



# January-March 2022 Interim Report

kemira

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## STRONG START TO THE YEAR

### First quarter:

- Revenue increased by 27% to a record-high, EUR 768.1 million (606.1). Revenue in local currencies, excluding acquisitions and divestments, increased by 22% following higher sales prices.
- Operative EBITDA increased by 15% to EUR 120.0 million (104.6) due to higher revenue. The operative EBITDA margin decreased to 15.6% (17.3%) due to inflationary pressures. The operative EBITDA margin improved from Q4 2021 (13.6%). EBITDA increased by 10% to EUR 113.5 million (103.0). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to Kemira's business in Russia.
- Operative EBIT increased by 24% to EUR 68.9 million (55.7). EBIT increased by 15% to EUR 62.2 million (54.2).
- Cash flow from operating activities was EUR -10.9 million (13.8) and it was impacted by an increase in net working capital.
- EPS (diluted) increased by 4% to EUR 0.26 (0.25).

### Outlook for 2022 (unchanged)

#### Revenue

Kemira's revenue in local currencies, excluding acquisitions and divestments, is expected to increase from 2021 (EUR 2,674.4 million).

#### Operative EBITDA

Kemira's operative EBITDA is expected to be within a +/- 5% range of the operative EBITDA in 2021 (EUR 425.5 million).

### Assumptions behind outlook (specified)

Market uncertainty increased during the first quarter of 2022 due to the war in Ukraine, the COVID-19 pandemic, particularly in China, and the inflationary environment. Despite the uncertainty, Kemira's end-market demand in both segments is expected to be good in 2022.

The outlook assumes no major disruptions to Kemira's manufacturing operations or further significant supply chain disruptions either due to the war in Ukraine or due to the COVID-19 pandemic. The outlook assumes normal energy availability in Europe. Inflationary pressures have been accelerated by the war in Ukraine and they are expected to remain strong in 2022.



**Kemira's President and CEO Jari Rosendal:**

"In February, we saw tragic events unfolding in Ukraine. We are shocked and saddened to witness the humanitarian crisis caused by the war in Ukraine. Our deepest sympathies are with the Ukrainian people in the current situation. We announced our decision to discontinue deliveries to Russia and Belarus in early March. The fifth EU sanctions list published on April 9, 2022 includes now also the majority of Kemira's products. We have also made a donation through the Red Cross and extended support to our own employees affected by the crisis.

Russia is a relatively small market for us and accounted for roughly 3% of Kemira's sales in 2021. The impacts of the war in Ukraine were limited in our first quarter performance and we had a strong start to the year.

Despite the uncertain geopolitical situation, demand in our end-markets remained good. Revenue grew by 27% driven by higher sales prices and reached a record-high of EUR 768 million. Relative profitability continued to be impacted by strong inflationary pressures and the operative EBITDA margin declined to 15.6%. Thanks to the strong revenue, our operative EBITDA reached a record-high of EUR 120 million.

In the Pulp & Paper segment, revenue increased by 21%. Demand remained good across customer segments and geographic regions during the quarter. A strike at a significant customer in Finland impacted quarterly volumes negatively. The operative EBITDA margin declined to 16.0% due to inflationary pressures, while operative EBITDA grew to EUR 71 million.

In the Industry & Water segment, revenue grew by 36%. Demand in the water treatment business continued to be good. Oil & Gas revenue grew by 73% driven by the strong demand in shale. We expect the current environment to support our Oil & Gas business. The operative EBITDA margin declined to 15.2% following inflationary pressures, while operative EBITDA grew to EUR 49 million.

In March we held our Annual General Meeting, which approved the Board of Directors' dividend proposal of EUR 0.58 per share payable in two installments. The first dividend installment was paid in early April.

Market uncertainty increased during the first quarter of 2022. Also, the inflationary pressures intensified during the quarter and we expect them to remain strong throughout 2022. As a result, we will need to continue our actions to mitigate the impacts. Our outlook for 2022 remains unchanged. We expect revenue in local currencies, excluding acquisitions and divestments, to increase from 2021 (EUR 2,674.4 million) and the operative EBITDA to be within a + / - 5% range of the operative EBITDA in 2021 (EUR 425.5 million)."

KEY FIGURES AND RATIOS

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Revenue	768.1	606.1	2,674.4
Operative EBITDA	120.0	104.6	425.5
Operative EBITDA, %	15.6	17.3	15.9
EBITDA	113.5	103.0	373.2
EBITDA, %	14.8	17.0	14.0
Operative EBIT	68.9	55.7	225.4
Operative EBIT, %	9.0	9.2	8.4
EBIT	62.2	54.2	170.1
EBIT, %	8.1	8.9	6.4
Net profit for the period	42.2	40.8	115.2
Earnings per share, diluted, EUR	0.26	0.25	0.70

Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2021. Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=organic growth), EBITDA, operative EBITDA, operative EBIT, cash flow after investing activities, and gearing, provide useful information about Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2020
Capital employed*	2,045.4	1,958.8	1,995.0
Operative ROCE*, %	11.7	11.9	11.3
ROCE*, %	8.7	10.7	8.5
Cash flow from operating activities	-10.9	13.8	220.2
Capital expenditure excl. acquisition	26.1	26.6	168.8
Capital expenditure	26.1	26.6	169.8
Cash flow after investing activities	-36.6	-13.1	57.3
Equity ratio, % at period-end	40	40	43
Equity per share, EUR	8.50	7.53	8.68
Gearing, % at period-end	68	67	63

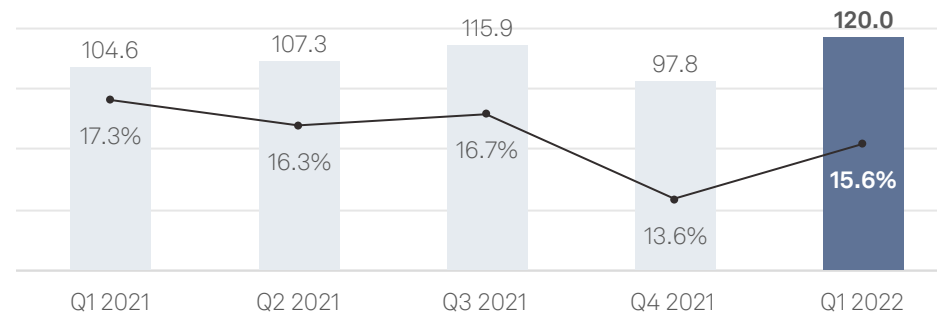
\*12-month rolling average

Kemira's alternative performance measures should not be viewed in isolation from the equivalent IFRS measures, and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the definitions of the key figures in this report, as well as at [www.kemira.com](http://www.kemira.com) > Investors > Financial information. All the figures in this report have been individually rounded, and consequently the sum of the individual figures may deviate slightly from the total figure presented.

