



Financial Statement Release

JANUARY 1 – DECEMBER 31, 2020

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

Suominen Corporation's Financial Statements Release for January 1–December 31, 2020:
Record year in both net sales and profitability

Key figures

	10-12/ 2020	10-12/ 2019	1-12/ 2020	1-12/ 2019
Net sales, EUR million	111.1	94.5	458.9	411.4
EBITDA	13.5	7.4	60.9	33.7
EBITDA, %	12.2	7.9	13.3	8.2
Comparable operating profit, EUR million	8.5	1.4	39.5	8.1
Comparable operating profit, %	7.7	1.5	8.6	2.0
Operating profit, EUR million	8.5	1.4	39.5	8.1
Profit for the period, EUR million	7.3	-1.2	30.1	0.2
Cash flow from operations, EUR million	17.9	5.7	57.0	29.9
Cash flow from operations per share, EUR	0.31	0.10	0.99	0.52
Earnings per share, basic, EUR	0.13	-0.02	0.52	0.00
Return on invested capital, rolling 12 months, %	–	–	16.7	3.7
Gearing, %	–	–	25.4	50.7
Dividend and return of capital per share, total, EUR*	–	–	0.20	0.05

* 2020 proposal to the Annual General Meeting

In this Financial Statement Release, the figures shown in brackets refer to the comparison period last year if not otherwise stated.

October–December 2020 in brief:

- Net sales increased by 17.6% and were EUR 111.1 million (94.5)
- Operating profit improved significantly to EUR 8.5 million (1.4)
- Cash flow from operations improved to EUR 17.9 million (5.7)

Financial year 2020 in brief:

- Net sales increased by 11.5% and were EUR 458.9 million (411.4)
- Operating profit improved significantly to EUR 39.5 million (8.1)
- Cash flow from operations was strong and totaled to EUR 57.0 million (29.9)
- Board of Directors proposes to the Annual General meeting a dividend of EUR 0.10 per share and in addition to the dividend, a return of capital of EUR 0.10 per share

Outlook:

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2021 will be in line with 2020. The demand for nonwovens is expected to remain strong, however the rising volatility in the raw material and transportation markets increases uncertainty and may impact the result negatively. In 2020, Suominen's comparable EBITDA was EUR 60.9 million.

Board proposal on distribution of dividend:

The Board of Directors proposes to the Annual General meeting, that a dividend of EUR 0.10 per share shall be distributed for the financial year 2020. In addition, the Board of Directors proposes, that in addition to the dividend, a return of capital of EUR 0.10 per share shall be distributed for the financial year 2020 from the reserve for invested unrestricted equity.

On February 3, 2021 the company had 57,568,341 issued shares, excluding treasury shares. With this number of shares, the total amount of dividends to be distributed would be EUR 5,756,834.10 and the total amount of the return of capital would be EUR 5,756,834.10, in total EUR 11,513,668.20.

Petri Helsky, President and CEO:

"The year 2020 was characterized by COVID-19. Our primary focus has been, and continues to be, to safeguard the health and safety of our employees, and secondarily to keep our operations running with as limited impacts as possible.

Financially the year was a record year for Suominen as we achieved the highest ever net sales and operating profit. Net sales increased by 11.5% and amounted to EUR 458.9 million (411.4). Sales volumes increased with the pandemic-driven high demand for wipes, while sales prices decreased following lower raw material prices. Our operating profit improved significantly and amounted to EUR 39.5 million (8.1) thanks to higher production and sales volumes, favorable raw material prices, and improved production and raw material efficiency.

We published our new strategy aiming for growth and improved profitability in the beginning of 2020. During the year, we announced three investments supporting our strategy, two in Italy and one in the USA, and a cooperation agreement with the Ahlstrom-Munksjö plant in Stålldalen, Sweden.

The cornerstone of our strategy is sustainability and we are continuously developing our offering accordingly. In 2020, we introduced several new sustainable products to the markets. These nonwovens are made of biodegradable, compostable and renewable plant-based fibers. We also published our sustainability agenda, targets and KPIs during the year. Our agenda focuses on four themes: People and safety, Sustainable nonwovens, Low-impact manufacturing and Corporate citizenship. We have concrete action plans for each theme and are steadily progressing towards our targets.

Our frontrunner status in nonwovens innovation was recognized by Rockline's, one of our major customers, Supplier Innovation Award 2020, citing our novel sustainable product development. We were also the first nonwovens substrate manufacturer receiving Fine to Flush certification from Water UK with our HYDRASPUN® Royal, which is a dispersible nonwoven material especially designed for moist toilet tissues.

Looking at the year ahead, we see a twofold development. The pandemic has increased consumption of nonwovens in all our markets and the demand is expected to continue on a high level. In the long term, COVID-19 may lead to a sustained increase in the use of nonwovens for cleaning and disinfection products.

However, the risks related to the pandemic, such as possible shortages of raw materials, issues linked to logistics as well as potential closures of customers' or our own plants due to virus infections or authority decisions remain relevant. We have already started to experience exceptional volatility in the cost and availability of raw materials and transportation.

Finally, I would like to highlight the commitment of our personnel during the extraordinary year of 2020 and thank them for their efforts in delivering the record performance. We are in a good position to continue our journey forward in 2021."

NET SALES

October–December 2020

In the fourth quarter, Suominen's net sales increased by 17.6% from the comparison period to EUR 111.1 million (94.5). Sales volumes increased while sales prices decreased following lower raw material prices. Currencies impacted net sales negatively by EUR 7.3 million.

Net sales of the Americas business area amounted to EUR 66.8 million (62.2) and net sales of the Europe business area EUR 44.3 million (32.3).

Financial year 2020

In 2020, Suominen's net sales increased by 11.5% from the comparison period to EUR 458.9 million (411.4). Sales volumes increased while sales prices decreased following lower raw material prices. Currencies impacted net sales negatively by EUR 11.7 million.

Net sales of Americas business area were EUR 289.1 million (261.7) and net sales of Europe business area EUR 169.9 million (149.8).

OPERATING PROFIT AND RESULT

October–December 2020

Operating profit improved significantly from the corresponding period of the previous year and was EUR 8.5 million (1.4). The main drivers for the better result were higher sales volumes supported by improved production volumes and efficiency. The lower sales prices were compensated by favorable raw material prices. Other operating expenses increased due to various year end accruals. Currencies impacted operating profit negatively by EUR 0.6 million.

Result before income taxes in the fourth quarter was EUR 8.5 million (-0.5) and profit for the period EUR 7.3 million (-1.2). The income taxes for the period were EUR -1.2 million (-0.7).

Financial year 2020

Operating profit improved significantly and amounted to EUR 39.5 million (8.1) due to higher production and sales volumes, favorable raw material prices, and improved production and raw material efficiency. Currencies impacted operating profit negatively by EUR 2.2 million.

In 2020, profit before income taxes was EUR 33.9 million (2.1). Income taxes for the financial year, EUR -3.8 million (-1.9), 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.

The profit for the period was EUR 30.1 million (0.2).

FINANCING

The Group's net interest-bearing liabilities, calculated with the nominal value of the interest-bearing liabilities at the end of the review period, December 31, 2020, amounted to EUR 37.1 million (67.2). Gearing was 25.4% (50.7%) and equity ratio 46.0% (42.7%).

In 2020, net financial expenses were EUR -5.6 million (-6.0), or 1.2% (1.5%) of net sales. Net effect of changes in foreign exchange rates in financial items were EUR -0.4 million (+0.2). The net financial expenses include a bad debt provision based on expected credit losses of loan receivables totaling EUR -0.7 million and a fair value change of assets of EUR +0.3 million.

