



Q3 | Interim Report

JANUARY 1 – SEPTEMBER 30, 2020



Suominen Corporation Interim Report October 27, 2020 at 9:30 a.m. (EET)

Suominen Corporation's Interim Report for January 1–September 30, 2020:

Strong performance continued

KEY FIGURES

	7-9/ 2020	7-9/ 2019	1-9/ 2020	1-9/ 2019	1-12/ 2019
Net sales, EUR million	115.4	103.4	347.8	317.0	411.4
EBITDA *	18.1	7.8	47.4	26.2	33.7
EBITDA, %	15.7	7.6	13.6	8.3	8.2
Comparable operating profit, EUR million	12.9	1.1	31.0	6.7	8.1
Comparable operating profit, %	11.2	1.1	8.9	2.1	2.0
Operating profit, EUR million	12.9	1.1	31.0	6.7	8.1
Profit for the period, EUR million	10.9	-0.1	22.8	1.4	0.2
Cash flow from operations, EUR million	20.1	17.4	39.1	24.2	29.9
Cash flow from operations per share, EUR	0.35	0.30	0.68	0.42	0.52
Earnings per share, basic, EUR	0.19	0.00	0.40	0.02	0.00
Return on invested capital, rolling 12 months, %	–	–	13.8	3.0	3.7
Gearing, %	–	–	29.9	52.1	50.7

*2019 EBITDA restated.

In this financial report, figures shown in brackets refer to the comparison period last year if not otherwise stated.

July–September 2020 in brief:

- Net sales increased 12% from the corresponding period of 2019 and were EUR 115.4 million (103.4)
- Operating profit increased significantly and was EUR 12.9 million (1.1)
- Cash flow from operations improved and was EUR 20.1 million (17.4)

January–September 2020 in brief:

- Net sales increased 10% from the corresponding period of 2019 and were EU 347.8 million (317.0)
- Operating profit increased significantly and was EUR 31.0 million (6.7)
- Cash flow from operations improved and was EUR 39.1 million (24.2)

Outlook for 2020 unchanged

Suominen reiterates the outlook presented on June 17, 2020, in which Suominen expects that in 2020 its comparable operating profit will improve significantly from 2019. In 2019, Suominen's operating profit amounted to EUR 8.1 million. In financial years 2020 and 2019 Suominen had no items affecting the comparability of the operating profit.

Petri Helsky, President & CEO:

"Suominen achieved again a record high quarterly operating profit in the third quarter. Our operating profit increased to EUR 12.9 million (1.1) due to higher production and sales volumes and margin improvement through favorable raw material costs and improved efficiency. Development was positive at all sites, with also our variable cost optimization program continuing to yield results.

Our net sales increased by 12% and amounted to EUR 115.4 million (103.4). Sales volumes increased but sales prices decreased following the lower raw material prices. Demand for wipes continued on a high level driven by the COVID-19 pandemic. Currencies impacted net sales by EUR -5.6 million.

The operating environment continued to be marked by the COVID-19 pandemic. Our primary focus continues to be to safeguard the health and safety of our employees and to maintain business continuity. We also ensured our financial position and liquidity by renewing our revolving credit facility in July.

The pandemic increased sales volumes in all our markets. We expect the higher demand to continue at least in the fourth quarter and early 2021. However, our sales in December are expected to be impacted negatively by the holiday season, as usual. In the longer term the pandemic may lead to a continued increase in demand for nonwovens for cleaning and disinfection products.

In August, we announced that we will increase our spunlace capacity in Europe by upgrading and restarting one of our existing production lines in Cressa, Italy. This investment will strengthen our capabilities in Europe and it is made in line with our strategy aiming for growth.

In September, we published our new sustainability targets and KPIs. Our sustainability agenda has four themes, People and safety, Sustainable nonwovens, Low-impact manufacturing and Corporate Citizenship and now we have ambitious targets for each of them.

During the quarter, we launched two new sustainable products: BIOLACE® Pure and BIOLACE® Combo. Both of these BIOLACE® products are made of renewable raw materials and both are biodegradable and compostable. BIOLACE® Pure is designed to be used in wipes and BIOLACE® Combo in absorbent hygiene products. Our frontrunner status in nonwovens innovation was recognized also by Rockline, one of our major customers, who granted us their Supplier Innovation Award 2020, citing our novel sustainable product development.

Our financial performance continued strong in the third quarter. Going forward we continue to ensure the health of our employees, serve and support our customers, run our operations efficiently and implement our strategy."

NET SALES

July–September 2020

In July–September 2020, Suominen's net sales improved from the comparison period by 12% to EUR 115.4 million (103.4). Currencies impacted net sales by EUR -5.6 million.

Suominen has two business areas, Americas and Europe. Net sales of the Americas business area amounted to EUR 71.9 million (66.2) and net sales of the Europe business area EUR 43.5 million (37.2).

January–September 2020

In January–September 2020, Suominen's net sales improved from the comparison period by 10% and amounted to EUR 347.8 million (317.0). Currencies impacted net sales by EUR -4.4 million.

Net sales of the Americas business area amounted to EUR 222.3 million (199.5) and net sales of the Europe business area to EUR 125.6 million (117.5).

OPERATING PROFIT AND RESULT

July–September 2020

Operating profit improved significantly from the comparison period and amounted to EUR 12.9 million (1.1). Currencies impacted operating profit by EUR -0.2 million.

Profit before income taxes was EUR 11.1 million (0.0), and profit for the reporting period was EUR 10.9 million (-0.1). Income taxes for the period, EUR -0.3 million (-0.1), were impacted by recognition of additional deferred tax assets from previous years' losses as the possibility to utilize the losses has increased.

January–September 2020

Operating profit increased significantly and was EUR 31.0 million (6.7). Currencies impacted operating profit by EUR -1.5 million.

Profit before income taxes was EUR 25.4 million (2.7), and profit for the reporting period was EUR 22.8 million (1.4).

Income taxes for the period, EUR -2.6 million (-1.2), were impacted by recognition of additional deferred tax assets from previous years' losses as the possibility to utilize the losses has increased. The corporate income taxes were also positively impacted in the first quarter by the US tax reliefs enacted as a result of the COVID-19 pandemic.

FINANCING

The Group's net interest-bearing liabilities at nominal value amounted to EUR 43.1 million (71.3) at the end of the review period. The gearing ratio was 29.9% (52.1%) and the equity ratio 46.0% (42.4%).

In January–September, net financial expenses were EUR -5.5 million (-4.1), or -1.6% (-1.3%) of net sales. Fluctuations in exchange rates increased the net financial expenses by EUR 1.6 million (in 2019, decreased

by EUR 0.5 million). The net financial expenses include a bad debt provision based on expected credit losses of loan receivables totaling EUR -0.6 million and a fair value change of assets of EUR +0.3 million.