Revenue



Operative EBITDA and operative EBITDA margin



## FINANCIAL PERFORMANCE IN Q1 2022

**Revenue** increased by 27%. Revenue in local currencies, excluding acquisitions and divestments, increased by 22% following higher sales prices. Sales volumes declined slightly.

Revenue	Jan-Mar 2022 EUR million	Jan-Mar 2021 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	446.5	369.5	+21	+17	+4	0
Industry & Water	321.5	236.6	+36	+31	+5	0
<b>Total</b>	<b>768.1</b>	<b>606.1</b>	<b>+27</b>	<b>+22</b>	<b>+4</b>	<b>0</b>

\*Revenue growth in local currencies, excluding acquisitions and divestments

**Operative EBITDA** increased by 15% to EUR 120.0 million (104.6) due to higher revenue. The operative EBITDA margin declined compared to the previous year due to inflationary pressures, but improved sequentially.

Variance analysis, EUR million	Jan-Mar
<b>Operative EBITDA, 2021</b>	<b>104.6</b>
Sales volumes	-2.6
Sales prices	+138.0
Variable costs	-122.3
Fixed costs	-3.2
Currency exchange	+1.9
Others	+3.6
<b>Operative EBITDA, 2022</b>	<b>120.0</b>

Operative EBITDA	Jan-Mar 2022 EUR million	Jan-Mar 2021 EUR million	Δ%	Jan-Mar 2022 %-margin	Jan-Mar 2021 %-margin
Pulp & Paper	71.3	62.9	+13	16.0	17.0
Industry & Water	48.8	41.7	+17	15.2	17.6
<b>Total</b>	<b>120.0</b>	<b>104.6</b>	<b>+15</b>	<b>15.6</b>	<b>17.3</b>

**EBITDA** increased 10% EUR 113.5 million (103.0). The difference between it and operative EBITDA is explained by **items affecting comparability**, including EUR 3.5 million of expected losses related to the business in Russia, mainly concerning the Pulp & Paper segment's logistics equipment and trade receivables.

Items affecting comparability, EUR million	Jan-Mar 2022	Jan-Mar 2021
<b>Within EBITDA</b>	<b>-6.5</b>	<b>-1.6</b>
Pulp & Paper	-4.8	-0.8
Industry & Water	-1.7	-0.8
<b>Within depreciation, amortization and impairments</b>	<b>-0.1</b>	<b>0.0</b>
Pulp & Paper	-0.1	0.0
Industry & Water	0.0	0.0
<b>Total items affecting comparability in EBIT</b>	<b>-6.7</b>	<b>-1.6</b>

**Depreciation, amortization and impairments** were EUR 51.3 million (48.9), including EUR 3.1 million (3.0) in amortization of the purchase price allocation.

**Operative EBIT** increased by 24% due to higher EBITDA. **EBIT** increased by 15%, and the difference between the two is explained by items affecting comparability, including EUR 3.6 million of expected losses related to the business in Russia, mainly concerning the Pulp & Paper segment's logistics equipment and trade receivables.

**Net finance costs** totaled EUR -7.9 million (-1.6). The comparison period included a gain of EUR 5.6 million arising from bond liability management. **Income taxes** were EUR -12.1 million (-11.8), with the reported tax rate being 22% (22%). **Net profit for the period** increased by 3% mainly due to higher EBITDA.

## FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in January–March 2022 decreased to EUR -10.9 million (13.8) due to an increase in net working capital. Net working capital increased due to higher inventories and receivables. During Q1 2022, Kemira's supplementary pension fund in Finland, Neliapila, returned excess capital totaling EUR 10 million to Kemira. Cash flow after investing activities was EUR -36.6 million (-13.1).

At the end of the period, interest-bearing liabilities totaled EUR 1,054.4 million (979.9), including lease liabilities of EUR 139.2 million (121.5). The average interest rate of the Group's interest-bearing loan portfolio (excluding leases) was 1.7% (1.9%), and the duration was 25 months (20). Fixed-rate loans accounted for 76% (74%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities maturing in the next 12 months amounted to EUR 258.8 million. On March 31, 2022, cash and cash equivalents totaled EUR 154.5 million (203.0). The Group has a EUR 400 million undrawn committed credit facility maturing in 2026.

At the end of the period, Kemira Group's net debt was EUR 899.8 million (776.9), including lease liabilities. The equity ratio was 40% (40%), while gearing was 68% (67%).

## CAPITAL EXPENDITURE

In January–March 2022, capital expenditure excluding acquisitions decreased by 2% to EUR 26.1 million (26.6). Capital expenditure (capex) can be broken down as follows: expansion capex 19% (28%), improvement capex 34% (22%), and maintenance capex 47% (50%).

## RESEARCH AND DEVELOPMENT

In January–March 2022, total research and development expenses were EUR 7.3 million (7.3), representing 0.9% (1.2%) of the Group's revenue.

## HUMAN RESOURCES

At the end of the period, Kemira Group had 4,939 employees (4,926). Kemira had 761 (767) employees in Finland, 1,746 (1,755) employees elsewhere in EMEA, 1,511 (1,472) in the Americas, and 921 (932) in APAC.



## SUSTAINABILITY

Kemira's sustainability work covers economical, environmental and social topics and is guided by the UN Sustainable Development Goals (SDGs). Our focus is on Clean Water and Sanitation (SDG6), Decent Work and Economic Growth (SDG8), Responsible consumption and production (SDG12), and Climate action (SDG13). More information on sustainability at Kemira can be found in the [Sustainability report](#) 2021. Quarterly data for scope 1 and scope 2 emissions will be available on Kemira's website ([kemira.com/investors](http://kemira.com/investors)) in early May.

### Sustainability performance in Q1 2022

#### SAFETY

Kemira's safety performance saw a setback compared to the previous years and the TRIF rate was 4.1 in Q1 2022. Kemira started a safety campaign for the remainder of 2022 to further promote safe working practices at all manufacturing sites.

#### PEOPLE

Kemira measures the employees' perception of diversity and inclusion. In Q1 2022, Kemira launched a Diversity & Inclusion training for people leaders in conjunction with the implementation of Kemira's new leadership principles.

#### CIRCULARITY

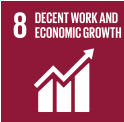
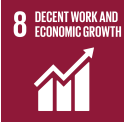



Kemira continued to progress its biobased strategy during Q1 2022. During the quarter, Kemira introduced a biobased water-soluble polymer, which has been specially designed for use in the water and energy industries. Kemira also continued its work with product carbon footprints and life cycle assessments during the quarter by collecting product specific waste generation data.