Cash flow from operations in the fourth quarter was EUR 17.9 million (5.7). Cash flow from operations in 2020 was EUR 57.0 million (29.9). Cash flow from operations per share in 2020 was EUR 0.99 (0.52). The financial items in the cash flow from operations, in total EUR -4.3 million (-5.2), were principally impacted by the interests paid during the reporting period. The income taxes in the cash flow from operations were positively impacted by an approx. EUR 2.6 million tax refund due to US tax reliefs. The change in the net working capital was EUR 1.0 million negative (EUR 1.6 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 April that it strengthens its capabilities for sustainable products by enhancing one of its production lines in Cressa, Italy. The investment is made in line with the strategy and will increase Suominen's ability to respond to the growing demand of sustainable nonwovens. The total value of the investment is approx. EUR 4 million and it will be finalized during the second half of 2021.

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.

Suominen announced in November that it increases its capabilities in the Americas by upgrading one of its production lines in Bethune, South Carolina, USA. The investment will widen Suominen's offering to its customers in the US in line with the Suominen strategy targeting growth and profitability. The total value of the investment is approx. EUR 6 million and the investment project will be finalized during the second half of 2021.

In 2020, the gross capital expenditure totaled EUR 10.4 million (11.2). The largest items in gross capital investments were mainly related to the investments in Cressa. The other investments were mainly for maintenance.

Depreciations and amortizations were EUR -21.4 million (-25.5).

PERSONNEL

During 2020, Suominen employed 689 people (685) on average, and 691 (669) people at the end of 2020. The increase was primarily in the Operations function.

IMPACTS OF THE COVID-19 PANDEMIC ON SUOMINEN

The health and safety of Suominen's employees is our key priority. Suominen aims to secure the health and safety of its employees through several measures and is closely monitoring the COVID-19 situation. Thanks to our proactive approach, so far there has been only limited impact on our ability to serve our customers and run our operations.

As a nonwovens manufacturer Suominen is an integral part of the supply chain making disinfecting and cleaning products for fighting the coronavirus. The authorities have classified our nonwovens production as essential in the jurisdictions where other business activities have been shut down.

The pandemic has increased the demand for our products in all our markets and the higher demand is expected to continue at least for the coming months. In the long term COVID-19 may lead to a sustained increase in the demand for nonwovens for cleaning and disinfection products.

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

The key risks caused by COVID-19 are related to the health and safety of Suominen personnel and customers, possible shortages of raw materials, issues linked to logistics as well as potential closures of customers' or our own plants due to virus infections or authority decisions. These risks remain valid in the beginning of 2021 as unfortunately the coronavirus situation has been deteriorating in many countries and so far vaccinations in many countries have not progressed as rapidly as could perhaps have been hoped. Some of these risks have materialized as some of our customers' production facilities have been temporarily closed because of infections.

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 these unusual times. 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 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.

PROGRESS IN SUSTAINABILITY

We published our new sustainability agenda, targets and KPIs in 2020.

We have strong focus on safety and accident prevention, and our long-term target is to have zero lost-time accidents. In 2020, Suominen had 1 (6) lost time accident.

Increasing employee engagement is another of our key people-related targets. We conducted a global employee engagement survey in 2020 and based on the results our employee engagement index is 69%, which is on par with global manufacturing companies. The index is a combination of questions concerning our people's retention, likelihood to recommend the company, organizational pride and commitment. Our target is that our engagement index will be 73% by 2025.

We are committed to continuously improving our production efficiency and the efficient utilization of natural resources. Our target is to reduce our energy consumption, greenhouse gas emissions, water consumption and waste to landfill by 20% per ton of product by 2025 compared to the base year of 2019. In 2020, our energy consumption decreased by 8.0%, greenhouse gas emissions by 14.9%, water consumption by 12.2% and waste to landfill by 2.4% per ton of product compared to 2019. We have concrete action plans to continue the work towards the 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. In 2020, we launched nine sustainable products and the sales of sustainable product sales increased by 22.5% compared to the base year of 2019.

In the Corporate citizenship area, we renewed our Code of Conduct in 2020 and training of the Code will be held for all employees during 2021.

SHARE INFORMATION

Share capital

The number of Suominen's registered shares was 58,259,219 on December 31, 2020, equaling to a share capital of EUR 11,860,056.00. Suominen has one series of shares. Each share carries one vote in the Shareholders' Meeting and right to an equally-sized dividend. Suominen's shares are affiliated in a book-entry system.

Share trading and price

The number of Suominen Corporation shares (SUY1V) traded on Nasdaq Helsinki from January 1 to December 31, 2020 was 12,937,753 shares, accounting for 22.5% 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 4.29. The closing price at the beginning of the review period, on January 2, 2020, was EUR 2.34 and the closing price on the last trading date of the review period, on December 30, 2020, was EUR 5.08.

The market capitalization (excluding treasury shares) was EUR 292.4 million on December 31, 2020.

Treasury shares

On December 31, 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 in May to the members of the Board of Directors as their remuneration payable in shares.

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

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 of 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 the 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 AGM held on March 19, 2020 also 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.

On May 28, 2020 Suominen announced about the portion of the annual remuneration of the members of the Board of Directors which was paid in shares. The total number of the shares that were granted out of the treasury shares was 29,121 shares. On September 16, 2020, in accordance with the matching share-based payment program, 9,352 shares were transferred to the participants of the program.

After these transactions, the maximum amount of the authorization is 4,961,527 shares in aggregate.

Remuneration of the Board payable in shares

The AGM held on March 19, 2020 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 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 was 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.

Since the decision taken by the Board of Directors was essentially an execution of a detailed resolution taken by the AGM, the Board did not exercise independent discretion when it decided on the transfer of the shares. The transferred shares are of the same class as the company's other shares.

Share-based incentive plans for the management and key employees valid in 2020

The Group management and key employees participate in the company's share-based incentive plans. The earlier plans are described in detail in the Financial Statements and in the Remuneration Statement 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	13 people	16 people	18 people
Maximum number of shares	319,000	546,000	756,500

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.

SHAREHOLDERS

At the end of the review period, on December 31, 2020, Suominen Corporation had in total 6,219 shareholders. Suominen is not aware of any shareholder agreements related with the shareholding or use of voting rights. Detailed information on the management shareholding and a table presenting the largest shareholders is available in the notes of this Financial Statement Release.

Notifications under Chapter 9, Section 5 of the Securities Market Act

Suominen Corporation received on October 28, 2020 a notification referred to in Chapter 9, Section 5 and 6 of the Securities Market Act. According to the notification, the shareholding of Varma Mutual Pension Insurance Company in Suominen Corporation had fallen below the threshold of 5%.

Suominen Corporation announced on December 29, 2020 a notification referred to in Chapter 9, Section 5 and 6 of the Securities Market Act. According to the notification, Ahlström Capital Oy, as a result of an intragroup merger in which AC Invest Two B.V. has been merged into its parent company Ahlstrom Capital B.V., Ahlstrom Capital B.V. has therefore as of December 28, 2020 become the direct shareholder in Suominen Corporation. Ahlstrom Capital B.V. is a 100% owned subsidiary of Ahlström Capital Oy.

COMPOSITION OF THE NOMINATION BOARD

In accordance with the decision taken by the Annual General Meeting of Suominen Corporation, the representatives notified by the company's three largest shareholders have been elected to Suominen Corporation's permanent Nomination Board. In addition, Chair of the company's Board of Directors shall serve as the fourth member. The shareholders entitled to appoint members to the Nomination Board during financial year 2020 were determined on the basis of the registered holdings in the company's shareholder register on September 1, 2020 and on September 2, 2019. The Nomination Board shall submit its proposals to the Board of Directors no later than February 1 prior to the Annual General Meeting.