Cash flow from operations in July–September was EUR 20.1 million (17.4) and in January–September EUR 39.1 million (24.2), representing a cash flow per share of EUR 0.68 (0.42). The improvement in the cash flow from operations for January–September was mainly driven by better result.

In the third quarter the change in net working capital was positive by EUR 6.4 million (+10.4).

The change in net working capital was EUR -2.3 million negative in January–September 2020 when in the corresponding period last year the change in net working capital was EUR 0.6 million positive.

On July 13, 2020 Suominen announced that it had entered into a new single-currency syndicated revolving credit facility agreement of EUR 100 million with a maturity of three years with two one-year extension options. The lenders for the facility are Danske Bank A/S, Finland Branch and Nordea. The new credit facility includes leverage ratio and gearing as financial covenants. The margin of the facility will increase or decrease dependent on Suominen meeting two sustainability key performance indicators (“KPI”), namely:

- Increase in the sales of sustainable products
- Reduction of greenhouse gas emissions

The new credit facility replaced the EUR 100 million syndicated revolving credit facility agreement provided by Nordea and Svenska Handelsbanken AB (publ), Branch Operation in Finland as the lenders.

CAPITAL EXPENDITURE

Suominen announced in August that it increases its spunlace capacity in Europe by upgrading and restarting one of its existing production lines in Cressa, Italy. The investment will strengthen Suominen’s capabilities in Europe and it is made in line with the strategy aiming for growth. The total value of the investment is approx. EUR 8 million and it will be finalized during the second half of 2021.

In January-September, the gross capital expenditure totaled EUR 4.9 million (8.6) and the largest items were related to the growth investment initiatives in Italy. Other investments were mainly for maintenance. Depreciation and amortization for the review period amounted to EUR 16.4 million (19.5).

IMPACTS OF THE COVID-19 PANDEMIC ON SUOMINEN

The health and safety of Suominen’s employees is a key priority. Suominen has secured the health and safety of its employees by various measures and is closely monitoring the COVID-19 situation. Thanks to our proactive approach, there has been a limited impact on our ability to serve our customers and run our operations so far.

As a nonwovens manufacturer Suominen is an integral part of the supply chain making disinfecting and cleaning products, facemasks and protective clothing available to everyone around the world. The authorities have classified our nonwovens production as essential in fighting the pandemic in the jurisdictions where other business activities were shut down.

The pandemic has increased demand for our products in all our markets and the higher demand is expected to continue at least in the fourth quarter and early 2021. In the longer term the COVID-19

pandemic may lead to a continued increase in demand for nonwovens for cleaning and disinfection products.

Both Suominen's financial position and cash flow have remained strong throughout the pandemic.

Risks related to COVID-19 are described in the short-term risk and uncertainties section.

PROGRESS IN SUSTAINABILITY

We published our concrete sustainability targets and KPIs in September 2020.

We have strong focus on safety and accident prevention, and our long-term target is to have zero lost-time accidents. There were no lost-time accidents (LTA) in the third quarter (2 in Q3/2019), in January-September 2020 one lost-time accident occurred at Suominen sites (4 in Q1-Q3/2019). Increasing employee engagement is another of our key people-related targets. Our global employee engagement survey was launched in early October and the results will be used to create concrete action plans in order to systematically develop our employee engagement and performance in the future.

We are committed to continuously improving our production efficiency and the efficient utilization of natural resources. Our target for 2025 is to reduce our energy consumption, greenhouse gas emissions, water consumption and waste to landfill by 20% per ton of product compared to the base year of 2019. We have now defined concrete action plans and timelines to reach these targets.

Regarding sustainable products, our target is to increase their sales by 50% by 2025 and to have over 10 sustainable product launches per year. During the quarter, we launched two new sustainable products: BIOLACE® Pure and BIOLACE® Combo. Both of these BIOLACE® products are made of renewable raw materials and both are biodegradable and compostable. BIOLACE® Pure is designed to be used in wipes and BIOLACE® Combo in absorbent hygiene products.

In the Corporate citizenship area, we have renewed our Code of Conduct during the autumn and will publish it later this year. A new mandatory Code of Conduct training program for all employees will be launched in 2021.

INFORMATION ON SHARES AND SHARE CAPITAL

Share capital

The number of Suominen's registered shares was 58,259,219 shares on September 30, 2020, equaling to a share capital of EUR 11,860,056.00.

Share trading and price

The number of Suominen Corporation shares traded on Nasdaq Helsinki from January 1 to September 30, 2020 was 6,483,441 shares, accounting for 11.3% of the average number of shares (excluding treasury shares). The highest price was EUR 5.36, the lowest EUR 2.00 and the volume-weighted average price EUR 3.66. The closing price at the end of review period was EUR 4.95. The market capitalization (excluding treasury shares) was EUR 285.0 million on September 30, 2020.

Treasury shares

On September 30, 2020, Suominen Corporation held 690,878 treasury shares.

In accordance with the resolution by the Annual General Meeting, in total 29,121 shares were transferred to the members of the Board of Directors as their remuneration payable in shares in May.

In accordance with the matching share-based payment program, 9,352 shares were transferred to the participants of the program in September.

The portion of the remuneration of the members of the Board of Directors which shall be paid in shares

The Annual General Meeting held on March 19, 2020 decided that the remuneration payable to the members of the Board remains unchanged. 60% of the annual remuneration is paid in cash and 40% in Suominen Corporation's shares.

The number of shares forming the remuneration portion which is payable in shares was determined based on the share value in the stock exchange trading maintained by Nasdaq Helsinki Ltd, calculated as the trade volume weighted average quotation of the share during the one month period immediately following the date on which the Interim Report of January–March 2020 of the company is published. The shares were given out of the treasury shares held by the company by the decision of the Board of Directors on May 28, 2020.

Share-based incentive plans for the management and key employees

The Group management and key employees participate in the company's share-based incentive plan. The earlier plans are described in detail in the Financial Statements 2019 and in the Remuneration Statement 2019 of Suominen Corporation, available on the company's website www.suominen.fi.

On December 11, 2017 the Board of Directors approved a share-based incentive plan for the Group management and key employees. The aim of the plan is to combine the objectives of the shareholders and the persons participating in the plan in order to increase the value of the Company in long-term, to build loyalty to the company and to offer them competitive reward plans based on earning and accumulating the Company's shares. The plan includes three 3-year performance periods, calendar years 2018-2020, 2019-2021 and 2020-2022.