#### WATER

Kemira updated its sustainability target for water as of 2022 and aims to reach the highest level, Leadership, in water management by 2025 as measured by CDP Water Security. A water risk assessment for 2022 was started in Q1 2022 and a more detailed assessment of the manufacturing sites will be conducted. Kemira also continued its work with product carbon footprints and life cycle assessments during the quarter by collecting product specific water consumption data.

## CLIMATE

Kemira continued to source emission-free energy and a renewable energy contract covering one of Kemira's manufacturing sites in the U.S was signed during Q1 2022. In addition, Kemira's work to better understand its scope 3 emissions continued with the aim of identifying opportunities to reduce emissions in its value chain and to increase the collection of primary data from suppliers.

SDG	KPI	UNIT	2021
	<b>SAFETY</b> TRIF* 1.5 by 2025 and 1.1 by 2030 <small>*TRIF = total recordable injury frequency per million hours, Kemira + contractors</small>		2.7
	<b>PEOPLE</b> Reach top 10% cross industry norm for Diversity & Inclusion by 2025		Slightly below top 25%
	<b>CIRCULARITY</b> Reduce waste intensity** by 15% by 2030 from a 2019 baseline of 4.6 Biobased products > EUR 500 million revenue by 2030 <small>**metric tonnes of routine disposed production waste per thousand metric tonnes of production</small>	t/1000t	4.3
	<b>WATER</b> Reach Leadership level in water management by 2025 measured by CDP Water Security scoring methodology.	Rate scale A-D	B
	<b>CLIMATE</b> Scopes 1 & 2*** emissions -30% by 2030 compared to 2018 baseline of 930 tCO2e	tCO2e	856

\*\*\*Scope 1: Direct greenhouse gas emissions from Kemira's manufacturing sites, e.g. generation of energy and emissions from manufacturing processes

Scope 2: Indirect greenhouse gas emissions from external generation and purchase of electricity, heating, cooling and steam



SEGMENTS

PULP & PAPER

Pulp & Paper has unique expertise in applying chemicals and in supporting pulp and paper producers in innovating and constantly improving their operational efficiency. The segment develops and commercializes new products to meet the need of its customers, thus ensuring a leading portfolio of products and services for the bleaching of pulp as well as the paper wet-end, focusing on packaging, board, and tissue. Pulp & Paper is leveraging its strong application portfolio in North America and EMEA, while it is also building a strong position in the emerging Asian and South American markets.



EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Revenue	446.5	369.5	1,559.6
Operative EBITDA	71.3	62.9	244.7
Operative EBITDA, %	16.0	17.0	15.7
EBITDA	66.4	62.2	198.3
EBITDA, %	14.9	16.8	12.7
Operative EBIT	40.7	33.2	124.3
Operative EBIT, %	9.1	9.0	8.0
EBIT	35.7	32.4	77.7
EBIT, %	8.0	8.8	5.0
Capital employed*	1,250.5	1,235.2	1,226.9
Operative ROCE*, %	10.5	11.4	10.1
ROCE*, %	6.5	9.7	6.3
Capital expenditure excl. M&A	17.9	11.1	88.5
Capital expenditure incl. M&A	17.9	11.1	89.5
Cash flow after investing activities	-23.7	26.1	94.6

\*12-month rolling average

First quarter

The segment’s **revenue** increased by 21%. Revenue in local currencies, excluding acquisitions and divestments, increased by 17% due to higher sales prices. Sales volumes declined as a strike at a significant customer in Finland impacted quarterly sales volumes negatively. Currencies had a positive impact.

In **EMEA**, revenue increased by 17% due to higher sales prices, which increased across product groups. Sales volumes declined due to a customer strike in Finland. In **the Americas**, revenue increased by 33%. Revenue in local currencies, excluding acquisitions and divestments, increased by 24% due to higher sales prices, which

increased across product groups. Sales volumes increased in process and functional chemicals. In **APAC**, revenue increased by 13%. Revenue in local currencies, excluding acquisitions and divestments, increased by 6% due to higher sales prices, particularly in sizing chemicals. Sales volumes declined.

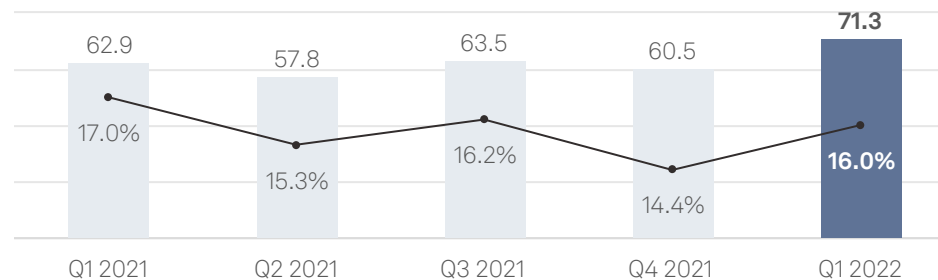
**Operative EBITDA** increased by 13% due to higher revenue. The operative EBITDA margin declined to 16.0% due to inflationary pressures, but improved sequentially.

**EBITDA** increased by 7%. The difference from operative EBITDA is explained by items affecting comparability, which included EUR 2.9 million of expected losses of logistics equipment and trade receivables in Russia.

**Revenue**



**Operative EBITDA and operative EBITDA margin**



## INDUSTRY & WATER

Industry & Water supports municipalities and water-intensive industries in the efficient and sustainable use of resources. In water treatment, Kemira provides assistance in optimizing various stages of the water cycle. In oil and gas applications, our chemistries enable improved yield from existing reserves, reduced water and energy use, as well as efficiency of oil sands tailings treatment.



EUR million	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Revenue	321.5	236.6	1,114.8
Operative EBITDA	48.8	41.7	180.8
Operative EBITDA, %	15.2	17.6	16.2
EBITDA	47.1	40.8	174.9
EBITDA, %	14.6	17.3	15.7
Operative EBIT	28.2	22.5	101.2
Operative EBIT, %	8.8	9.5	9.1
EBIT	26.5	21.7	92.4
EBIT, %	8.2	9.2	8.3
Capital employed*	794.5	723.1	767.6
Operative ROCE*, %	13.4	12.6	13.2
ROCE*, %	12.2	12.3	12.0
Capital expenditure excl. M&A	8.2	15.5	80.3
Capital expenditure incl. M&A	8.2	15.5	80.3
Cash flow after investing activities	7.1	0.8	50.9

\*12-month rolling average

### First quarter

The segment's **revenue** increased by 36%. Revenue in local currencies, excluding acquisitions and divestments, increased by 31% mainly due to higher sales prices. Also sales volumes increased. Currencies had a positive impact.