Suominen's three largest registered shareholders on the basis of the registered holdings in the company's shareholders' register on September 1, 2020, Ahlstrom Capital B.V., Oy Etra Invest Ab and Varma Mutual Pension Insurance Company renominated the following members to the Shareholders' Nomination Board:

- Lasse Heinonen, President & CEO of Ahlström Capital Oy, as a member appointed by Ahlstrom Capital 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

CHANGES IN THE EXECUTIVE TEAM

Suominen announced on March 19, 2020, that Ernesto Levy, Senior Vice President, Americas business area and a member of Suominen's Executive Team would leave Suominen on April 6, 2020. Lynda Kelly was nominated to act as the interim SVP, Americas business area in addition to her role as SVP, Business Development.

On December 11, 2020, Suominen announced that Lynda Kelly (B.Sc.) has been appointed Senior Vice President, Americas business area as of January 1, 2021.

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-Sederholm 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.

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-Sederholm was re-elected as a member. Björn Borgman was elected as a new member to the Personnel and Remuneration Committee.

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 an introduction of the Board members can be viewed on Suominen's website at www.suominen.fi.

BUSINESS RISKS AND UNCERTAINTIES

Manufacturing risks

Suominen has production plants in several European countries, United States and Brazil. Interruptions at the plants caused for example by machinery breakdown can cause production losses and delivery problems. Ongoing maintenance and investments aiming to extend the lifetime of the assets are an essential part of ensuring the operational efficiency of the existing production lines.

Suominen's operations could be disrupted due to abrupt and unforeseen events beyond the company's control, such as power outages or fire and water damage. Suominen may not be able to control such events through predictive actions, which could lead to interruptions in business. Risks of this type are insured in order to guarantee the continuity of operations. As Suominen has valid damage and business interruption insurance, it is expected that the damage would be compensated, and the financial losses caused by the interruption of business would be covered.

Suominen uses certain technologies in its production. In the management's view, the chosen technologies are competitive and there is no need to make major investments in new technologies. However, it cannot be excluded that the company's technology choices could prove wrong, and the development of new or substitute technologies would then require investments.

Competition

Suominen has numerous regional, national and global competitors in its different product groups. Products based on new technologies and imports from countries of lower production costs may reduce Suominen's competitive edge. If Suominen is not able to compete with an attractive product offering, it may lose some of its market share. Competition may lead to increased pricing pressure on the company's products.

Price and availability of raw materials

Suominen purchases significant amounts of pulp- and oil-based raw materials. Raw materials are the largest cost item for operations. Changes in the global market prices of raw materials can have an impact on the

company's profitability. Suominen's stocks equal two to four weeks' consumption and it generally takes two to five months for raw material price changes to be reflected in Suominen's customer pricing either through automatic pricing mechanisms or negotiated price changes.

Extended interruptions in the supply of Suominen's main raw materials could disrupt production and have a negative impact on the Group's overall business operations. As Suominen sources most of its raw materials from a number of major international suppliers, significant interruptions in the production of the majority of Suominen's products are unlikely.

Market and customer risks

Suominen's customer base is fairly concentrated, which increases the potential impact of changes in customer specific sales volumes. In 2020, the Group's ten largest customers accounted for 67% (65%) of the Group net sales. Long-term contracts are preferred with the largest customers. In practice the customer relationships are long-term and last for several years. Customer-related credit risks are managed in accordance with a credit policy approved by the Board of Directors. Credit limits are confirmed for customers on the basis of credit ratings and customer history.

The demand for Suominen's products depends on possible changes in consumer preferences. Historically, such changes have had mainly a positive impact on Suominen, as they have resulted in the growing demand for products made of nonwovens. This was clearly visible in 2020 as the COVID-19 pandemic increased the demand for nonwovens for cleaning and disinfecting wipes. However, certain factors, including consumers' attitude towards the use of products made even partially of oil-based raw materials, or their perception on the sustainability of disposable products in general, might change the consumers' buying habits. Suominen monitors the consumer trends proactively and develops its product offering accordingly. The company has had biodegradable, 100% plant-based nonwovens in its portfolio for over 10 years and hence is well positioned to respond to changes in customer preferences related to sustainability and climate change.

Changes in legislation, political environment or economic conditions

Suominen's business and products can be affected directly or indirectly by political decisions and changes in government regulations for example in areas such as environmental policy or waste legislation. An example of such legislation is the EU's Single-Use Plastics Directive that focuses on reducing marine litter. The potential exists for similar regulations to expand worldwide. This creates demand for more sustainable products, and Suominen is well placed to respond to this increasing demand.

Global political developments could have an adverse effect on Suominen. For instance, a political decision that constrains the global free trade may significantly impact the availability and price of certain raw materials, which would in turn affect Suominen's business and profitability. Suominen's geographical and customer-industry diversity provide partial protection against this risk.

The relevance of the United States in Suominen's business operations increases the significance of the exchange rate risk related to USD in the Group's total exchange risk position. Suominen hedges this foreign exchange position in accordance with its hedging policy.

The risks that are characteristic to South American region, including significant changes in political environment or exchange rates, could have an impact on Suominen's operations in Brazil.

Investments

Suominen continuously invests in its manufacturing facilities. The deployment of the investments may delay from what was planned, the costs of the investments may increase from what has been expected or the investments may create less business benefits than anticipated. The deployment phase of investments may cause temporary interruptions in operations.

Cyber and information security

Suominen's operations are dependent on the integrity, security and stable operation of its information and communication systems and software as well as on the successful management of cyber attack risks. If Suominen's information and communication systems and software were to become unusable or significantly impaired for an extended period of time, or the cyber attack risks are realized, Suominen's reputation as well as ability to deliver products at the appointed time, order raw materials and handle inventory could be adversely impacted.

Financial risks

The Group is exposed to several financial risks, such as foreign exchange, interest rate, counterparty, liquidity and credit risks. The Group's financial risks are managed in line with a policy confirmed by the Board of Directors. The financial risks are described in the note 3 of the consolidated financial statements.

Suominen is subject to corporate income taxes in numerous jurisdictions. Significant judgment is required to determine the total amount of corporate income tax at Group level. There are many transactions and calculations that leave room for uncertainty as to the final amount of the income tax. Tax risks relate also to changes in tax rates or tax legislation or misinterpretations, and materialization of the risks could result in increased payments or sanctions by the tax authorities, which in turn could lead to financial loss. Deferred tax assets included in the statement of financial position require that the deferred tax assets can be recovered against the future taxable income.

Suominen performs goodwill impairment testing annually. In impairment testing the recoverable amounts are determined as the value in use, which comprises of the discounted projected future cash flows. Actual cash flows can differ from the discounted projected future cash flows. Uncertainties related to the projected future cash flows include, among others, the long economic useful life of the assets and changes in the forecast sales prices of Suominen's products, production costs as well as discount rates used in testing. Due to the uncertainty inherent in the future, it is possible that Suominen's recoverable amounts will be insufficient to cover the carrying amounts of assets, particularly goodwill. If this happens, it will be necessary to recognize an impairment loss, which, when implemented, will weaken the result and equity. Goodwill impairment testing has been described in the consolidated financial statements.

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 the 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.

Looking at the year ahead, we see a twofold development. The pandemic has increased consumption of nonwovens in all our markets and the demand is expected to continue on a high level. In the long term, COVID-19 may lead to a sustained increase in the use of nonwovens for cleaning and disinfection products. However, the risks related to the pandemic, such as possible shortages of raw materials, issues linked to logistics as well as potential closures of customers' or our own plants due to virus infections or authority decisions remain relevant. We have already started to experience exceptional volatility in the cost and availability of raw materials and transportation.

