

JARI ROSENDAL, PRESIDENT AND CEO
MARCH 24, 2021

CEO Review

ANNUAL GENERAL MEETING 2021

kemira

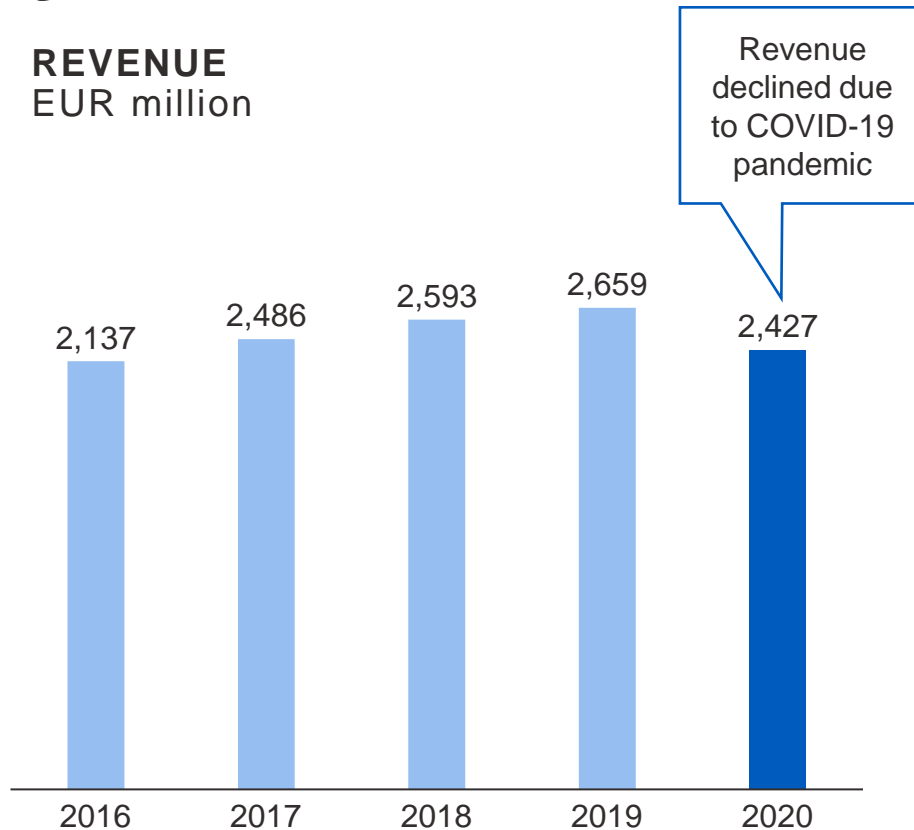
Highlights in 2020

- **Vahva vuosi 2020:** improved profitability, improved customer satisfaction and employee engagement. Good operational performance.
- Challenging market environment due to COVID-19 pandemic and related economic slowdown
- Revenue development excluding Oil & Gas and currencies -2% illustrating resilience of business model. Strong profitability: operative EBITDA margin improved to 17.9%.
- New manufacturing facilities in China and the Netherlands facilitate growth; facility expansion in Uruguay to support future growth in Pulp & Paper
- Financial target for operative EBITDA margin updated to 15-18% (previously 15-17%)
- Dividend policy updated: aim to distribute competitive and over-time increasing dividend