In the water treatment business, revenue increased by 28% mainly due to higher sales prices in both municipal and industrial water treatment. Sales volumes also increased. The revenue of the Oil & Gas business increased by 73% to EUR 69.0 million (39.9), driven by higher sales prices and volumes in shale.

In **EMEA**, revenue increased by 27% mainly due to higher sales prices in water treatment. Also sales volumes in water treatment grew. In **the Americas**, revenue

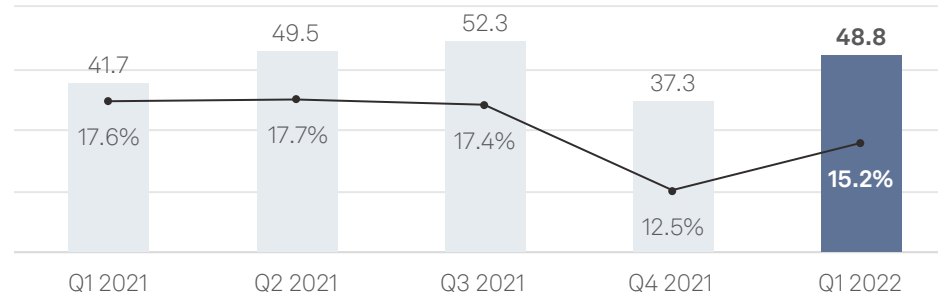
increased by 48%. Revenue in local currencies, excluding acquisitions and divestments, increased by 38% driven particularly by higher sales prices. In water treatment, sales prices increased. Also in the Oil and Gas business sales prices and sales volumes increased driven by shale. In **APAC**, revenue increased by 26% albeit from a low base due to higher sales prices.

**Operative EBITDA** increased by 17% due to higher revenue. The operative EBITDA margin declined to 15.2% following inflationary pressures, but improved sequentially. **EBITDA** increased by 15%, and the difference from operative EBITDA is explained by items affecting comparability.

**Revenue**



**Operative EBITDA and operative EBITDA margin**



## KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On March 31, 2022, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles the holder to one vote at the Annual General Meeting.

At the end of March 2022, Kemira Oyj had 50,341 registered shareholders (49,484 on December 31, 2021). Non-Finnish shareholders held 29.0% of the shares (28.4% on December 31, 2021), including nominee-registered holdings. Households owned 20.2% of the shares (19.8% on December 31, 2021). Kemira held 1,993,945 treasury shares (2,215,073 on December 31, 2021), representing 1.3% (1.4% on December 31, 2021) of all company shares.

Kemira Oyj's share price decreased by 11% from the beginning of the year and closed at EUR 11.87 on the Nasdaq Helsinki at the end of March 2022 (13.33 on December 31, 2021). The shares registered a high of EUR 13.95 and a low of EUR 10.36 in January–March 2022, and the average share price was EUR 12.53. The company's market capitalization, excluding treasury shares, was EUR 1,820 million at the end of March 2022 (2,041 December 31, 2021).

In January–March 2022, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 177 million (EUR 248 million in January–March 2021). The average daily trading volume was 228,168 shares (291,537 in January–March 2021). The total volume of Kemira Oyj's share trading in January–March 2022 was 19 million shares (23 million shares in January–March 2021), 26% (21% in January–March 2021) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

## DECISIONS BY THE ANNUAL GENERAL MEETING

Kemira Oyj's Annual General Meeting, held on March 24, 2022, approved the financial statements and remuneration report, and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2021.

The Annual General Meeting elected eight members to the Board of Directors. The Annual General Meeting re-elected Wolfgang Büchele, Shirley Cunningham, Werner Fuhrmann, Timo Lappalainen, Matti Kähkönen, Kristian Pullola and elected Annika Paasikivi and Tina Sejersgård Fanø as new members. Matti Kähkönen was elected as the Chair of the Board and Annika Paasikivi was elected as the Vice Chair.

The Annual General Meeting decided that the remuneration paid to the members of the Board of Directors will be as follows: The Chair will receive EUR 110,000 per year, the Vice Chair and the Chair of the Audit Committee EUR 65,000 per year and the other members EUR 50,000 per year. A fee payable for each meeting of the Board of Directors and the Board Committees will be paid based on the method and place of the meeting (previously based on the participant's country of residence) as follows: participating remotely or in the member's country of residence EUR 600, for the meeting on the same continent EUR 1,200 and for the meeting to be held in a different continent than the member's country of the residence EUR 2,400. Travel expenses are paid according to Kemira's travel policy. In addition, the Annual General Meeting decided that the annual fee be paid as a combination of the company's shares and cash in such a manner that 40% of the annual fee is paid with the company's shares owned by the company or, if this is not possible, shares purchased from the market, and 60% is paid in cash. The shares will be transferred to the members of the Board of Directors and, if necessary, acquired directly on behalf of the members of the Board of Directors within two weeks from the release of Kemira's Interim Report January 1 – March 31, 2022. The meeting fees are to be paid in cash.

The Annual General Meeting approved the Board of Directors' dividend proposal of EUR 0.58 per share for the financial year 2021. The dividend will be paid in two installments. The first installment of EUR 0.29 per share was paid to a shareholder who was registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment, March 28, 2022. The first installment of the dividend was paid on April 7, 2022. The second installment EUR 0.29 per share will be paid in November 2022. The second installment will be paid to a shareholder who is registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment. The Board of Directors will decide the record date and the payment date for the second installment at its meeting in October 2022. The record date is planned to be October 27, 2022, and the dividend payment date November 3, 2022, at the earliest. Kemira will announce the resolution of the Board of Directors separately and confirm the relevant record and payment dates in such announcement.