OUTLOOK

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2021 will be in line with 2020. The demand for nonwovens is expected to remain strong, however the rising volatility in the raw material and transportation markets increases uncertainty and may impact the result negatively. In 2020, Suominen's comparable EBITDA was EUR 60.9 million.

PROPOSAL ON DISTRIBUTION OF FUNDS

The profit of the financial year 2020 of Suominen Corporation, the parent company of Suominen Group, was EUR 6,584,937.34. The funds distributable as dividends, including the profit for the period, were EUR 12,095,497 and total distributable funds were EUR 93,456,859.

The Board of Directors proposes that a dividend of EUR 0.10 per share shall be distributed for the financial year 2020 and that the profit shall be transferred to retained earnings. In addition, the Board of Directors proposes, that in addition to the dividend, a return of capital of EUR 0.10 per share shall be distributed for the financial year 2020 from the reserve for invested unrestricted equity.

On February 3, 2021 the company had 57,568,341 issued shares, excluding treasury shares. With this number of shares, the total amount of dividends to be distributed would be EUR 5,756,834.10 and the total amount of the return of capital would be EUR 5,756,834.10, in total EUR 11,513,668.20.

There have been no significant changes in the company's financial position after the end of the review period.

The record date is March 29, 2021 and the dividend and return of capital would be paid on April 8, 2021.

DISCLOSURE OF THE CORPORATE GOVERNANCE STATEMENT, REMUNERATION REPORT, THE FINANCIAL STATEMENTS, THE REPORT BY THE BOARD OF DIRECTORS AND NON-FINANCIAL REPORT

Suominen will publish its Financial Statements, Report by the Board of Directors, Auditor's Report, Corporate Governance Statement, Remuneration Report and Non-Financial Report concerning the financial year 2020, as part of the Annual Report during the week commencing March 1, 2021. The above documents will be published as a Stock Exchange Release and they will be available also at www.suominen.fi.

ANNUAL GENERAL MEETING 2021

The Annual General Meeting of Suominen Corporation is planned to be held on March 25, 2021 without the presence of the shareholders or their proxy representatives. The Board of Directors will convene the Annual General Meeting by issuing a Notice to the Annual General Meeting as a Stock Exchange Release. The notice to the Annual General Meeting will also be published at www.suominen.fi.

EVENTS AFTER THE REPORTING PERIOD

Suominen Corporation has received a notification on January 15, 2021 referred to Chapter 9, Section 5 and 6 of the Securities Market Act. According to the notification, the shareholding of companies controlled by Mr. Erkki Etola in Suominen Corporation has crossed the 15% flagging threshold.

Suominen Corporation has received a notification on January 18, 2021 referred to Chapter 9, Section 5 and 6 of the Securities Market Act. According to the notification, the shareholding of Elo Mutual Pension Insurance Company in Suominen Corporation has fallen under the 5% flagging threshold.

Proposals by the Nomination Board to the Annual General Meeting 2021 of Suominen

Proposal on the number of the members, on the composition, and on the Chair of the Board of Directors

The Nomination Board of Suominen Corporation's shareholders proposes to the Annual General Meeting that the number of Board members remains unchanged and would be six (6).

The Nomination Board proposes to the Annual General Meeting that Andreas Ahlström, Björn Borgman, Nina Linander, Sari Pajari-Sederholm and Laura Raitio would be re-elected as members of Suominen Corporation's Board of Directors.

Out of the current Board members, the Chair of the Board Jan Johansson has informed that he is not available as a candidate for the Board of Directors.

In addition, the Nomination Board proposes that Jaakko Eskola would be elected as a new member of the Board of Directors.

Mr. Jaakko Eskola (born 1958, M.Sc. (Eng.), Finnish citizen) currently works as Senior Advisor to the Board and Executive Team of Wärtsilä Corporation. He has held a number of senior positions at Wärtsilä since 1998. Mr. Eskola is the outgoing Chair of the Board at Ahlstrom-Munksjö Oyj, Deputy Chair of the Board at Varma Mutual Pension Insurance Company, and a member of the Board at the Finnish Foundation for Share Promotion.

All candidates have given their consent to the election. All candidates are independent of the company. The candidates are also independent of Suominen's significant shareholders, with the exception of Andreas Ahlström who acts currently as Investment Director at Ahlström Capital Oy. The largest shareholder of Suominen Corporation, Ahlstrom Capital B.V. is a group company of Ahlström Capital Oy. The candidate information relevant considering their service for the Board of Directors is presented at the company website www.suominen.fi.

The Nomination Board proposes to the Annual General Meeting that Mr. Jaakko Eskola would be elected as the Chair of the Board of Directors.

Proposal on the Board remuneration

The Nomination Board of the shareholders of Suominen Corporation proposes to the Annual General Meeting that the remuneration of the Board of Directors remains unchanged and would be as follows: the Chair would be paid an annual fee of EUR 66,000 and the Deputy Chair and other Board members an annual fee of EUR 31,000. The Nomination Board also proposes that the Chair of the Audit Committee would be paid an additional fee of EUR 10,000.

Further, the Nomination Board proposes that the fees payable for each Board and Committee meeting would be 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 500 for each meeting attended by telephone or other electronic means. No fee is paid for decisions made without convening a meeting. In 2020 the fee for meetings held as a telephone conference was EUR 250. Otherwise the meeting fees are proposed to remain unchanged.

60% of the annual fees is paid in cash and 40% in Suominen Corporation's shares. The number of shares to be transferred will be 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 2021 of the company is published. The shares will be transferred out of the own shares held by the company by the decision of the Board of Directors by May 31, 2021 at the latest.

Compensation for expenses will be paid in accordance with the company's valid travel policy.

The composition of the Nomination Board

The members of the Nomination Board are, as of September 2, 2020, Lasse Heinonen, Managing Director, Ahlström Capital Oy, nominated by Ahlstrom Capital B.V., Erik Malmberg, Investment Advisory Professional, Triton Advisers AB, nominated by Oy Etra Invest Ab, and Hanna Kaskela, Director of Responsible Investments, Varma Mutual Pension Insurance Company, nominated by Varma. Jan Johansson, Chair of Suominen's Board of Directors, serves as the fourth member of the Nomination Board. Lasse Heinonen acts as the Chair of the Nomination Board.

All of the proposals made by the Nomination Board were unanimous.

The Board of Directors of Suominen Corporation resolved on a new share-based Long-Term Incentive Plan for management and key employees

The Board of Directors of Suominen Corporation has resolved on February 3, 2021 on a new share-based Long-Term Incentive Plan for the management and key employees. The aim of the new 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 the long-term, to bind the participants to the Company, and to offer them competitive reward plans based on earning and accumulating the Company's shares.

Performance Share Plan 2021–2023

The new long-term Performance Share Plan has one three-year Performance Period, which includes calendar years 2021–2023. The Performance Share Plan is directed to approximately 20 people including the President & CEO of Suominen.

The Board of Directors resolved that the potential reward for the Performance Period 2021–2023 will be based on the Relative Total Shareholder Return (TSR). The maximum total amount of potential share rewards to be paid on the basis of the Performance Period 2021–2023 is approximately 470,000 shares of Suominen Corporation, representing the gross reward before the deduction of taxes and tax-related costs arising from the reward.

The Board of Directors will be entitled to reduce the rewards agreed in the Performance Share Plan if the limits set by the Board of Directors for the share price are reached.