Performance Share Plan performance periods

Period	2018-2020	2019-2021	2020-2022
Incentive based on	Total Shareholder Return (TSR) and EBIT %	Total Shareholder Return (TSR)	Total Shareholder Return (TSR)
Potential reward payment	Will be paid partly in Suominen shares and partly in cash in spring 2021	Will be paid partly in Suominen shares and partly in cash in spring 2022	Will be paid partly in Suominen shares and partly in cash in spring 2023
Participants	Approx. 20 people	Approx. 20 people	Approx. 20 people
Maximum number of shares	502,000	729,000	893,000

The President & CEO of the Company must hold 50% of the net number of shares given on the basis of the plan, as long as his or her shareholding in total corresponds to the value of his or her annual gross salary. A member of the Executive Team must hold 50% of the net number of shares given on the basis of the plan, as long as his or her shareholding in total corresponds to the value of half of his or her annual gross salary. Such number of shares must be held as long as the participant's employment or service in a group company continues.

Matching Restricted Share Plan 2019-2021

The Board of Directors of Suominen Corporation approved on June 4, 2019 a Matching Restricted Share Plan for selected key employees in the Suominen Group. The prerequisite for receiving a reward from the plan is that a participant acquires the company's shares, amounting to the number resolved by the Board.

If the prerequisites set for a participant have been fulfilled and his or her employment or service in a company belonging to the Suominen Group is in force at the time of the reward payment, he or she will receive matching shares as a reward.

The plan includes vesting periods, the duration of which is resolved by the Board. The potential reward will be paid partly in shares and partly in cash after a vesting period. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants.

The prerequisite for reward payment is that a participant's employment or service is in force upon reward payment. The plan rewards to be allocated in 2019–2021 will amount to a maximum total of 200,000 Suominen Corporation shares including also the proportion to be paid in cash.

The first vesting period of the matching restricted share plan ended in September and in total 9,352 shares were transferred to the participants.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of Suominen Corporation was held on March 19, 2020.

The AGM adopted the Financial Statements and the Consolidated Financial Statements for the financial year 2019 and discharged the members of the Board of Directors and the President & CEO from liability for the financial year 2019. The AGM approved the Remuneration Policy for the governing bodies.

The AGM decided, in accordance with the proposal by the Board of Directors, that a dividend of EUR 0.05 per share will be paid.

The AGM confirmed the remuneration of the Board of Directors. The Chair will be paid an annual fee of EUR 66,000 and the Deputy Chair and other Board members an annual fee of EUR 31,000. Chair of the Audit Committee will be paid an additional fee of EUR 10,000. Further, the members of the Board will receive a fee for each Board and Committee meeting as follows: EUR 500 for each meeting held in the home country of the respective member, EUR 1,000 for each meeting held elsewhere than in the home country of the respective member and EUR 250 for each meeting held as telephone conference. 60% of the remuneration is paid in cash and 40% in Suominen Corporation's shares. Compensation for expenses is paid in accordance with the company's valid travel policy.

The AGM decided that the number of Board members remains unchanged at six (6). Mr. Jan Johansson was re-elected as Chair of the Board of Directors and Mr. Andreas Ahlström, Ms. Sari Pajari and Ms. Laura Raitio were re-elected as members of the Board. Mr. Björn Borgman and Ms. Nina Linander were elected as new members of the Board.

Ernst & Young Oy, Authorised Public Accountant firm, was re-elected as the auditor of the company for the next term of office in accordance with the Articles of Association. Ernst & Young Oy appointed Mr. Toni Halonen, Authorised Public Accountant, as the principally responsible auditor of the company.

The AGM authorized the Board of Directors to decide on the repurchase of the company's own shares and to resolve on the issuance of shares and granting of options and the issuance of special rights entitling to shares. The terms and conditions of the authorization are explained later in this interim report.

Suominen published a stock exchange release on March 19, 2020 concerning the resolutions of the Annual General Meeting and the organizing meeting of the Board of Directors. The stock exchange release and the meeting materials can be viewed on Suominen's website at www.suominen.fi.

In compliance with the resolution of the Annual General Meeting, on April 3, 2020 Suominen paid out dividends of EUR 2.9 million for 2019, corresponding to EUR 0.05 per share.

Organizing meeting and permanent committees of the Board of Directors

In its organizing meeting held after the AGM, the Board of Directors elected Andreas Ahlström as Deputy Chair of the Board.

The Board of Directors elected from among its members the members for the Audit Committee and Personnel and Remuneration Committee. Nina Linander was elected as the Chair of the Audit Committee and Andreas Ahlström and Laura Raitio were re-elected as members. Jan Johansson was re-elected as the Chair of the Personnel and Remuneration Committee and Sari Pajari was re-elected as a member. Björn Borgman was elected as a new member to the Personnel and Remuneration Committee.

Authorizations of the Board of Directors

The Annual General Meeting (AGM) held on March 19, 2020 authorized the Board of Directors to decide on the repurchase a maximum of 400,000 of the company's own shares. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The shares shall be repurchased to be used in company's share-based incentive programs, in order to disburse the remuneration of the members of the Board of Directors, for use as consideration in acquisitions related to the company's business, or to be held by the company, to be conveyed by other means or to be cancelled. The Board of Directors shall decide on other terms and conditions related to the repurchase of the company's own shares. The repurchase authorization shall be valid until June 30, 2021 and it revokes all earlier authorizations to repurchase company's own shares.

The Annual General Meeting (AGM) held on March 19, 2020 authorized the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company and/or granting options and other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. New shares may be issued, and the company's own shares may be conveyed to the company's shareholders in proportion to their current shareholdings in the company; or by waiving the shareholder's pre-emption right, through a directed share issue if the company has a weighty financial reason to do so, such as, for example, using the shares as consideration in possible acquisitions or other arrangements related to the company's business, as financing for investments, using shares as part of the company's incentive program or using the shares for disbursing the portion of the Board members' remuneration that is to be paid in shares. The new shares may also be issued without payment to the company itself. New shares

may be issued and/or company's own shares held by the company or its group company may be conveyed at the maximum amount of 5,000,000 shares in aggregate.

The Board of Directors may grant options and other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive against payment new shares or own shares held by the company. The right may also be granted to the company's creditor in such a manner that the right is granted on condition that the creditor's receivable is used to set off the subscription price ("Convertible Bond"). However, options and other special rights referred to in Chapter 10, Section 1 of the Companies Act cannot be granted as part of the company's remuneration plan.

The maximum number of new shares that may be subscribed and own shares held by the company that may be conveyed by virtue of the options and other special rights granted by the company is 5,000,000 shares in total which number is included in the maximum number stated above.

The authorizations shall revoke all earlier authorizations regarding share issue and issuance of special rights entitling to shares. The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations shall be valid until June 30, 2021.

NOTIFICATIONS UNDER CHAPTER 9, SECTION 5 OF THE SECURITIES MARKET ACT

During the review period Suominen received no notifications under Chapter 9, Section 5 of the Securities Market Act.