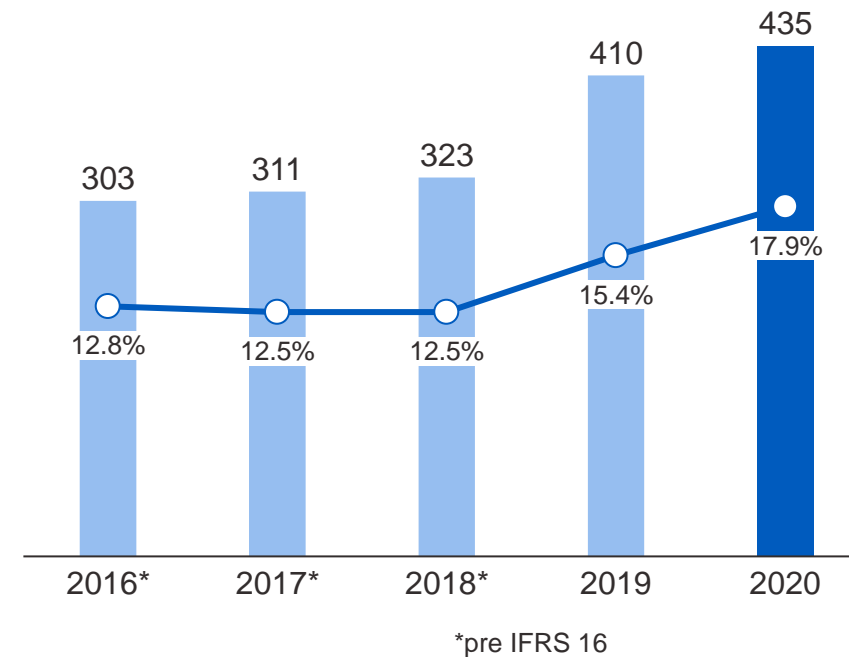


Profitability has improved clearly in recent years

REVENUE
EUR million



OPERATIVE EBITDA
OPERATIVE EBITDA MARGIN
EUR million



Strong results in customer satisfaction and employee engagement

Strong customer satisfaction – positive feedback on Kemira’s actions during COVID-19

NET PROMOTER SCORE*

47

* Promoter customers (very loyal) – Detractor customers (unhappy),
Scale: 0-19 Satisfactory, 20-39 Good, 40+ Excellent.

Employee engagement continued to improve – clearly above industrial benchmark

EMPLOYEE ENGAGEMENT

81

6 PTS ABOVE MANUFACTURING
INDUSTRY BENCHMARK

Income statement (IFRS)

EUR million	2020	2019
Revenue	2,427.2	2,658.8
Other operating income	4.0	6.4
Operating expenses	-2,017.9	-2,283.0
Depreciations, amortizations and impairments	-197.4	-187.9
Operating profit	215.9	194.4
Finance costs (net)	-34.9	-39.7
Share of profit or loss of associates	0.0	0.0
Profit before tax	181.0	154.7
Income taxes	-43.0	-38.2
Net profit for the period	138.0	116.5
Equity owners of the parent	131.3	110.2
Non-controlling interests	6.7	6.3
Earnings per share for net profit attributable to the equity owners of the parent company (EUR per share)	0.86	0.72

Pulp & Paper – clear profitability improvement in 2020

Market environment in 2020

- Pulp, board and tissue demand remained resilient; demand in printing and writing chemicals declined.

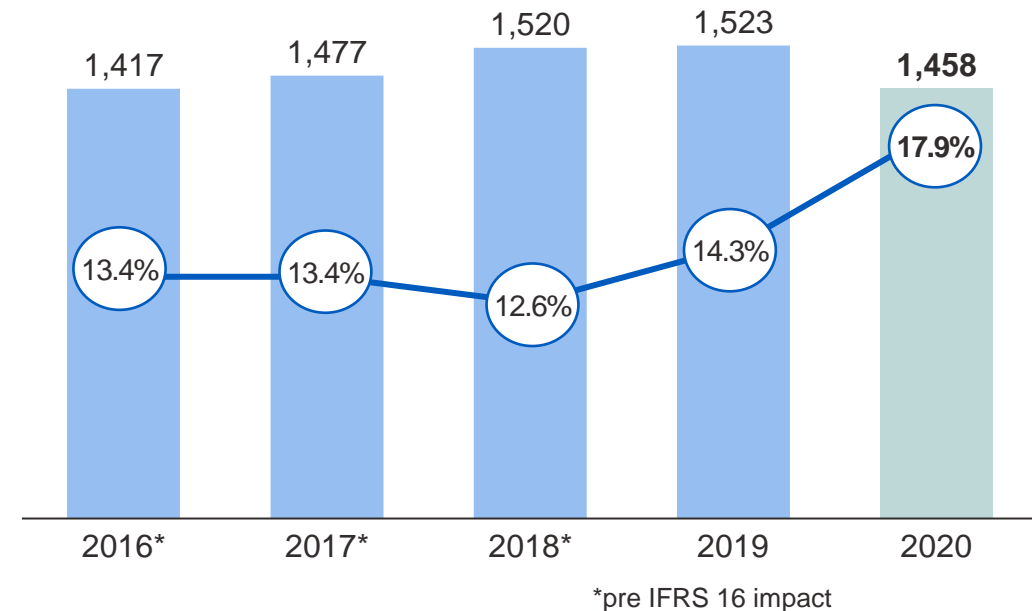
Revenue declined by 4%

- Economic slowdown impacted volumes, particularly in printing & writing products
- Organic growth improved towards year-end