Reward payment and ownership obligation for the management

If the targets of the Plan are reached, rewards will be paid to participants in spring 2024 after the end of the Performance Period. The potential rewards from the Performance Period 2021–2023 will be paid partly in the Company's shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the participant. The Company also has the right to pay the reward fully in cash under certain circumstances. As a rule, no reward will be paid, if a participant's employment or service ends before the reward payment.

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. 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. Such number of shares must be held as long as the participant's employment or service in a group company continues.

THE NEXT FINANCIAL REPORT

Suominen Corporation will publish its Interim Report for January–March 2021 on Wednesday, April 28, 2021.

ANALYST AND NEWS CONFERENCE

Petri Helsky, President & CEO, and Toni Tamminen, CFO, will present the financial result in English in an audiocast and a conference call for analyst, investors and media on February 4, 2021 at 11:00 a.m. (EET).

The audiocast can be followed at <https://suominen.videosync.fi/2020-q4/register>. Recording of the audiocast and the presentation material will be available after the event at suominen.fi.

Conference call participants are requested to dial on:

Sweden: +46 856 642 651

United Kingdom: +44 333 300 0804

United States: +1 631 913 1422

The confirmation code for joining the conference call is 70949470#.

The event cannot be attended on the spot.

SUOMINEN GROUP JANUARY 1 – DECEMBER 31, 2020

The consolidated financial statements of Suominen have been audited. The Auditor's report has been signed on February 3, 2021. Quarterly information, half-year report and interim reports have not been audited.

As a result of rounding differences, the figures presented in the tables do not necessarily add up to total.

ACCOUNTING PRINCIPLES

The consolidated financial statements of Suominen Group are prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretations issued by the International Financial Reporting Interpretations Committee (SIC and IFRIC). International Financial Reporting Standards are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Companies' Act.

This financial statement release has been prepared in accordance with the principles defined in IAS 34 Interim Financial Reporting as approved by the European Union. Financial statement release does not include all information required for full financial statements.

The principles for preparing consolidated financial statements are the same as those used for preparing the consolidated financial statements for 2019.

New or amended standard, annual improvements or interpretations applicable from 1.1.2020:

- Definition of Material – Amendments to IAS 1 and IAS 8. According to the amendment, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The amendment has no material effect on Suominen's consolidated financial statements.

Other new or amended standard, annual improvements or interpretations applicable from 1.1.2020 were not material for Suominen Group.

New and amended IFRS standards and IFRIC interpretations published but mandatory from 1.1.2021 or later:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, applicable from 1.1.2021. The amendment has no effect on Suominen due to the structure of Suominen's debt portfolio as well as due to having EURIBOR as the benchmark interest rate. In addition, at the end of the reporting period 2020 Suominen was not applying hedge accounting.

- Improvements to IFRS (2018–2020 cycle): Improvement to IFRS 9 – Fees in the "10 percent" Test for Derecognition of Financial Liabilities, applicable 1.1.2022. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The fees include only fees paid or received between the borrower and the lender.

- Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract, applicable from 1.1.2022. The amendment specifies which costs need to be included and which cannot be included in the provision when assessing whether a contract is onerous or loss-making. The amendment applies a directly related cost approach, which means that general and administrative are in most cases excluded from the provisions made

of onerous contracts. The amendments must be applied prospectively. The amendment does not change the accounting for onerous contracts in Suominen's financial statements.

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current, applicable from 1.1.2023. The amendment specifies the requirements for classifying liabilities as current or non-current, by clarifying for example what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period and that classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendment will be applied retrospectively.

Other new or amended standards, improvements or annual improvements applicable from 1.1.2021 or later are not material for Suominen Group.

STATEMENT OF FINANCIAL POSITION

EUR thousand	31.12.2020	31.12.2019
Assets		
Non-current assets		
Goodwill	15,496	15,496
Intangible assets	16,748	20,020
Property, plant and equipment	104,666	121,584
Right-of-use assets	17,784	14,319
Loan receivables	3,978	3,650
Equity instruments	768	777
Other non-current receivables	73	70
Deferred tax assets	4,034	2,091
Total non-current assets	163,548	178,007
Current assets		
Inventories	35,431	39,257
Trade receivables	51,128	46,728
Loan receivables	3,476	3,845
Other current receivables	5,675	3,820
Assets for current tax	247	701
Cash and cash equivalents	57,877	37,741
Total current assets	153,833	132,093
Total assets	317,381	310,100
Equity and liabilities		
Equity		
Share capital	11,860	11,860
Share premium account	24,681	24,681
Reserve for invested unrestricted equity	81,361	81,269
Treasury shares	-44	-44
Fair value and other reserves	-7	264

Exchange differences	-13,933	707
Retained earnings	41,962	13,715
Total equity attributable to owners of the parent	145,882	132,452
Liabilities		
Non-current liabilities		
Deferred tax liabilities	13,320	12,786
Liabilities from defined benefit plans	774	788
Non-current provisions	1,797	1,608
Non-current lease liabilities	14,892	10,464
Other non-current liabilities	17	17
Debentures	82,862	81,714
Total non-current liabilities	113,662	107,375
Current liabilities		
Current provisions	250	–
Current lease liabilities	2,539	2,986
Other current interest-bearing liabilities	–	14,000
Liabilities for current tax	415	5
Trade payables and other current liabilities	54,634	53,282
Total current liabilities	57,838	70,273
Total liabilities	171,499	177,648
Total equity and liabilities	317,381	310,100

STATEMENT OF PROFIT OR LOSS

EUR thousand	10-12/2020	Restated 10-12/2019	1-12/2020	Restated 1-12/2019
Net sales	111,086	94,459	458,893	411,412
Cost of goods sold	-93,803	-85,941	-389,123	-374,501
Gross profit	17,283	8,518	69,770	36,911
Other operating income	553	607	2,584	2,903
Sales, marketing and administration expenses	-7,206	-6,518	-27,946	-27,268
Research and development expenses	-636	-794	-2,767	-3,376
Other operating expenses	-1,465	-408	-2,150	-1,041
Operating profit	8,530	1,405	39,492	8,129
Net financial expenses	-64	-1,926	-5,582	-5,998
Profit before income taxes	8,466	-521	33,910	2,132
Income taxes	-1,172	-675	-3,794	-1,907
Profit for the period	7,294	-1,195	30,116	225

Earnings per share, EUR

Basic	0.13	-0.02	0.52	0.00
Diluted	0.13	-0.02	0.52	0.00

STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	10-12/2020	10-12/2019	1-12/2020	1-12/2019
Profit for the period	7,294	-1,195	30,116	225
Other comprehensive income:				
Other comprehensive income that will be subsequently reclassified to profit or loss				
Exchange differences	-6,252	-3,561	-15,504	1,570
Reclassified to profit or loss	-	-	-327	-
Income taxes related to other comprehensive income	450	324	929	-193
Total	-5,802	-3,237	-14,902	1,377
Other comprehensive income that will not be subsequently reclassified to profit or loss				
Fair value changes of equity instruments	-8	-	-8	-
Remeasurements of defined benefit plans	-10	75	-10	75
Income taxes related to other comprehensive income	3	-21	3	-21
Total	-15	54	-15	54
Total other comprehensive income	-5,817	-3,237	-14,917	1,431
Total comprehensive income for the period	1,477	-4,432	15,199	1,656

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 31.12.2020	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	-	-	30,116	30,116
Other comprehensive income	-14,640	-270	-7	-14,917
Total comprehensive income	-14,640	-270	30,109	15,199
Share-based payments	-	-	1,015	1,015
Conveyance of treasury shares	-	-	-	92
Dividends paid	-	-	-2,876	-2,876
Equity 31.12.2020	-13,933	-7	41,962	145,882