NOMINATION BOARD

Suominen's three largest registered shareholders AC Invest Two B.V., Oy Etra Invest Ab and Varma Mutual Pension Insurance Company have nominated the following members to the Shareholders' Nomination Board:

- Lasse Heinonen, President & CEO of Ahlström Capital Oy, as a member appointed by AC Invest Two B.V.;
- Erik Malmberg, Investment Advisory Professional, Triton Advisers AB, as a member appointed by Oy Etra Invest Ab;
- Hanna Kaskela, Director of Responsible Investments, Varma Mutual Pension Insurance Company

Jan Johansson, Chair of Suominen's Board of Directors, serves as the fourth member of the Nomination Board. The shareholders entitled to appoint members to the Nomination Board were determined on the basis of the registered holdings in the company's shareholders' register on September 1, 2020.

SHORT TERM RISKS AND UNCERTAINTIES

Currently the COVID-19 pandemic is causing uncertainty. The key risks related to the virus have concerned the health and safety of Suominen personnel and customers, possible shortages of raw materials as well as potential closures of customers' or our own plants due to virus infections or authority decisions and issues linked to logistics. These risks remain valid in the last quarter of the year as unfortunately the coronavirus situation seems to be deteriorating in many countries.

We have implemented extensive precautions to protect the health and safety of our employees and to ensure business continuity and progress of our strategic projects during the pandemic. We continuously monitor the raw material situation closely and we have identified risk mitigation measures such as

utilization of supplementary raw material sources.

The vast majority of our customers have also experienced increased demand for their products and thus our customer credit risks have not materially increased. The COVID-19 pandemic has not increased Suominen's risk of impairment losses on non-current assets.

Suominen's other risks and uncertainties include, but are not limited to: risks related to manufacturing, competition, raw material prices and availability and customer specific volumes and credits, changes in legislation, political environment or economic conditions and investments, and financial risks.

A more detailed description of risks is available in Suominen's Annual Report and Q1/2020 Interim report at suominen.fi/investors.

BUSINESS ENVIRONMENT

Suominen's nonwovens are, for the most part, used in daily consumer goods, such as wet wipes as well as in hygiene and medical products. In these target markets of Suominen, the general economic situation determines the development of consumer demand, even though the demand for consumer goods is not very cyclical in nature. North America and Europe are the largest market areas for Suominen. In addition, the company operates in South American markets. The growth in the demand for nonwovens has typically exceeded the growth of gross domestic product by a couple of percentage points.

The demand for nonwovens has increased due to COVID-19 pandemic. In the short term, the higher demand is expected to continue. In the longer term, the COVID-19 pandemic may lead to a continued increase in demand for nonwovens for cleaning and disinfection products.

OUTLOOK FOR 2020

Suominen reiterates the outlook presented on June 17, 2020, in which Suominen expects that in 2020 its comparable operating profit will improve significantly from 2019. In 2019, Suominen's operating profit amounted to EUR 8.1 million. In financial years 2020 and 2019 Suominen had no items affecting the comparability of the operating profit.

CORPORATE GOVERNANCE AND REMUNERATION STATEMENTS

Suominen has prepared a separate Corporate Governance Statement and a Remuneration Statement for 2019, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies. The statements also cover other central areas of corporate governance. The statements have been published on Suominen's website, separately from the Report of the Board of Directors, at www.suominen.fi.

AUDIOCAST AND CONFERENCE CALL

Petri Helsky, President & CEO, and Toni Tamminen, CFO, will present the result in English in an audiocast for analyst, investors and media on October 27 at 11:00 a.m. (EET). The audiocast can be followed at <https://suominen.videosync.fi/2020-q3-results>. The recording of the audiocast and the presentation material will be available after the event at www.suominen.fi.

Conference call participants are requested to dial on:
SE: +46 856 642 651

UK: +44 333 300 0804

US: +1 631 913 1422

The confirmation code for joining the conference call is 30794525#.

NEXT FINANCIAL REPORT

Suominen Corporation will publish its Financial Statements Release 2020 on February 4, 2021 approximately at 9:30 a.m. (EET).

SUOMINEN GROUP 1 JANUARY–30 SEPTEMBER 2020

The figures in this interim report are mainly presented in EUR thousands. As a result of rounding differences, the figures presented in the tables do not necessarily add up to total.

This interim report has not been audited.

This interim report has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting. The principles for preparing the interim report are the same as those used for preparing the consolidated financial statements for 2019, with the exception of the effect of the new accounting standards and interpretations which have been applied from 1.1.2020.

The new or amended standards or interpretations applicable from 1.1.2020 are not material for Suominen Group.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Assets			
Non-current assets			
Goodwill	15,496	15,496	15,496
Intangible assets	17,613	20,780	20,020
Property, plant and equipment	106,082	126,352	121,584
Right-of-use assets	14,309	15,384	14,319
Loan receivables	3,650	3,348	3,650
Equity instruments	777	777	777
Other non-current receivables	69	43	70
Deferred tax assets	2,647	2,097	2,091
Total non-current assets	160,642	184,277	178,007
Current assets			
Inventories	37,977	41,561	39,257
Trade receivables	53,671	52,905	46,728
Loan receivables	3,256	4,017	3,845
Other current receivables	5,693	4,747	3,820
Assets for current tax	3,652	996	701
Cash and cash equivalents	48,742	34,717	37,741
Total current assets	152,991	138,943	132,093
Total assets	313,633	323,220	310,100
Equity and liabilities			
Equity			
Share capital	11,860	11,860	11,860
Share premium account	24,681	24,681	24,681
Reserve for invested unrestricted equity	81,361	81,269	81,269
Treasury shares	-44	-44	-44
Fair value and other reserves	2	264	264
Exchange differences	-8,131	3,944	707
Retained earnings	34,344	14,897	13,715
Total equity attributable to owners of the parent	144,074	136,871	132,452

Liabilities
Non-current liabilities

Deferred tax liabilities	13,444	12,928	12,786
Liabilities from defined benefit plans	769	769	788
Provisions	1,665	1,595	1,608
Non-current lease liabilities	10,914	11,371	10,464
Other non-current liabilities	17	17	17
Debentures	82,563	81,428	81,714
Total non-current liabilities	109,372	108,107	107,375

Current liabilities

Current lease liabilities	2,817	2,990	2,986
Other current interest-bearing liabilities	-	14,000	14,000
Liabilities for current tax	787	362	5
Trade payables and other current liabilities	56,584	60,890	53,282
Total current liabilities	60,188	78,242	70,273

Total liabilities	169,559	186,349	177,648
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Total equity and liabilities	313,633	323,220	310,100
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR thousand	7-9/2020	Restated 7-9/2019	1-9/2020	Restated 1-9/2019	Restated 1-12/2019
Net sales	115,435	103,363	347,808	316,953	411,412
Cost of goods sold	-95,751	-95,071	-295,320	-288,560	-374,501
Gross profit	19,684	8,292	52,488	28,393	36,911
Other operating income	694	694	2,031	2,297	2,903
Sales, marketing and administration expenses	-6,450	-6,888	-20,740	-20,750	-27,268
Research and development expenses	-807	-860	-2,131	-2,582	-3,376
Other operating expenses	-215	-130	-685	-633	-1,041
Operating profit	12,907	1,108	30,962	6,724	8,129
Net financial expenses	-1,761	-1,080	-5,518	-4,072	-5,998
Profit before income taxes	11,146	28	25,444	2,652	2,132
Income taxes	-270	-108	-2,622	-1,232	-1,907
Profit for the period	10,877	-80	22,822	1,420	225