The Annual General Meeting authorized the Board of Directors to decide upon the repurchase of a maximum of 5,800,000 the company's own shares ("Share repurchase authorization"). Shares shall be repurchased by using unrestricted equity either through a tender offer with equal terms to all shareholders at a price determined by the Board of Directors or in proportion to the existing shareholdings of the company's shareholders in public trading on the Nasdaq Helsinki Ltd (the "Helsinki Stock Exchange") at the market price quoted at the time of the repurchase. The price paid for the shares repurchased through a tender offer under the authorization shall be based on the market price of the company's shares in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period. Shares shall be acquired and paid for in accordance with the Rules of the Helsinki Stock Exchange and Euroclear Finland Oy as well as any other applicable regulations. Shares may be repurchased to be used in implementing or financing mergers and acquisitions, developing the company's capital structure, improving the liquidity of the company's

shares or to be used for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. In order to realize the aforementioned purposes, the shares acquired may be retained, transferred further or cancelled by the company. The Board of Directors shall decide upon the other terms related to the share repurchase. The Share repurchase authorization is valid until the end of the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 15,600,000 new shares and/or transfer a maximum of 7,800,000 company's own shares held by the company ("Share issue authorization"). The new shares may be issued and the company's own shares held by the company may be transferred either for consideration or without consideration. The new shares may be issued and the company's own shares held by the company may be transferred to the company's shareholders in proportion to their current shareholdings in the company, or by disapplying the shareholders' pre-emption right, through a directed share issue, if the company has a weighty financial reason to do so, such as financing or implementing mergers and acquisitions, developing the capital structure of the company, improving the liquidity of the company's shares or, if it is justified, for the payment of the annual fee payable to the members of the Board of Directors or implementing the company's share-based incentive plans. The directed share issue may be carried out without consideration only in connection with the implementation of the company's share-based incentive plans. The subscription price of new shares shall be recorded to the invested unrestricted equity reserves. The consideration payable for the company's own shares shall be recorded in the invested unrestricted equity reserves. The Board of Directors shall decide upon the other terms related to the share issues. The Share issue authorization is valid until May 31, 2023.

Ernst & Young Oy was elected as the company's auditor with Mikko Rytilahti, APA, acting as the principal auditor. The Auditor's fees will be paid against an invoice approved by Kemira.

## BOARD COMMITTEES

On March 24, 2022, the Board of Directors of Kemira Oyj elected members among themselves for the Audit Committee and the Personnel and Remuneration Committee. The Board's Audit Committee members are Timo Lappalainen, Werner Fuhrmann, Annika Paasikivi and Kristian Pullola. The Audit Committee is chaired by Timo Lappalainen. The Board's Personnel and Remuneration Committee members are Matti Kähkönen, Wolfgang Büchele, Shirley Cunningham and Timo Lappalainen. The Personnel and Remuneration Committee is chaired by Matti Kähkönen.

## SHORT-TERM RISKS AND UNCERTAINTIES

There have been changes in Kemira's short-term risks and uncertainties compared to the situation on December 31, 2021.

In its annual risk review published in conjunction with the [Financial Statements Bulletin 2021](#), Kemira referred to geopolitical tensions in Eastern Europe and how geopolitical tensions and possible sanctions against Russia could cause disruptions in energy and raw material availability in Europe. The war in Ukraine which started in February 2022 has increased uncertainty in Kemira's operating environment. The risks and impacts of the war in Ukraine are described in more detail below.

Kemira referred to the risks of the COVID-19 situation in its Financial Statements Bulletin 2021. The COVID-19 situation in China deteriorated during Q1 2022. The ongoing lockdowns in China could create bottlenecks for global supply chains, including raw materials and logistics, and, as a result, increase uncertainty in Kemira's operating environment.

A detailed description of Kemira's risk management principles is available on the company's website at [kemira.com/investors/risks-and-uncertainties](https://kemira.com/investors/risks-and-uncertainties). Financial risks are described in the Notes to the [Financial Statements for the year 2021](#).

## RISKS AND IMPACTS OF THE WAR IN UKRAINE ON KEMIRA

Following the war in Ukraine and subsequent sanctions against Russia and Belarus, Kemira announced its decision to discontinue deliveries to Russia and Belarus on March 1, 2022. Russia accounted for around 3% of Kemira's sales in 2021. The majority of Kemira's revenue in Russia came from the Pulp & Paper segment while the Industry & Water segment accounted for the clear minority. Revenue from Belarus and Ukraine was not material in 2021. The fifth EU sanctions list published on April 9, 2022 includes now also the majority of Kemira's products.

The direct impacts from the war are expected to be limited. However, the war in Ukraine and the existing and possible future sanctions towards Russia and Belarus could result in disruptions to energy and raw material availability to Europe. Kemira sources some raw materials from Russia and Belarus. These raw material purchases represent around 1% of Kemira's total direct purchases and logistics costs. Kemira does not purchase raw materials from Ukraine. For the time being, Kemira has secured supply of the raw materials it has previously sourced from Russia and Belarus. Should the situation deteriorate, it could have a negative impact on Kemira's operations. Going forward, Kemira is looking for long-term alternatives to Russian and Belarussian suppliers. Kemira is also a significant user of energy with annual energy purchases globally amounting to around EUR 200 million in 2021. The majority of Kemira's energy purchases is electricity, but some of Kemira's manufacturing facilities use natural gas in Europe. The gas is purchased locally, but originates at least partly from Russia.

Kemira is also exposed to indirect impacts via Kemira's customers and suppliers. High energy prices or lack of raw materials originating from the affected region could reduce or temporarily stop production at Kemira's customers and / or suppliers, which could affect Kemira's end market demand or supply chain. In Q1 2022 there were no significant customer or supplier shutdowns due to the war. Accelerated inflation is expected to be the most significant risk from the war in Ukraine, the

impacts of which are difficult to estimate at this point. Inflation accelerated already during Q1 2022, partly due to the war in Ukraine, and inflation is expected to remain strong throughout 2022.

Kemira had limited exposure to Russia at the end of March 2022. Kemira recorded EUR 3.6 million of expected losses related to the business in Russia, mainly concerning the Pulp & Paper segment's logistics equipment and trade receivables. Kemira has faced delays in transferring funds from Russia. Kemira's subsidiary in Russia employed around 50 people in March 2022 and Kemira has no manufacturing facilities in the country. At the end of March 2022, net assets related to the Russian business amounted to around EUR 13 million after recorded losses in Q1 2022. Kemira had no assets or personnel in Belarus or Ukraine at the end of March 2022.

For Kemira's outlook on 2022, please refer to page 17.

## **EVENTS AFTER THE REVIEW PERIOD**

No events after the review period.





## OUTLOOK FOR 2022

### Outlook for 2022 (unchanged)

#### Revenue

Kemira's revenue in local currencies, excluding acquisitions and divestments, is expected to increase from 2021 (EUR 2,674.4 million).

#### Operative EBITDA

Kemira's operative EBITDA is expected to be within a +/- 5% range of the operative EBITDA in 2021 (EUR 425.5 million).

### Assumptions behind outlook (specified)

Market uncertainty increased during the first quarter of 2022 due to the war in Ukraine, the COVID-19 pandemic, particularly in China, and the inflationary environment. Despite the uncertainty, Kemira's end-market demand in both segments is expected to be good in 2022.

The outlook assumes no major disruptions to Kemira's manufacturing operations or further significant supply chain disruptions either due to the war in Ukraine or due to the COVID-19 pandemic. The outlook assumes normal energy availability in Europe. Inflationary pressures have been accelerated by the war in Ukraine and they are expected to remain strong in 2022.