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 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 / loss 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

STATEMENT OF CASH FLOWS

EUR thousand	1-12/2020	1-12/2019
Cash flow from operations		
Profit for the period	30,116	225
Total adjustments to profit for the period	34,626	34,585
Cash flow before changes in net working capital	64,742	34,810
Change in net working capital	-1,023	1,631
Financial items	-4,289	-5,222
Income taxes	-2,438	-1,324
Cash flow from operations	56,991	29,895
Cash flow from investments		
Investments in property, plant and equipment and intangible assets	-10,885	-10,520
Sales proceeds from property, plant and equipment and intangible assets	12	73
Cash flow from investments	-10,873	-10,447
Cash flow from financing		
Drawdown of current interest-bearing liabilities	15,000	38,000
Repayment of current interest-bearing liabilities	-31,968	-47,572
Dividends paid	-2,876	-
Cash flow from financing	-19,845	-9,572
Change in cash and cash equivalents	26,274	9,875
Cash and cash equivalents at the beginning of the period	37,741	27,757
Effect of changes in exchange rates	-6,138	109
Change in cash and cash equivalents	26,274	9,875
Cash and cash equivalents at the end of the period	57,877	37,741

KEY RATIOS

	10-12/ 2020	10-12/ 2019	1-12/ 2020	Restated 1-12/ 2019
Change in net sales, % *	17.6	-13.9	11.5	-4.6
Gross profit, as percentage of net sales, %	15.6	9.0	15.2	9.0
EBITDA, as percentage of net sales, %	12.2	7.9	13.3	8.2
Operating profit, as percentage of net sales, %	7.7	1.5	8.6	2.0
Comparable operating profit, as percentage of net sales, %	7.7	1.5	8.6	2.0
Net financial items, as percentage of net sales, %	-0.1	-2.0	-1.2	-1.5
Profit before income taxes, as percentage of net sales, %	7.6	-0.6	7.4	0.5
Profit for the period, as percentage of net sales, %	6.6	-1.3	6.6	0.1
Gross capital expenditure, EUR thousand	5,539	2,632	10,406	11,198
Depreciation and amortization, EUR thousand	5,017	6,032	21,432	25,539
Return on equity, rolling 12 months, %	-	-	21.6	0.2
Return on invested capital, rolling 12 months, %	-	-	16.7	3.7
Equity ratio, %	-	-	46.0	42.7
Gearing, %	-	-	25.4	50.7
Average number of personnel	-	-	689	685
Earnings per share, EUR, basic	0.13	-0.02	0.52	0.00
Earnings per share, EUR, diluted	0.13	-0.02	0.52	0.00
Cash flow from operations per share, EUR	0.31	0.10	0.99	0.52
Equity per share, EUR	-	-	2.53	2.30
Dividend and return of capital per share, EUR **	-	-	0.20	0.05
Price per earnings per share (P/E) ratio	-	-	9.71	590.63
Dividend payout ratio, %	-	-	38.2	1,278.4
Dividend yield, %	-	-	3.94	2.16
Number of shares, end of period, excluding treasury shares	-	-	57,568,341	57,529,868
Share price, end of period, EUR	-	-	5.08	2.31
Share price, period low, EUR	-	-	2.00	2.04
Share price, period high, EUR	-	-	5.36	2.70
Volume weighted average price during the period, EUR	-	-	4.29	2.38
Market capitalization, EUR million	-	-	292.4	132.9
Number of traded shares during the period	-	-	12,937,753	4,655,863
Number of traded shares during the period, % of average number of shares	-	-	22.5	8.1

* Compared with the corresponding period in the previous year.

** Dividend and return of capital per share 2020 is the proposal by the Board of Directors.

	31.12.2020	31.12.2019
Interest-bearing net debt, EUR thousands		
Non-current interest-bearing liabilities, nominal value	99,892	95,464
Current interest-bearing liabilities, nominal value	2,539	16,986
Interest-bearing receivables and cash and cash equivalents	-65,331	-45,236
Interest-bearing net debt	37,101	67,213

CALCULATION OF KEY RATIOS

Key ratios per share

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).

Earnings per share

Basic earnings per share are calculated by dividing the net result attributable to owners of the parent by the weighted share-issue adjusted average number of shares outstanding during the reporting period, excluding shares acquired by the Group and held as treasury shares.

When calculating diluted earnings per share the number of shares is adjusted with the effects of the share-based incentive plans.

EUR thousand	31.12.2020	31.12.2019
Profit for the period	30,116	225

Average share-issue adjusted number of shares	57,549,842	57,515,960
Average diluted share-issue adjusted number of shares excluding treasury shares	57,796,591	57,601,340

Earnings per share

EUR

Basic	0.52	0.00
Diluted	0.52	0.00

Cash flow from operations per share

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

	31.12.2020	31.12.2019
Cash flow from operations, EUR thousand	56,991	29,895
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	57,568,341	57,529,868
Cash flow from operations per share, EUR	0.99	0.52

Equity per share

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

	31.12.2020	31.12.2019
Total equity attributable to owners of the parent, EUR thousand	145,882	132,452
Share-issue adjusted number of shares excluding treasury shares, end of reporting period	57,568,341	57,529,868
Equity per share, EUR	2.53	2.30

Dividend and return of capital per share

$$\text{Dividend and return of capital per share} = \frac{\text{Dividend and return of capital for the reporting period}}{\text{Number of issued shares at end of the period excluding treasury shares}}$$

	2020	2019
Dividend and return of capital for the reporting period, EUR thousand	11,514	2,876
Number of issued shares at end of the period excluding treasury shares	57,568,341	57,529,868
Dividend and return of capital per share, EUR	0.20	0.05

Dividend payout ratio, %

$$\text{Dividend payout ratio, \%} = \frac{\text{Dividend and return of capital per share} \times 100}{\text{Basic earnings per share}}$$

	2020	2019
Dividend and return of capital per share x 100	20.00	5.00

Basic earnings per share, EUR	0.52	0.00
Dividend payout ratio, %	38.2	1,278.4

Dividend yield, %

$$\text{Dividend yield, \%} = \frac{\text{Dividend and return of capital per share} \times 100}{\text{Share price at end of the period}}$$

	2020	2019
Dividend and return of capital per share x 100	20.00	5.00
Share price at end of the period, EUR	5.08	2.31
Dividend yield, %	3.94	2.16

Price per earnings per share (P/E)

$$\text{Price per earnings per share (P/E)} = \frac{\text{Share price at end of the period}}{\text{Basic earnings per share}}$$

	2020	2019
Share price at end of the period, EUR	5.08	2.31
Basic earnings per share, EUR	0.52	0.00
Price per earnings per share (P/E)	9.71	590.63

Market capitalization

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

	31.12.2020	31.12.2019
Number of shares at the end of reporting period excluding treasury shares	57,568,341	57,529,868
Share price at end of the period, EUR	5.08	2.31
Market capitalization, EUR million	292.4	132.9

Share turnover

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

31.12.2020	31.12.2019
------------	------------

Number of shares traded during the period	12,937,753	4,655,863
Average number of shares excluding treasury shares	57,549,842	57,515,960
Share turnover, %	22.5	8.1

Alternative performance measures

Some of Suominen's key ratios 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 comparison between the reporting periods.

Operating profit and comparable operating profit

Operating profit, or earnings before interest and taxes (EBIT) is an important measure of profitability as by ignoring income taxes and financial items it focuses solely on the company's ability to generate profit from operations. Operating profit is presented as a separate line item in the consolidated statement of profit or loss.