Earnings per share, EUR

Basic	0.19	0.00	0.40	0.02	0.00
Diluted	0.19	0.00	0.40	0.02	0.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Profit for the period	10,877	-80	22,822	1,420	225
Other comprehensive income:					
Other comprehensive income that will be subsequently reclassified to profit or loss					
Exchange differences	-5,976	4,116	-9,252	5,130	1,570
Reclassified to profit or loss	-	-	-327	-	-
Income taxes related to other comprehensive income	447	-455	479	-517	-193
Total	-5,529	3,661	-9,100	4,614	1,377
Other comprehensive income that will not be subsequently reclassified to profit or loss					
Remeasurements of defined benefit plans	-	-	-	-	75
Income taxes related to other comprehensive income	-	-	-	-	-21
Total	-	-	-	-	54
Total other comprehensive income	-5,529	3,661	-9,100	4,614	1,431
Total comprehensive income for the period	5,347	3,581	13,722	6,034	1,656

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares
Equity 1.1.2020	11,860	24,681	81,269	-44
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
Share-based payments	-	-	-	-
Conveyance of treasury shares	-	-	92	-
Dividends paid	-	-	-	-
Equity 30.9.2020	11,860	24,681	81,361	-44

EUR thousand	Exchange differences	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
Equity 1.1.2020	707	264	13,715	132,452
Profit for the period	-	-	22,822	22,822
Other comprehensive income	-8,838	-262	-	-9,100
Total comprehensive income	-8,838	-262	36,537	13,722
Share-based payments	-	-	684	684
Conveyance of treasury shares	-	-	-	92
Dividends paid	-	-	-2,876	-2,876
Equity 30.9.2020	-8,131	2	34,344	144,074

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares
Equity 1.1.2019	11,860	24,681	81,185	-44
Profit / loss for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
Share-based payments	-	-	-	-
Conveyance of treasury shares	-	-	84	-
Equity 30.9.2019	11,860	24,681	81,269	-44

EUR thousand	Exchange differences	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
Equity 1.1.2019	-669	264	13,237	130,513
Profit / loss for the period	-	-	1,420	1,420
Other comprehensive income	4,614	-	-	4,614
Total comprehensive income	4,614	-	1,420	6,034
Share-based payments	-	-	240	240
Conveyance of treasury shares	-	-	-	84
Equity 30.9.2019	3,944	264	14,897	136,871

EUR thousand	Share capital	Share premium account	Reserve for invested unrestricted equity	Treasury shares
Equity 1.1.2019	11,860	24,681	81,185	-44
Profit for the period	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-
Share-based payments	-	-	-	-
Conveyance of treasury shares	-	-	84	-
Equity 31.12.2019	11,860	24,681	81,269	-44

EUR thousand	Exchange differences	Fair value and other reserves	Retained earnings	Total equity attributable to owners of the parent
Equity 1.1.2019	-669	264	13,237	130,513
Profit for the period	-	-	225	225
Other comprehensive income	1,377	-	54	1,431
Total comprehensive income	1,377	-	279	1,656
Share-based payments	-	-	198	198
Conveyance of treasury shares	-	-	-	84
Equity 31.12.2019	707	264	13,715	132,452

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1-9/2020	1-9/2019	1-12/2019
Cash flow from operations			
Profit for the period	22,822	1,420	225
Total adjustments to profit for the period	25,672	25,861	34,585
Cash flow before changes in net working capital	48,494	27,281	34,810
Change in net working capital	-2,251	611	1,631
Financial items	-3,224	-2,613	-5,222
Income taxes	-3,882	-1,120	-1,324
Cash flow from operations	39,137	24,160	29,895
Cash flow from investments			
Investments in property, plant and equipment and intangible assets	-6,474	-9,410	-10,520
Sales proceeds from property, plant and equipment and intangible assets	-	0	73
Cash flow from investments	-6,474	-9,410	-10,447
Cash flow from financing			
Drawdown of current interest-bearing liabilities	15,000	24,000	38,000
Repayment of current interest-bearing liabilities	-31,316	-32,876	-47,572
Dividends paid	-2,876	-	-
Cash flow from financing	-19,192	-8,876	-9,572
Change in cash and cash equivalents	13,471	5,874	9,875
Cash and cash equivalents at the beginning of the period	37,741	27,757	27,757
Effect of changes in exchange rates	-2,470	1,086	109
Change in cash and cash equivalents	13,471	5,874	9,875
Cash and cash equivalents at the end of the period	48,742	34,717	37,741

KEY RATIOS

	7-9/ 2020	7-9/ 2019	1-9/ 2020	Restated 1-9/ 2019	Restated 1-12/ 2019
Change in net sales, % *	11.7	-1.3	9.7	-1.4	-4.6
Gross profit, as percentage of net sales, %	17.1	8.0	15.1	9.0	9.0

EBITDA, as percentage of net sales, %	15.7	7.6	13.6	8.3	8.2
Operating profit, as percentage of net sales, %	11.2	1.1	8.9	2.1	2.0
Comparable operating profit, as percentage of net sales, %	11.2	1.1	8.9	2.1	2.0
Net financial items, as percentage of net sales, %	-1.5	-1.0	-1.6	-1.3	-1.5
Profit before income taxes, as percentage of net sales, %	9.7	0.0	7.3	0.8	0.5
Profit for the period, as percentage of net sales, %	9.4	-0.1	6.6	0.4	0.1
Gross capital expenditure, EUR thousand	2,411	2,277	4,867	8,566	11,198
Depreciation and amortization, EUR thousand	5,200	6,726	16,416	19,507	25,539
Return on equity, rolling 12 months, %	-	-	15.7	-0.4	0.2
Return on invested capital, rolling 12 months, %	-	-	13.8	3.0	3.7
Equity ratio, %	-	-	46.0	42.4	42.7
Gearing, %	-	-	29.9	52.1	50.7
Average number of personnel	-	-	687	689	685
Earnings per share, EUR, basic	0.19	0.00	0.40	0.02	0.00
Earnings per share, EUR, diluted	0.19	0.00	0.40	0.20	0.00
Cash flow from operations per share, EUR	0.35	0.30	0.68	0.42	0.52
Equity per share, EUR	-	-	2.50	2.38	2.30
Number of shares, end of period, excluding treasury shares	-	-	57,568,341	57,529,868	57,529,868
Share price, end of period, EUR	-	-	4.95	2.44	2.31
Share price, period low, EUR	-	-	2.00	2.04	2.04
Share price, period high, EUR	-	-	5.36	2.70	2.70
Volume weighted average price during the period, EUR	-	-	3.66	2.41	2.38
Market capitalization, EUR million	-	-	285.0	140.4	132.9
Number of traded shares during the period	-	-	6,483,441	2,992,411	4,655,863
Number of traded shares during the period, % of average number of shares	-	-	11.3	5.2	8.1

* Compared with the corresponding period in the previous year.