Strong profitability

- Profitability improved in all regions, particularly in APAC
- Margin improvement result of good cost management and contribution from recent investments

REVENUE AND OPERATIVE EBITDA-%
EUR Million



Industry & Water – profitability improved despite lower sales volumes

Market environment in 2020

- Municipal water treatment market grew slightly despite COVID-19 pandemic; industrial water treatment market declined due to lower industrial activity
- Demand in shale declined significantly during 2020, but recovered slightly towards year-end

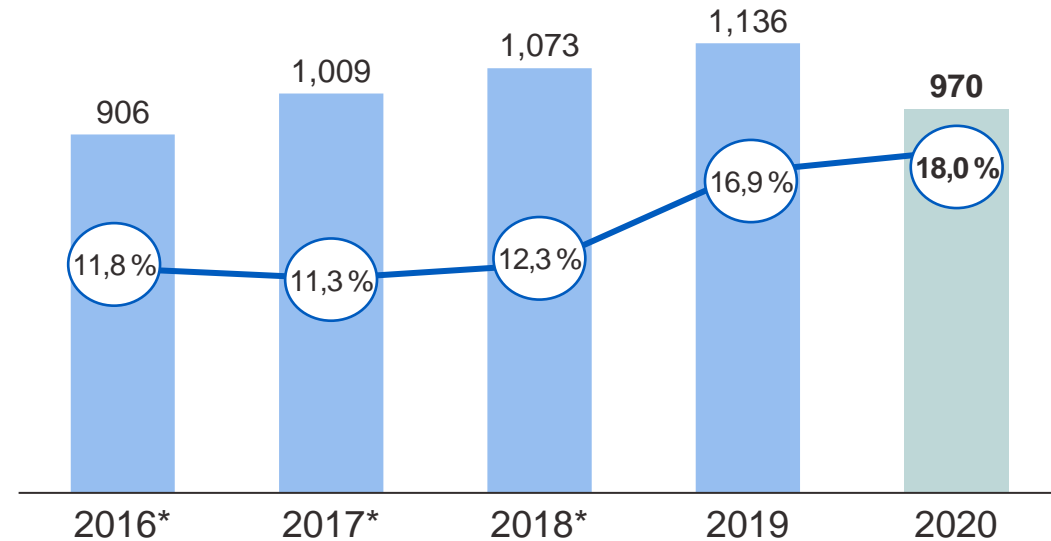
Revenue declined by 15%

- Organic revenue growth excluding Oil & Gas -2%

Strong profitability

- Profitability supported by lower variable costs and good fixed cost management. Positive contribution from polymer expansion in the Netherlands.

REVENUE AND OPERATIVE EBITDA-%
EUR million



*ennen IFRS 16-vaikutusta

2016 figures are pro forma; combination of Municipal & Industrial and Oil & Mining segments

Dividend proposal 2021

- Kemira Oyj distributable funds were EUR 565,6 million on Dec 31, 2020
- The Board of Directors proposes to increase the dividend to EUR 0.58 per share (totaling EUR 89 million)
- The dividend is proposed to be paid in two installments. Preliminary payment dates would be April 8, 2021 and November 4, 2021. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October.