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.

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

EBITDA

EBITDA is an important measure that focuses on the operating performance excluding the effect of depreciation and amortization, financial items and income taxes, in other words what is the margin on net sales after deducting operating expenses.

EBITDA = EBIT + depreciation, amortization and impairment losses

EUR thousand	31.12.2020	31.12.2019
Operating profit	39,492	8,129
+ Depreciation, amortization and impairment losses	21,432	25,539
EBITDA	60,924	33,668

Gross capital expenditure

Suominen considers gross capital expenditure as a relevant measure in order to understand for example how the Group maintains and renews its production machinery and facilities. Gross capital expenditure includes also capitalized borrowing costs and capitalized cash flow hedges. Gross capital expenditure (gross investments) does not include increases in right-of-use assets.

EUR thousand	31.12.2020	31.12.2019
Increases in intangible assets	306	2,224
Increases in property, plant and equipment	10,100	8,974
Gross capital expenditure	10,406	11,198

Interest-bearing net debt

Suominen considers interest-bearing net debt to be an important measure for investors to be able to understand the Group's indebtedness. 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	31.12.2020	31.12.2019
Interest-bearing liabilities	100,293	109,163
Tender and issuance costs of the debentures	2,138	3,286
Interest bearing receivables	-7,454	-7,495
Cash and cash equivalents	-57,877	-37,741
Interest-bearing net debt	37,101	67,213

Interest-bearing liabilities	100,293	109,163
Tender and issuance costs of the debentures	2,138	3,286
Nominal value of interest-bearing liabilities	102,431	112,450

Return on equity (ROE), %

The return on equity is one of the most important profitability ratios used by owners and investors. The ratio measures the ability of a company to generate profits from its shareholders' investments in the company and it defines the yield on the company's equity during the reporting period.

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

EUR thousand	31.12.2020	31.12.2019
Profit for the reporting period (rolling 12 months)	30,116	225
Total equity attributable to owners of the parent 31.12.2019 / 31.12.2018	132,452	130,513
Total equity attributable to owners of the parent 31.3.2020 / 31.3.2019	135,868	133,776

Total equity attributable to owners of the parent 30.6.2020 / 30.6.2019	138,551	133,178
Total equity attributable to owners of the parent 30.9.2020 / 30.9.2019	144,074	136,871
Total equity attributable to owners of the parent 31.12.2020 / 31.12.2019	145,882	132,452
Average	139,365	133,358
Return on equity (ROE), %	21.6	0.2

Invested capital

Invested capital = Total equity attributable to owners of the parent + interest-bearing liabilities

EUR thousand	31.12.2020	31.12.2019
Total equity attributable to owners of the parent	145,882	132,452
Interest-bearing liabilities	100,293	109,163
Invested capital	246,175	241,615

Return on invested capital (ROI), %

Return on invested capital is one of the most important key ratios. It measures the relative profitability of the company, ie. the yield on the capital invested in the company.

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

EUR thousand	31.12.2020	31.12.2019
Operating profit (rolling 12 months)	39,492	8,129
Financial income (rolling 12 months)	925	981
Total	40,416	9,110
Invested capital 31.12.2019 / 31.12.2018	241,615	231,977
Invested capital 31.3.2020 / 31.3.2019	240,761	250,259
Invested capital 30.6.2020 / 30.6.2019	238,195	249,752
Invested capital 30.9.2020 / 30.9.2019	240,368	246,660
Invested capital 31.12.2020 / 31.12.2019	246,175	241,615
Average	241,423	244,053
Return on invested capital (ROI), %	16.7	3.7

Financial income does not include fair value changes.

Equity ratio, %

Equity ratio is an important key ratio as it measures the solidity of the company, the company's tolerance for losses and ability to cover its long-term commitments. The performance measure shows how much of the company's assets are financed with equity. The equity creates a buffer against potential losses, and equity ratio represents the level of this buffer.

$$\text{Equity ratio, \%} = \frac{\text{Total equity attributable to owners of the parent} \times 100}{\text{Total assets} - \text{advances received}}$$

EUR thousand	31.12.2020	31.12.2019
Total equity attributable to owners of the parent	145,882	132,452
Total assets	317,381	310,100
Advances received	-23	-58
	317,358	310,042
Equity ratio, %	46.0	42.7

Gearing, %

Gearing represents the ratio between the equity invested by the owners of the company and the interest-bearing liabilities borrowed from financiers. Gearing is an important performance measure in assessing the financial position of a company. A high gearing is a risk factor which might limit the possibilities for growth of a company and narrow its financial freedom.

$$\text{Gearing, \%} = \frac{\text{Interest-bearing net debt} \times 100}{\text{Total equity attributable to owners of the parent}}$$

EUR thousand	31.12.2020	31.12.2019
Interest-bearing net debt	37,101	67,213
Total equity attributable to owners of the parent	145,882	132,452
Gearing, %	25.4	50.7

NET SALES BY GEOGRAPHICAL MARKET AREA

EUR thousand	1-12/2020	1-12/2019
Finland	3,180	2,527
Rest of Europe	156,060	145,055
North and South America	295,975	259,560
Rest of the world	3,678	4,270
Total	458,893	411,412

QUARTERLY DEVELOPMENT

EUR thousand	2020				2019			
	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Net sales	111,086	115,435	122,170	110,203	94,459	103,363	103,824	109,766
EBITDA	13,546	18,107	17,989	11,282	7,437	7,834	9,089	9,309
as % of net sales	12.2	15.7	14.7	10.2	7.9	7.6	8.8	8.5
Comparable operating profit	8,530	12,907	12,391	5,664	1,405	1,108	2,655	2,961
as % of net sales	7.7	11.2	10.1	5.1	1.5	1.1	2.6	2.7
Items affecting comparability	-	-	-	-	-	-	-	-
Operating profit	8,530	12,907	12,391	5,664	1,405	1,108	2,655	2,961
as % of net sales	7.7	11.2	10.1	5.1	1.5	1.1	2.6	2.7
Net financial items	-64	-1,761	-1,813	-1,945	-1,926	-1,080	-1,695	-1,297
Profit before income taxes	8,466	11,146	10,579	3,719	-521	28	960	1,665
as % of net sales	7.6	9.7	8.7	3.4	-0.6	0.0	0.9	1.5

QUARTERLY SALES BY BUSINESS AREA

EUR thousand	2020				2019			
	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Americas	66,829	71,947	77,162	73,170	62,180	66,161	65,011	68,326
Europe	44,276	43,542	45,047	37,054	32,294	37,233	38,798	41,466
Unallocated exchange differences and eliminations	-19	-54	-38	-21	-15	-30	14	-25
Total	111,086	115,435	122,170	110,203	94,459	103,363	103,824	109,766

INFORMATION ON RELATED PARTIES

Suominen Group's related parties include the parent of the Group (Suominen Corporation) and subsidiaries. In addition, 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.

Management remuneration

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.

The annual and meeting fees paid to the Board of Directors of Suominen Corporation in 2020 were in total EUR 275 thousand, of which EUR 92 thousand were paid in shares.

Other salaries paid to the related parties, including fringe benefits during January-December 2020 amounted to EUR 1,966 thousand, of which EUR 100 thousand was the value of the vested share-based payments. Obligatory pension payments were EUR 234 thousand and voluntary pension payments EUR 91 thousand. The accruals based on the non-vested share-based incentive plans were EUR 1,068 thousand.