	30.9.2020	30.9.2019	31.12.2019
Interest-bearing net debt, EUR thousands			
Non-current interest-bearing liabilities, nominal value	95,914	96,371	95,464

Current interest-bearing liabilities, nominal value	2,817	16,990	16,986
Interest-bearing receivables and cash and cash equivalents	-55,648	-42,083	-45,236
Interest-bearing net debt	43,084	71,279	67,213

CALCULATION OF KEY RATIOS AND ALTERNATIVE PERFORMANCE MEASURES

Key ratios per share are either IFRS key ratios (earnings per share) or required by Ordinance of the Ministry of Finance in Finland or alternative performance measures (cash flow from operations per share).

Some of the other key ratios Suominen publishes are alternative performance measures. An alternative performance measure is a key ratio which has not been defined in IFRS standards. Suominen believes that the use of alternative performance measures provides useful information for example to investors regarding the Group's financial and operating performance and makes it easier to make comparisons between the reporting periods.

The link between the components of the key ratios per share and the consolidated financial statements is presented in the consolidated financial statements of 2019. The link between the components of the alternative performance measures and the consolidated financial statements is presented in Suominen's Annual Report for 2019.

Calculation of key ratios per share

Earnings per share

Basic earnings per share (EPS) = $\frac{\text{Profit for the period adjusted with interest on hybrid bond, net of tax}}{\text{Share-issue adjusted average number of shares excluding treasury shares}}$

Diluted earnings per share (EPS) = $\frac{\text{Profit for the period}}{\text{Average diluted share-issue adjusted number of shares excluding treasury shares}}$

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Profit for the period	22,822	1,420	225

Average share-issue adjusted number of shares	57,543,631	57,511,273	57,515,960
Average diluted share-issue adjusted number of shares excluding treasury shares	57,727,013	57,576,963	57,601,340

Earnings per share

EUR

Basic	0.40	0.02	0.00
Diluted	0.40	0.02	0.00

Cash flow from operations per share

$$\text{Cash flow from operations per share} = \frac{\text{Cash flow from operations}}{\text{Share-issue adjusted number of shares excluding treasury shares, end of reporting period}}$$

	30.9.2020	30.9.2019	31.12.2019
Cash flow from operations, EUR thousand	39,137	24,160	29,894
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	57,568,341	57,529,868	57,529,868
Cash flow from operations per share, EUR	0.68	0.42	0.52

Equity per share

$$\text{Equity per share} = \frac{\text{Total equity}}{\text{Share-issue adjusted number of shares excluding treasury shares, end of reporting period}}$$

	30.9.2020	30.9.2019	31.12.2019
Total equity attributable to owners of the parent, EUR thousand	144,074	136,871	132,452
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	57,568,341	57,529,868	57,529,868
Equity per share, EUR	2.50	2.38	2.30

Market capitalization

$$\text{Market capitalization} = \text{Number of shares at the end of reporting period excluding treasury shares} \times \text{share price at the end of period}$$

	30.9.2020	30.9.2019	31.12.2019
Number of shares at the end of reporting period excluding treasury shares	57,568,341	57,529,868	57,529,868
Share price at end of the period, EUR	4.95	2.44	2.31
Market capitalization, EUR million	285.0	140.4	132.9

Share turnover

Share turnover = $\frac{\text{The proportion of number of shares traded during the period}}{\text{to weighted average number of shares excluding treasury shares}}$

	30.9.2020	30.9.2019	31.12.2019
Number of shares traded during the period	6,483,441	2,992,411	4,655,863
Average number of shares excluding treasury shares	57,543,631	57,511,273	57,515,960
Share turnover, %	11.3	5.2	8.1

Calculation of key ratios and alternative performance measures

Operating profit and comparable operating profit

Operating profit (EBIT) = Profit before income taxes + net financial expenses

Comparable operating profit (EBIT) = Profit before income taxes + net financial expenses, adjusted with items affecting comparability

In order to improve the comparability of result between reporting periods, Suominen presents comparable operating profit as an alternative performance measure. Operating profit is adjusted with material items that are considered to affect comparability between reporting periods. These items include, among others, impairment losses or reversals of impairment losses, gains or losses from the sales of property, plant and equipment or intangible assets or other assets and restructuring costs. Suominen did not have any items affecting comparability in 2020 or 2019

EBITDA

EBITDA = EBIT + depreciation, amortization and impairment losses

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Operating profit	30,962	6,724	8,129
+ Depreciation, amortization and impairment losses	16,416	19,507	25,539
EBITDA	47,378	26,231	33,668

Gross capital expenditure

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Increases in intangible assets	283	2,003	2,224
Increases in property, plant and equipment	4,583	6,563	8,974
Gross capital expenditure	4,867	8,566	11,198

Interest-bearing net debt

It is the opinion of Suominen that presenting interest-bearing liabilities not only at amortized cost but also at nominal value gives relevant additional information to the investors.

Interest-bearing net debt = Interest-bearing liabilities at nominal value - interest-bearing receivables - cash and cash equivalents

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Interest-bearing liabilities	96,295	109,789	109,163
Tender and issuance costs of the debentures	2,437	3,572	3,286
Interest bearing receivables	-6,905	-7,365	-7,495
Cash and cash equivalents	-48,742	-34,717	-37,741
Interest-bearing net debt	43,084	71,279	67,213
Interest-bearing liabilities	96,295	109,789	109,163
Tender and issuance costs of the debentures	2,437	3,572	3,286
Nominal value of interest-bearing liabilities	98,731	113,361	112,450

Return on equity (ROE), %

Return on equity (ROE), % = $\frac{\text{Profit for the reporting period (rolling 12 months)} \times 100}{\text{Total equity (quarterly average)}}$

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Profit for the reporting period (rolling 12 months)	21,627	-595	225
Total equity attributable to owners of the parent 30.9.2019 / 30.9.2018 / 31.12.2018	136,871	130,981	130,513
Total equity attributable to owners of the parent 31.12.2019 / 31.12.2018 / 31.3.2019	132,452	130,513	133,776
Total equity attributable to owners of the parent 31.3.2020 / 31.3.2019 / 30.6.2019	135,868	133,776	133,178
Total equity attributable to owners of the parent 30.6.2020 / 30.6.2019 / 30.9.2019	138,551	133,178	136,871
Total equity attributable to owners of the parent 30.9.2020 / 30.9.2019 / 31.12.2019	144,074	136,871	132,452
Average	137,563	133,064	133,358
Return on equity (ROE), %	15.7	-0.4	0.2

