profit

Comparable EBIT = Operating profit (EBIT) +/- items affecting comparability

Comparable EBITDA = Operating profit (EBIT) + depreciations + amortizations +/- items affecting comparability

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

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

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

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

$$\text{Earnings per share} = \frac{\text{Profit for the period attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding, end of period}}$$

$$\text{Earnings per share excl. IAC} = \frac{\text{Profit for the period attributable to equity holders of the parent company +/- items affecting comparability}}{\text{Weighted average number of shares outstanding, end of period}}$$

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

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

Market capitalization = Number of outstanding shares, end of period x market quotation, end of period

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

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

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

$$\text{Dividend yield, \% =} = \frac{\text{Dividend per share}}{\text{Market quotation, adjusted for emissions, end of period}} \times 100$$

Shares

Number of shares, votes and share capital

Fiskars Corporation's shares are traded in the Large Cap segment of Nasdaq Helsinki. The Company has one series of shares FSKRS. All shares carry one vote each and have equal rights.

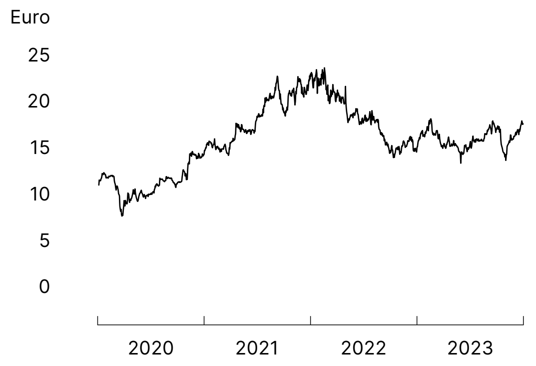
The total number of shares at the end of 2023 was 81,000,000 (2022: 81,000,000). The share capital was 77,510,200.

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, 2023	81,000,000

Fiskars share price development

EUR, Jan 1, 2020–Dec 31, 2023



Treasury shares

At the end of the year, Fiskars Corporation owned 202,927 treasury shares, corresponding to 0.3% 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 2023 decided to authorize the Board to decide on the repurchase of the company's own shares and/or the acceptance as pledge of the company's own shares. The maximum number of shares to be repurchased and/or accepted as pledge is 4,000,000.

In addition, the Annual General Meeting 2023 decided to authorize the Board of Directors to decide on the transfer of a total maximum of 4,000,000 own shares held as treasury shares (share issue), in one or several instalments, either against or without consideration.

Changes in the number of shares, 2019–2023

	Total
Total shares, Dec 31, 2019	81,905,242
Total shares, Dec 31, 2020	81,905,242
Total shares, Dec 31, 2021	81,905,242
Total shares, Dec 31, 2022	81,000,000
Total shares, Dec 31, 2023	81,000,000
Treasury shares Dec 31, 2023	202,927

Shareholders

Fiskars Corporation had 33,776 (2022: 32,602) shareholders as of the end of the year. Approximately 1.6% (2022: 1.6) of the share capital was owned by shareholders outside Finland and 3.4% (2022: 3.4) by nominee-registered shareholders.

Management shareholding

On December 31 2023, 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 37,177,859 (2022: 37,010,393) shares corresponding to 45.9% (2022: 45.7) of the Company's shares and votes. The Company did not have any share option programs.

Share ownership, December 31, 2023

	Number of shareholders	%	Number of shares and votes	%
Financial and insurance institutions	42	0.12	13,583,085	16.77
Households	32,555	96.39	27,005,315	33.34
Private companies	779	2.31	29,201,895	36.05
Non-profit organizations	232	0.69	5,777,949	7.13
General government	8	0.02	4,110,306	5.07
Rest of the world	160	0.47	1,321,450	1.63
Total	33,776	100.00	81,000,000	100.00
Of which nominee registered	11	0.03	2,726,644	3.37

Distribution of shares, December 31, 2023

Number of shares	Number of shareholders	%	Number of shares and votes	%
1–100	19,882	58.86	770,303	0.95
101–500	9,496	28.12	2,404,922	2.97
501–1,000	2,139	6.33	1,626,577	2.01
1,001–5,000	1,800	5.33	3,854,605	4.76
5,001–10,000	204	0.60	1,422,471	1.76
10,001–50,000	166	0.49	3,487,485	4.31
50,001–100,000	27	0.08	1,803,959	2.23
100,001–500,000	38	0.11	8,749,365	10.80
500,001–	24	0.07	56,880,313	70.22
Total	33,776	100.00	81,000,000	100.00

Major shareholders, December 31, 2023

		Total shares	% of shares and votes
1	Virala Oy Ab	12,740,000	15.73
2	Turret Oy Ab	11,430,961	14.11
3	Holdix Oy Ab	10,165,537	12.55
4	Sophie Von Julins Stiftelse	2,556,000	3.16
5	Julius Tallberg Corp.	2,554,350	3.15
6	Gripenberg Gerda Margareta Lindsay Db	1,983,000	2.45
7	Varma Mutual Pension Insurance Company	1,659,326	2.05
8	The estate of Greta Von Julin	1,560,000	1.93
9	Ilmarinen Mutual Pension Insurance Company	1,428,930	1.76
10	Elo Mutual Pension Insurance Company	1,005,000	1.24
11	Ehrnrooth Albert Carl Göran	855,372	1.06
12	Lindsay von Julin & Co Ab	750,000	0.93
13	Hartwall Peter Johan	748,450	0.92
14	Therman Anna Maria Elisabeth	722,436	0.89
15	Fromond Lilli Sophie Louise	601,135	0.74
16	Fromond Anna Gabriell	600,518	0.74
17	von Limburg Stirum Mariana	596,298	0.74
18	Åberg Karin Margareta Albertina	546,500	0.68
19	Hisinger-Jägerskiöld Barbara Maria	544,117	0.67
20	Ehrnrooth Jacob	526,929	0.65
20 major shareholders		53,574,859	66.14

Pioneering design to make *the everyday extraordinary.*

QUALITY SINCE 1649

Fiskars Group in brief

Fiskars Group (FSKRS, Nasdaq Helsinki) is the global home of design-driven brands for indoor and outdoor living. Our brands include Fiskars, Georg Jensen, Gerber, Iittala, Moomin Arabia, Royal Copenhagen, Waterford, and Wedgwood. Our brands are present in more than 100 countries and we have close to 450 own stores. We have approximately 7,000 employees and our global net sales in 2023 were EUR 1.1 billion.

We are driven by our common purpose: Pioneering design to make the everyday extraordinary. In 2024, we are celebrating our 375th anniversary. Since 1649, we have designed products of timeless, purposeful, and functional beauty, while driving innovation and sustainable growth.

Read more: fiskarsgroup.com