Management share ownership

Number of shares

Board of Directors	31.12.2020
Jan Johansson, Chair of the Board of Directors	29,563
Andreas Ahlström, Deputy Chair of the Board from 19.3.2020	19,180
Laura Raitio	19,180
Sari Pajari-Sederholm	8,401
Björn Borgman, from 19.3.2020	8,890
Nina Linander, from 19.3.2020	17,669
Total	102,883
Total % of shares and votes	0.18%
 Executive Team	
Petri Helsky	22,676
Toni Tamminen	2,700
Klaus Korhonen	14,676
Lynda Kelly	18,759
Mimoun Saïm	29,060
Markku Koivisto	14,822
Total	102,693
Total % of shares and votes	0.18%

THE LARGEST SHAREHOLDERS ON DECEMBER 31, 2020

Shareholder	Number of shares	% of shares and votes
AC Invest Two BV	13,953,357	23.95%
Oy Etra Invest Ab	7,770,000	13.34%
Euroclear Bank SA/NV	3,182,604	5.46%
Ilmarinen Mutual Pension Insurance Company	3,046,892	5.23%
Pension Insurance Company Elo	3,024,651	5.19%
Varma Mutual Pension Insurance Company	2,189,751	3.76%
Mandatum Life Insurance Company	2,002,536	3.44%
Nordea Life Assurance Finland Ltd	1,812,000	3.11%
Oy H. Kuningas & Co. AB	1,567,416	2.69%
Skandinaviska Enskilda Banken (publ.)	1,161,138	1.99%
Nordea Nordic Small Cap Fund	989,909	1.70%
Mikko Maijala	855,147	1.47%
Juhani Maijala	794,026	1.36%
Laakkosen Arvopaperi Oy	750,000	1.29%
Nordea Bank ABP	721,273	1.24%
15 largest total	43,820,700	75.22%
Other shareholders	8,511,831	14.61%
Nominee registered	5,231,761	8.98%
Treasury shares	690,878	1.19%
In joint account (not in the book-entry securities system)	4,049	0.01%
Total	58,259,219	100.00%

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

EUR thousand	31.12.2020			31.12.2019		
	Property, plant and equipment	Intangible assets	Right- of-use assets	Property, plant and equipment	Intangible assets	Right- of-use assets
Carrying amount at the beginning of the period	121,584	20,020	14,319	129,391	21,231	16,946
Application of IFRS 16	-	-	-	-149	-	-
Capital expenditure and increases	10,100	306	7,410	8,974	2,224	946
Disposals and decreases	-	-	-80	-1	-	-215
Depreciation, amortization and impairment losses	-14,354	-3,549	-3,530	-18,608	-3,448	-3,483
Exchange differences and other changes	-12,664	-29	-335	1,977	12	125

Carrying amount at the end of the period	104,666	16,748	17,784	121,584	20,020	14,319
--	----------------	---------------	---------------	---------	--------	--------

Intangible assets excluding goodwill.

CONTINGENT LIABILITIES

Guarantees and other commitments	2020	2019
On own commitments	4,317	9,906
Other own commitments	33,452	2,203
Total	37,769	12,108

Other contingencies

Contractual commitments to acquire property, plant and equipment	6,586	–
Commitments to leases not yet commenced	34	33
Total	6,620	33

Rental obligations

Within one year	38	90
Between 1-5 years	66	89
After 5 years	–	–
Total	104	179

NOMINAL AND FAIR VALUES OF DERIVATIVE INSTRUMENTS

EUR thousand	31.12.2020		31.12.2019	
	Nominal value	Fair value	Nominal value	Fair value
Currency forward contracts hedge accounting not applied	2,991	60	–	–

FINANCIAL ASSETS BY CATEGORY

- Fair value through profit or loss
- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income
- Carrying amount
- Fair value

EUR thousand	a.	b.	c.	d.	e.
Equity instruments	347	–	421	768	768
Loan receivables	3,476	3,978	–	7,454	7,454
Trade receivables	–	51,128	–	51,128	51,128
Derivative receivables	61	–	–	61	61

Interest and other financial receivables	-	378	-	378	378
Cash and cash equivalents	-	57,877	-	57,877	57,877
Total 31.12.2020	3,885	113,360	421	117,666	117,666

EUR thousand	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 December 2019	4,193	88,432	429	93,054	93,054

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

CHANGES IN INTEREST-BEARING LIABILITIES

	2020	2019
Total interest-bearing liabilities at the beginning of the period	109,163	101,463
Current liabilities at the beginning of the period	16,986	20,765
Application of IFRS 16	-	2,664
Repayment of current liabilities, cash flow items	-31,968	-47,572
Drawdown of current liabilities, cash flow items	15,000	38,000
Increases in current liabilities, non-cash flow items	276	218
Decreases of current liabilities, non-cash flow items	-625	-99
Reclassification from non-current liabilities	3,001	2,942
Periodization of debenture to amortized cost, non-cash flow items	-	43
Exchange rate difference, non-cash flow item	-130	25
Current liabilities at the end of the period	2,539	16,986
Non-current liabilities at the beginning of the period	10,464	84
Application of IFRS 16	-	12,622
Increases in non-current liabilities, non-cash flow items	7,744	733
Decreases of non-current liabilities, non-cash flow items	-3	-121
Reclassification to current liabilities	-3,001	-2,942
Exchange rate difference, non-cash flow item	-312	88
Non-current liabilities at the end of the period	14,892	10,464
Non-current debentures at the beginning of the period	81,714	80,615
Periodization of debenture to amortized cost, non-cash flow items	1,148	1,099
Non-current debentures at the end of the period	82,862	81,714
Total interest-bearing liabilities at the end of the period	100,293	109,163

FINANCIAL LIABILITIES

EUR thousand	31.12.2020			31.12.2019		
	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value	Nominal value
Non-current financial liabilities						
Debentures	82,862	87,661	85,000	81,714	86,063	85,000
Lease liabilities	14,892	14,892	14,892	10,464	10,464	10,464
Total non-current financial liabilities	97,754	102,553	99,892	92,177	96,526	95,464
Current financial liabilities						
Current loans from financial institutions	–	–	–	14,000	14,000	14,000
Lease liabilities	2,539	2,539	2,539	2,986	2,986	2,986
Interest accruals	522	522	522	551	551	551
Derivative liabilities	1	1	1	–	–	–
Other current liabilities	552	552	552	440	440	440
Trade payables	42,024	42,024	42,024	44,495	44,495	44,495
Total current financial liabilities	45,639	45,639	45,639	62,473	62,473	62,473
Total	143,393	148,191	145,531	154,650	158,999	157,936

The financial liabilities in the table above are measured at amortized cost.

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

FAIR VALUE MEASUREMENT HIERARCHY

EUR thousand

Fair value hierarchy in 2020

Financial assets at fair value	Level 1	Level 2	Level 3
Equity instruments	–	–	768
Loan receivables	–	–	3,476
Currency derivatives	–	61	–
Total in 2020	–	61	4,244

Financial liabilities at fair value	Level 1	Level 2	Level 3
Currency derivatives	–	1	–
Total in 2020	–	1	–

Fair value hierarchy in 2019

Financial assets at fair value	Level 1	Level 2	Level 3
Equity instruments	–	–	777
Loan receivables	–	–	3,845
Total in 2019	–	–	4,622

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

RESTATEMENT OF PREVIOUSLY PUBLISHED FIGURES

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

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

SUOMINEN CORPORATION
Board of Directors

For further information, please contact:
Petri Helsky, President & CEO, tel. +358 10 214 3080
Toni Tamminen, CFO, tel. +358 10 214 3051

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 2020 were EUR 458.9 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.

Distribution:
Nasdaq Helsinki
Main media
www.suominen.fi