Invested capital

Invested capital = Total equity + interest-bearing liabilities

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Total equity attributable to owners of the parent	144,074	136,871	132,452
Interest-bearing liabilities	96,295	109,789	109,163
Invested capital	240,368	246,660	241,615

Return on invested capital (ROI), %

Return on invested capital (ROI), % =
$$\frac{\text{Operating profit} + \text{financial income (rolling 12 months)} \times 100}{\text{Invested capital, quarterly average}}$$

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Operating profit (rolling 12 months)	32,367	6,363	8,129
Financial income (rolling 12 months)	942	884	981
Total	33,310	7,247	9,110
Invested capital 30.9.2019 / 30.9.2018 / 31.12.2018	246,660	227,186	231,977
Invested capital 31.12.2019 / 31.12.2018 / 31.3.2019	241,615	247,263	250,259
Invested capital 31.3.2020 / 31.3.2019 / 30.6.2019	240,761	250,259	249,752

Invested capital 30.6.2020 / 30.6.2019 / 30.9.2019	238,195	249,752	246,660
Invested capital 30.9.2020 / 30.9.2019 / 31.12.2019	240,368	246,660	241,615
Average	241,520	244,224	244,053
Return on invested capital (ROI), %	13.8	3.0	3.7

Financial income does not include fair value changes of assets at fair value through profit or loss.

Equity ratio, %

$$\text{Equity ratio, \%} = \frac{\text{Total equity} \times 100}{\text{Total assets} - \text{advances received}}$$

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Total equity attributable to owners of the parent	144,074	136,871	132,452
Total assets	313,633	323,220	310,100
Advances received	-248	-113	-58
	313,385	323,107	310,042
Equity ratio, %	46.0	42.4	42.7

Gearing, %

$$\text{Gearing, \%} = \frac{\text{Interest-bearing net debt} \times 100}{\text{Total equity}}$$

EUR thousand	30.9.2020	30.9.2019	31.12.2019
Interest-bearing net debt	43,084	71,279	67,213
Total equity attributable to owners of the parent	144,074	136,871	132,452
Gearing, %	29.9	52.1	50.7

NET SALES BY GEOGRAPHICAL MARKET AREA

EUR thousand	1-9/2020	1-9/2019	1-12/2019
Finland	2,473	1,977	2,527
Rest of Europe	115,215	113,322	145,055
North and South America	227,180	198,355	259,560
Rest of the world	2,941	3,299	4,270
Total	347,808	316,953	411,412

QUARTERLY SALES DEVELOPMENT BY BUSINESS AREA

EUR thousand	2020			2019			
	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Americas	71,947	77,162	73,170	62,180	66,161	65,011	68,326
Europe	43,542	45,047	37,054	32,294	37,233	38,798	41,466
Unallocated exchange differences and eliminations	-54	-38	-21	-15	-30	14	-25
Total	115,435	122,170	110,203	94,459	103,363	103,824	109,766

QUARTERLY DEVELOPMENT

EUR thousand	2020			2019			
	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Net sales	115,435	122,170	110,203	94,459	103,363	103,824	109,766
EBITDA	18,107	17,989	11,282	7,437	7,834	9,089	9,309
as % of net sales	15.7	14.7	10.2	7.9	7.6	8.8	8.5
Comparable operating profit	12,907	12,391	5,664	1,405	1,108	2,655	2,961
as % of net sales	11.2	10.1	5.1	1.5	1.1	2.6	2.7
Items affecting comparability	-	-	-	-	-	-	-
Operating profit	12,907	12,391	5,664	1,405	1,108	2,655	2,961
as % of net sales	11.2	10.1	5.1	1.5	1.1	2.6	2.7
Net financial items	-1,761	-1,813	-1,945	-1,926	-1,080	-1,695	-1,297
Profit before income taxes	11,146	10,579	3,719	-521	28	960	1,665
as % of net sales	9.7	8.7	3.4	-0.6	0.0	0.9	1.5

RELATED PARTY INFORMATION

The related parties of Suominen include the members of the Board of Directors, President & CEO and the members of the Executive Team as well as their family members and their controlled companies. In addition, shareholders who have a significant influence in Suominen through share ownership are included in related parties. Suominen has no associated companies.

In its transactions with related parties Suominen follows the same commercial terms as in transactions with third parties.

The Annual General Meeting held on March 19, 2020 resolved that 40% of the annual remuneration for the Board of Directors is paid in Suominen Corporation's shares. The number of shares transferred to the members of the Board of Directors as their remuneration payable in shares for 2020 was 29,121 shares. The shares were transferred on May 28, 2020 and the value of the transferred shares totaled EUR 92,400,

or approximately EUR 3.17 per share.

In accordance with the terms and conditions of the matching restricted share plan 2019, Suominen Corporation transferred a total of 9,352 shares without consideration to the participants of the plan's vesting period 2019-2020. Of the total number of transferred shares, 4,676 shares were transferred to President & CEO Petri Helsky and 4,676 shares to another member of the Executive Team.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

EUR thousand	30.9.2020		30.9.2019		31.12.2019	
	Property, plant and equip.	Intang. assets	Property, plant and equip.	Intang. assets	Property, plant and equip.	Intang. assets
Carrying amount at the beginning of the period	121,584	20,020	129,391	21,231	129,391	21,231
Application of IFRS 16	-	-	-149	-	-149	-
Capital expenditure and increases	4,583	283	6,563	2,003	8,974	2,224
Disposals and decreases	0	-	-1	0	-1	-
Depreciation, amortization and impairment losses	-11,077	-2,675	-14,281	-2,477	-18,608	-3,448
Exchange differences and other changes	-9,008	-15	4,829	23	1,977	12
Carrying amount at the end of the period	106,082	17,613	126,352	20,780	121,584	20,020

Goodwill is not included in intangible assets.