## FINANCIAL TARGETS

Kemira aims for above-market revenue growth with an operative EBITDA margin of 15-18%. The target for gearing is below 75%.

Helsinki, April 26, 2022

Kemira Oyj  
Board of Directors

All forward-looking statements in this review are based on the management's current expectations and beliefs about future events, and actual results may differ materially from the expectations and beliefs such statements contain.

## FINANCIAL REPORTING SCHEDULE 2022

Half-year financial report for January–June 2022

July 15, 2022

Interim report for January–September 2022

October 25, 2022

## WEBCAST AND CONFERENCE CALL FOR PRESS AND ANALYSTS

Kemira will arrange a webcast for analysts, investors, and media on Wednesday April 27, 2022, starting at 10.30 am EEST (8.30 am UK time). During the webcast, Kemira's President and CEO, Jari Rosendal, and CFO, Petri Castrén, will present the results. The webcast will be held in English and can be followed at [kemira.com/investors](https://kemira.com/investors). The presentation material and a recording of the webcast will be available on the above-mentioned company website.

You can attend the Q&A session via conference call. In order to participate in the conference call, please call in ten minutes before the conference begins:

FI +358 (0)9 81710310

SE +46 (0)8 56642 651

UK +44 (0)333 300 0804

US +1 631 913 1422

Conference ID: 37090125#

KEMIRA GROUP - FINANCIALS OF INTERIM REPORT 2022

CONSOLIDATED INCOME STATEMENT

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Revenue</b>	768.1	606.1	2,674.4
Other operating income	0.9	0.5	5.9
Operating expenses	-655.5	-503.5	-2,306.7
Share of profit or loss of associates	0.0	0.0	-0.5
<b>EBITDA</b>	113.5	103.0	373.2
Depreciation, amortization and impairments	-51.3	-48.9	-203.1
<b>Operating profit (EBIT)</b>	62.2	54.2	170.1
Finance costs, net	-7.9	-1.6	-26.7
<b>Profit before taxes</b>	54.4	52.6	143.3
Income taxes	-12.1	-11.8	-28.2
<b>Net profit for the period</b>	42.2	40.8	115.2
<b>Net profit attributable to</b>			
Equity owners of the parent company	40.6	39.0	108.1
Non-controlling interests	1.7	1.8	7.1
<b>Net profit for the period</b>	42.2	40.8	115.2
Earnings per share, basic, EUR	0.26	0.25	0.71
Earnings per share, diluted, EUR	0.26	0.25	0.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Net profit for the period</b>	42.2	40.8	115.2
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations	17.9	14.7	32.2
Cash flow hedges	5.4	-4.1	19.3
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Other shares	—	—	40.2
Remeasurements of defined benefit plans	—	—	21.5
<b>Other comprehensive income for the period, net of tax</b>	23.2	10.5	113.3
<b>Total comprehensive income for the period</b>	65.4	51.4	228.4
<b>Total comprehensive income attributable to</b>			
Equity owners of the parent company	63.9	49.7	221.2
Non-controlling interests	1.5	1.6	7.2
<b>Total comprehensive income for the period</b>	65.4	51.4	228.4

## CONSOLIDATED BALANCE SHEET

EUR million	3/31/2022	3/31/2021	12/31/2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	517.1	510.3	514.0
Other intangible assets	64.9	74.8	66.7
Property, plant and equipment	1,061.5	1,018.1	1,063.0
Right-of-use assets	138.2	121.2	135.8
Investments in associates	4.8	5.3	4.8
Other shares	260.1	212.3	260.0
Deferred tax assets	36.0	32.4	30.5
Other financial assets	21.1	7.5	7.3
Receivables of defined benefit plans	63.2	48.0	73.2
<b>Total non-current assets</b>	<b>2,166.8</b>	<b>2,030.0</b>	<b>2,155.4</b>
<b>Current assets</b>			
Inventories	408.0	268.8	352.1
Interest-bearing receivables	0.3	0.4	0.3
Trade receivables and other receivables	530.5	378.0	475.2
Current income tax assets	14.5	19.6	13.9
Cash and cash equivalents	154.5	203.0	142.4
<b>Total current assets</b>	<b>1,107.8</b>	<b>869.8</b>	<b>983.9</b>
<b>Total assets</b>	<b>3,274.6</b>	<b>2,899.7</b>	<b>3,139.3</b>

EUR million	3/31/2022	3/31/2021	12/31/2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to equity owners of the parent company	1,303.2	1,152.9	1,328.9
Non-controlling interests	15.5	14.8	13.9
<b>Total equity</b>	<b>1,318.6</b>	<b>1,167.7</b>	<b>1,342.7</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	795.5	819.1	776.9
Other financial liabilities	9.8	8.5	9.4
Deferred tax liabilities	79.9	57.7	77.1
Liabilities of defined benefit plans	94.2	96.3	94.1
Provisions	48.7	35.0	48.0
<b>Total non-current liabilities</b>	<b>1,028.2</b>	<b>1,016.6</b>	<b>1,005.5</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	258.8	160.8	215.3
Trade payables and other liabilities	624.5	505.0	538.3
Current income tax liabilities	22.4	18.3	14.3
Provisions	22.1	31.4	23.1
<b>Total current liabilities</b>	<b>927.8</b>	<b>715.5</b>	<b>791.0</b>
<b>Total liabilities</b>	<b>1,956.0</b>	<b>1,732.1</b>	<b>1,796.5</b>
<b>Total equity and liabilities</b>	<b>3,274.6</b>	<b>2,899.7</b>	<b>3,139.3</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Cash flow from operating activities</b>			
Net profit for the period	42.2	40.8	115.2
Total adjustments	81.0	64.5	273.4
Cash flow before change in net working capital	123.3	105.4	388.5
Change in net working capital	-114.2	-51.5	-80.2
Cash generated from operations before financing items and taxes	9.0	53.8	308.3
Finance expenses, net and dividends received	-10.7	-14.3	-44.2
Income taxes paid	-9.3	-25.7	-44.0
<b>Net cash generated from operating activities</b>	<b>-10.9</b>	<b>13.8</b>	<b>220.2</b>
<b>Cash flow from investing activities</b>			
Capital expenditure in associated company	—	—	—
Capital expenditure in other shares	—	—	-1.0
Other capital expenditure	-26.2	-26.6	-168.8
Proceeds from sale of assets and capital repayments	0.2	—	6.7
Decrease (+) / increase (-) in loan receivables	0.2	-0.3	0.2
<b>Net cash used in investing activities</b>	<b>-25.7</b>	<b>-26.9</b>	<b>-162.9</b>