WE WANT TO ENSURE PROFITABLE GROWTH BY BECOMING THE LEADING PROVIDER OF SUSTAINABLE CHEMICAL SOLUTIONS FOR WATER-INTENSIVE INDUSTRIES

<p>CURRENT REVENUE</p> <p>~100 MEUR</p> <p>FROM BIOBASED PRODUCTS</p>	<p>TARGET REVENUE IN 2030</p> <p>>500 MEUR</p> <p>FROM BIOBASED PRODUCTS</p>
<p>SHARE IN 2020</p> <p>12%</p> <p>OF RENEWABLE CARBON OF ALL CARBON CONTAINING RAW MATERIALS</p>	<p>TARGET SHARE IN 2030</p> <p>40%</p> <p>OF RENEWABLE CARBON OF ALL CARBON CONTAINING RAW MATERIALS</p>

Sustainability is an important theme for Kemira

THE MOST IMPORTANT SUSTAINABILITY THEMES AT KEMIRA

SAFETY

High safety standard is a foundation of our business

PEOPLE

Strong company culture and commitment to people

WATER

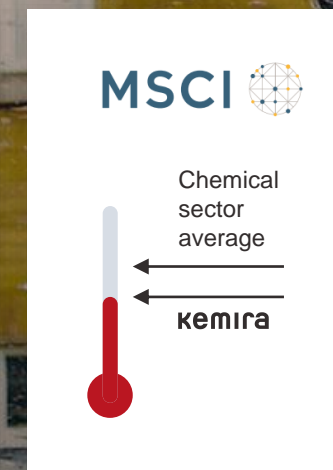
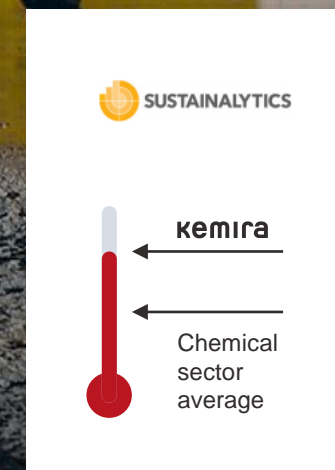
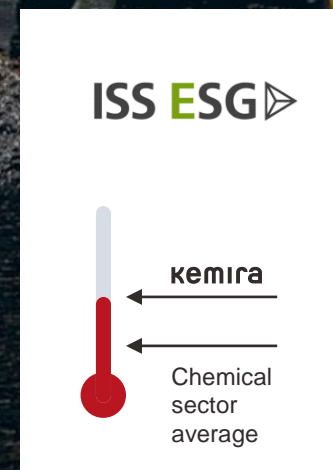
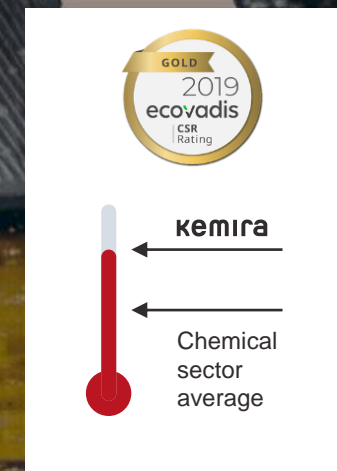
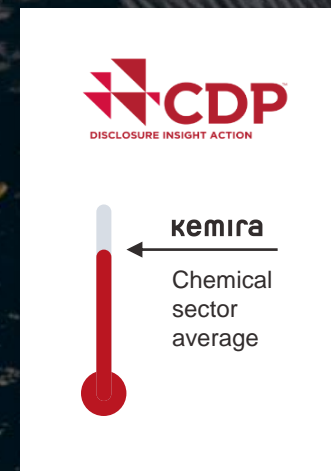
Effective management of water-related risks

CIRCULARITY

Improve customer resource efficiency; increase biobased and recycled raw material use

CLIMATE

Reducing emissions and costs through renewable energy and energy efficiency of operations



) Includes people, operations (environment) and chemical safety

Key operative focus areas in 2021

- Continue to mitigate impact of COVID-19 to ensure our own and our customers' business continuity. Ensuring a safe working environment.
- Increased focus on profitable growth; maintain focus on strict cost management
- Biobased products: develop strategic partnerships further; R&D focus on development of new biobased and recyclable products
- Operational agility: ensure good capacity utilization and capacity can be ramped up quickly when market demand recovers
- Construction of additional polymer capacity in the U.S. and South Korea as well as expansion of bleaching capacity in Uruguay



kemira 100 years of
chemistry