EUR thousand	30.9.2020	30.9.2019	31.12.2019
	Right-of-use assets	Right-of-use assets	Right-of-use assets
Carrying amount at the beginning of the period	14,319	16,946	16,946
Increases	2,852	868	946
Disposals and decreases	-9	-112	-215
Depreciation, amortization and impairment losses	-2,664	-2,749	-3,483
Exchange differences and other changes	-190	432	125
Carrying amount at the end of the period	14,309	15,384	14,319

CHANGES IN INTEREST-BEARING LIABILITIES

EUR thousand	1-9/2020	1-9/2019	1-12/2019
Total interest-bearing liabilities at the beginning of the period	109,163	101,463	101,463
Current liabilities at the beginning of the period	16,986	20,765	20,765
Application of IFRS 16	–	2,664	2,664
Repayment of current liabilities, cash flow items	-31,316	-32,876	-47,572
Drawdown of current liabilities, cash flow items	15,000	24,000	38,000
Increases in current liabilities, non-cash flow items	201	189	218
Decreases of current liabilities, non-cash flow items	-291	-94	-99
Reclassification from non-current liabilities	2,309	2,231	2,942
Periodization of debenture to amortized cost, non-cash flow items	–	43	43
Exchange rate difference, non-cash flow item	-72	68	25
Current liabilities at the end of the period	2,817	16,990	16,986
Non-current liabilities at the beginning of the period	10,464	84	84
Application of IFRS 16	–	12,622	12,622
Increases in non-current liabilities, non-cash flow items	2,929	680	733
Decreases of non-current liabilities, non-cash flow items	0	-19	-121
Reclassification to current liabilities	-2,309	-2,231	-2,942
Exchange rate difference, non-cash flow item	-169	236	88
Non-current liabilities at the end of the period	10,914	11,371	10,464
Non-current debentures at the beginning of the period	81,714	80,615	80,615
Periodization of debenture to amortized cost, non-cash flow items	850	813	1,099
Non-current debentures at the end of the period	82,563	81,428	81,714
Total interest-bearing liabilities at the end of the period	96,294	109,789	109,163

CONTINGENT LIABILITIES

EUR thousands	30.9.2020	30.9.2019	31.12.2019
Other commitments			
Leasing commitments	135	233	179
Contractual commitments to acquire property, plant and equipment	4,872	774	–

Commitments to leases not yet commenced – – 33

Guarantees

On own behalf	8,083	10,683	9,906
Other own commitments	28,055	2,371	2,203
	36,137	13,054	12,108

NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS

	30.9.2020		30.9.2019		31.12.2019	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
EUR thousand						
Currency forward contracts						
Hedge accounting not applied	3,965	-12	2,783	-19	–	–

FINANCIAL ASSETS BY CATEGORY

- a. Fair value through profit or loss
- b. Financial assets at amortized cost
- c. Financial assets at fair value through other comprehensive income
- d. Carrying amount
- e. Fair value

EUR thousand	Classification				
	a.	b.	c.	d.	e.
Equity instruments	347	–	429	777	777
Loan receivables	3,256	3,650	–	6,905	6,905
Trade receivables	–	53,671	–	53,671	53,671
Derivative receivables	6	–	–	6	6
Interest and other financial receivables	–	940	–	940	940
Cash and cash equivalents	–	48,742	–	48,742	48,742
Total 30.9.2020	3,609	107,003	429	111,042	111,042

EUR thousand	Classification				
	a.	b.	c.	d.	e.
Equity instruments	347	–	429	777	777
Loan receivables	3,845	3,650	–	7,495	7,495
Trade receivables	–	46,728	–	46,728	46,728
Interest and other financial receivables	–	313	–	313	313
Cash and cash equivalents	–	37,741	–	37,741	37,741
Total 31.12.2019	4,193	88,432	429	93,054	93,054

Principles in estimating fair value of financial assets for 2020 are the same as those used for preparing the consolidated financial statements for 2019.

Suominen monitors constantly the open balances of the customers and takes action if payments are delayed. The COVID-19 pandemic has increased the credit risk of certain customers depending on the markets in which they operate, but as a whole, also the customers have experienced increased demand of their products and thus their credit risks and Suominen's expected credit losses arising from trade receivables have not materially increased.

FINANCIAL LIABILITIES

EUR thousand	30.9.2020			31.12.2019		
	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value	Nominal value
Non-current financial liabilities						
Debentures	82,563	86,488	85,000	81,714	86,063	85,000
Lease liabilities	10,914	10,914	10,914	10,464	10,464	10,464
Total non-current financial liabilities	93,477	97,402	95,914	92,177	96,526	95,464
Current financial liabilities						
Current loans from financial institutions	–	–	–	14,000	14,000	14,000
Lease liabilities	2,817	2,817	2,817	2,986	2,986	2,986
Interest accruals	2,151	2,151	2,151	551	551	551
Derivative liabilities	18	18	18	–	–	–
Other current liabilities	736	736	736	440	440	440
Trade payables	42,499	42,499	42,499	44,495	44,495	44,495
Total current financial liabilities	48,222	48,222	48,222	62,473	62,473	62,473
Total	141,699	145,624	144,136	154,650	158,999	157,936

Principles in estimating fair value for financial liabilities for 2020 are the same as those used for preparing the consolidated financial statements for 2019.

FAIR VALUE MEASUREMENT HIERARCHY

EUR thousands	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value			
Currency forward contracts, receivables	–	6	–

Loan receivables	–	–	3,256
Equity instruments	–	–	777
Total	–	6	4,033

Derivatives at fair value

Currency forward contracts, liabilities	–	-18	–
Total	–	-18	–

Principles in estimating fair value of financial assets and their hierarchies for 2020 are the same as those used for preparing the consolidated financial statements for 2019.

There were no transfers in the fair value measurement hierarchy levels during the reporting period.

RESTATEMENT OF PREVIOUSLY PUBLISHED FIGURES

Suominen has reclassified some overhead expenses from cost of goods sold to sales, marketing and administration expenses.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

EUR thousand	Published 1-9/2019	Restatement 1-9/2019	Restated 1-9/2019
Net sales	316,953	–	316,953
Cost of goods sold	-290,597	2,037	-288,560
Gross profit	26,356	2,037	28,393
Other operating income	2,297	–	2,297
Sales, marketing and administration expenses	-18,713	-2,037	-20,750
Research and development	-2,582	–	-2,582
Other operating expenses	-633	–	-633
Operating profit	6,724	–	6,724
Net financial expenses	-4,072	–	-4,072
Profit before income taxes	2,652	–	2,652
Income taxes	-1,232	–	-1,232
Profit / loss for the period	1,420	–	1,420

EUR thousand	Published 1-12/2019	Restatement 1-12/2019	Restated 1-12/2019
Net sales	411,412	–	411,412
Cost of goods sold	-377,255	2,754	-374,501
Gross profit	34,157	2,754	36,911
Other operating income	2,903	–	2,903
Sales, marketing and administration expenses	-24,513	-2,754	-27,267
Research and development	-3,376	–	-3,376

Other operating expenses	-1,041	-	-1,041
Operating profit	8,129	-	8,129
Net financial expenses	-5,998	-	-5,998
Profit before income taxes	2,132	-	2,132
Income taxes	-1,907	-	-1,907
Profit / loss for the period	225	-	225

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Suominen manufactures nonwovens as roll goods for wipes and other applications. Our vision is to be the frontrunner for nonwovens innovation and sustainability. The end products made of Suominen's nonwovens, such as wet wipes, feminine care products and swabs, are present in people's daily life worldwide. Suominen's net sales in 2019 were EUR 411.4 million and we have nearly 700 professionals working in Europe and in the Americas. Suominen's shares are listed on Nasdaq Helsinki. Read more at www.suominen.fi.

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