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Cash flow from financing activities</b>			
Proceeds from non-current interest-bearing liabilities	15.9	200.0	200.0
Repayments of non-current liabilities	—	-97.3	-97.3
Short-term financing, net increase (+) / decrease (-)	39.5	-40.0	-53.9
Repayments of lease liabilities	-8.6	-8.0	-33.1
Dividends paid	0.0	0.0	-95.3
<b>Net cash used in financing activities</b>	<b>46.9</b>	<b>54.8</b>	<b>-79.5</b>
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>10.3</b>	<b>41.7</b>	<b>-22.2</b>
Cash and cash equivalents at end of period	154.5	203.0	142.4
Exchange gains (+) / losses (-) on cash and cash equivalents	1.9	1.7	5.1
Cash and cash equivalents at beginning of period	142.4	159.5	159.5
<b>Net decrease (-) / increase (+) in cash and cash equivalents</b>	<b>10.3</b>	<b>41.7</b>	<b>-22.2</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity owners of the parent company							Total	Non-controlling interests	Total Equity
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings			
<b>Equity on January 1, 2022</b>	221.8	257.9	140.9	196.3	-53.7	-14.9	580.5	1,328.8	13.9	1,342.7
<b>Net profit for the period</b>	—	—	—	—	—	—	40.6	40.6	1.7	42.2
Other comprehensive income, net of tax	—	—	5.4	—	18.0	—	—	23.4	-0.1	23.2
<b>Total comprehensive income</b>	—	—	5.4	—	18.0	—	40.6	63.9	1.5	65.4
<b>Transactions with owners</b>										
Dividends paid	—	—	—	—	—	—	-88.9 <sup>1)</sup>	-88.9	—	-88.9
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.5	—	1.5	—	1.5
Share-based payments	—	—	—	—	—	—	-2.1	-2.1	—	-2.1
<b>Total transactions with owners</b>	—	—	—	—	—	1.5	-91.0	-89.5	—	-89.5
<b>Equity on March 31, 2022</b>	221.8	257.9	146.3	196.3	-35.7	-13.4	530.0	1,303.2	15.5	1,318.6

1) On March 24, 2022, the Annual General Meeting approved a dividend of EUR 0.58 per share. The dividend will be paid in two installments. The record date for the first installment of the dividend was March 28, 2022, and a dividend of EUR 0.29 will be paid on April 7, 2022. The record date for the second installment of the dividend is planned to be October 27, 2022, and the dividend payment date for the dividend of EUR 0.29 per share will be on November 3, 2022, at the earliest.

Kemira had in its possession 1,993,945 of its treasury shares on March 31, 2022. The average share price of treasury shares was EUR 6.73, and they represented 1.3% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 2.8 million.

The share premium is a reserve accumulated through subscriptions entitled by the management stock option program 2001. This reserve is based on the old Finnish Companies Act (734/1978), and the value of reserve will no longer change. The fair value reserve is a reserve accumulating based on other shares measured at fair value and hedge accounting. Other reserves originate from the local requirements of subsidiaries. The unrestricted equity reserve includes other equity-type investments and the subscription price of shares to the extent that they will not, based on a specific decision, be recognized in share capital.

Equity attributable to equity owners of the parent company

EUR million	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
<b>Equity on January 1, 2021</b>	221.8	257.9	81.1	196.3	-85.8	-16.3	537.1	1,192.1	13.2	1,205.3
<b>Net profit for the period</b>	—	—	—	—	—	—	39.0	39.0	1.8	40.8
Other comprehensive income, net of tax	—	—	-4.1	—	14.9	—	—	10.7	-0.2	10.5
<b>Total comprehensive income</b>	—	—	-4.1	—	14.9	—	39.0	49.7	1.6	51.4
<b>Transactions with owners</b>										
Dividends paid	—	—	—	—	—	—	-88.8 <sup>2)</sup>	-88.8	—	-88.8
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.3	—	1.3	—	1.3
Share-based payments	—	—	—	—	—	—	-1.5	-1.5	—	-1.5
Transfers in equity	—	—	0.5	—	—	—	-0.5	0.0	—	0.0
<b>Total transactions with owners</b>	—	—	0.5	—	—	1.3	-90.8	-89.0	—	-89.0
<b>Equity on March 31, 2021</b>	221.8	257.9	77.5	196.3	-70.9	-15.0	485.3	1,152.8	14.8	1,167.7

2) On March 24, 2021, the Annual General Meeting approved a dividend of EUR 0.58 per share. The dividend was paid in two installments. The record date for the first installment of the dividend was March 26, 2021, and a dividend of EUR 0.29 was paid on April 8, 2021. The record date for the second installment of the dividend is October 28, 2021, and the dividend of EUR 0.29 per share was paid on November 4, 2021.

## GROUP KEY FIGURES

Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=organic growth), EBITDA, operative EBITDA, operative EBIT, cash flow after investing activities, and gearing, provide useful information about Kemira's comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation from the equivalent IFRS measures, and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the definitions of the key figures in this report, as well as at [www.kemira.com](http://www.kemira.com) > Investors > Financial information.

	2022	2021	2021	2021	2021	2021
	1-3	10-12	7-9	4-6	1-3	1-12
<b>Income statement and profitability</b>						
Revenue, EUR million	768.1	718.2	692.7	657.5	606.1	2,674.4
Operative EBITDA, EUR million	120.0	97.8	115.9	107.3	104.6	425.5
Operative EBITDA, %	15.6	13.6	16.7	16.3	17.3	15.9
EBITDA, EUR million	113.5	69.5	109.5	91.1	103.0	373.2
EBITDA, %	14.8	9.7	15.8	13.9	17.0	14.0
Items affecting comparability in EBITDA, EUR million	-6.5	-28.3	-6.3	-16.2	-1.6	-52.4
Operative EBIT, EUR million	68.9	47.0	64.5	58.2	55.7	225.4
Operative EBIT, %	9.0	6.5	9.3	8.9	9.2	8.4
Operating profit (EBIT), EUR million	62.2	17.5	56.4	41.9	54.2	170.1
Operating profit (EBIT), %	8.1	2.4	8.1	6.4	8.9	6.4
Items affecting comparability in EBIT, EUR million	-6.7	-29.5	-8.0	-16.3	-1.6	-55.4
Amortization and impairments of Intangible assets	-5.8	-7.0	-5.9	-6.0	-6.2	-25.2
Of which purchase price allocation (PPA) related	-3.1	-3.1	-3.0	-3.0	-3.0	-12.1
Depreciations and impairments of Property, plant and equipment	-36.5	-35.3	-38.7	-34.6	-34.4	-143.0
Depreciations of right-of-use assets	-8.9	-8.8	-8.5	-8.5	-8.2	-34.1
Return on investment (ROI), %	9.4	2.9	9.7	7.0	10.1	7.2
Capital employed, EUR million <sup>1)</sup>	2,045.4	1,995.0	1,966.7	1,956.1	1,958.8	1,995.0
Operative ROCE, %	11.7	11.3	12.0	11.9	11.9	11.3
ROCE, %	8.7	8.5	9.8	10.0	10.7	8.5

	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2021 1-12
<b>Cash flow</b>						
Net cash generated from operating activities, EUR million	-10.9	80.8	86.9	38.6	13.8	220.2
Capital expenditure, EUR million	26.1	74.5	36.1	32.5	26.6	169.8
Capital expenditure excl. acquisitions, EUR million	26.1	74.5	35.1	32.5	26.6	168.8
Capital expenditure excl. acquisitions / revenue, %	3.4	10.4	5.1	4.9	4.4	6.3
Cash flow after investing activities, EUR million	-36.6	13.1	51.1	6.1	-13.1	57.3
<b>Balance sheet and solvency</b>						
Equity ratio, %	40.3	42.8	42.2	41.6	40.4	42.8
Gearing, %	68.2	63.3	62.5	69.3	66.5	63.3
Interest-bearing net liabilities, EUR million	899.8	849.8	800.1	831.3	776.9	849.8
<b>Personnel</b>						
Personnel at end of period	4,939	4,926	4,937	5,008	4,926	4,926
Personnel (average)	4,928	4,925	4,970	4,974	4,919	4,947
<b>Key exchange rates at end of period</b>						
USD	1.110	1.133	1.158	1.188	1.173	1.133
CAD	1.390	1.439	1.475	1.472	1.478	1.439
SEK	10.337	10.250	10.168	10.111	10.238	10.250
CNY	7.040	7.195	7.485	7.674	7.681	7.195
BRL	5.301	6.310	6.263	5.905	6.741	6.310
<b>Per share figures, EUR</b>						
Earnings per share (EPS), basic <sup>2)</sup>	0.26	0.05	0.25	0.15	0.25	0.71
Earnings per share (EPS), diluted <sup>2)</sup>	0.26	0.05	0.25	0.15	0.25	0.70
Net cash generated from operating activities per share <sup>2)</sup>	-0.07	0.53	0.57	0.25	0.09	1.44
Equity per share <sup>2)</sup>	8.50	8.68	8.28	7.74	7.53	8.68
<b>Number of shares (1,000,000)</b>						
Average number of shares, basic <sup>2)</sup>	153.2	153.1	153.1	153.1	153.0	153.1
Average number of shares, diluted <sup>2)</sup>	154.0	153.9	153.8	153.8	153.7	153.8
Number of shares at end of period, basic <sup>2)</sup>	153.3	153.1	153.1	153.1	153.1	153.1
Number of shares at end of period, diluted <sup>2)</sup>	154.0	154.1	153.8	153.8	153.7	154.1

1) 12-month rolling average

2) Number of shares outstanding, excluding the number of treasury shares.



## DEFINITIONS OF KEY FIGURES

KEY FIGURES	DEFINITION OF KEY FIGURES
Operative EBITDA	= Operating profit (EBIT) + depreciation and amortization + impairments +/- items affecting comparability
Items affecting comparability <sup>1)</sup>	= Restructuring and streamlining programs + transaction and integration expenses in acquisitions + divestment of businesses and other disposals + other items
Operative EBIT	= Operating profit (EBIT) +/- items affecting comparability
Return on investment (ROI), %	= $\frac{\text{Profit before taxes + interest expenses + other financial expenses} \times 100}{\text{Total assets - non-interest-bearing liabilities}^2}$
Operative return on capital employed (Operative ROCE), %	= $\frac{\text{Operative EBIT} \times 100^3}{\text{Capital employed}^4}$
Return on capital employed (ROCE), %	= $\frac{\text{EBIT} \times 100^3}{\text{Capital employed}^4}$
Capital employed	= Property, plant and equipment + right-of-use assets + intangible assets + net working capital + investments in associates
Net working capital	= Inventories + trade receivables + other receivables, excluding derivatives, accrued interest income and other financing items - trade payables - other liabilities, excluding derivatives, accrued interest expenses and other financing items

KEY FIGURES	DEFINITION OF KEY FIGURES
Cash flow after investing activities	= Net cash generated from operating activities + net cash used in investing activities
Equity ratio, %	= $\frac{\text{Total equity} \times 100}{\text{Total assets - prepayments received}}$
Gearing, %	= $\frac{\text{Interest-bearing net liabilities} \times 100}{\text{Total equity}}$
Interest-bearing net liabilities	= Interest-bearing liabilities - cash and cash equivalents
Earnings per share (EPS)	= $\frac{\text{Net profit attributable to equity owners of the parent company}}{\text{Average number of shares}}$
Net cash generated from operating activities per share	= $\frac{\text{Net cash generated from operating activities}}{\text{Average number of shares}}$
Equity per share	= $\frac{\text{Equity attributable to equity owners of the parent company at end of period}}{\text{Number of shares at end of period}}$

1) Financial performance measures that are not defined by IFRS may include items of income and expenses that affect the comparability of the financial reporting of Kemira Group. Restructuring and streamlining programs, transaction and integration expenses in acquisitions, divestments of businesses, and other disposals are considered to be the most common items affecting comparability.

2) Average

3) Operating profit (EBIT) taken into account for a rolling 12-month period ending at the end of the review period.

4) 12-month rolling average

## RECONCILIATION TO IFRS FIGURES

EUR million	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2021 1-12
<b>ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT</b>						
<b>Operative EBITDA</b>	120.0	97.8	115.9	107.3	104.6	425.5
Restructuring and streamlining programs	-3.1	-0.1	-6.2	-4.7	-1.4	-12.3
Transaction and integration expenses in acquisition	0.0	-0.1	0.0	0.0	0.0	-0.1
Divestment of businesses and other disposals	0.0	-28.1	0.0	0.0	-0.2	-28.3
Other items	-3.5	0.0	-0.1	-11.5	0.0	-11.6
<b>Total items affecting comparability</b>	<b>-6.5</b>	<b>-28.3</b>	<b>-6.3</b>	<b>-16.2</b>	<b>-1.6</b>	<b>-52.4</b>
<b>EBITDA</b>	<b>113.5</b>	<b>69.5</b>	<b>109.5</b>	<b>91.1</b>	<b>103.0</b>	<b>373.2</b>
<b>Operative EBIT</b>	<b>68.9</b>	<b>47.0</b>	<b>64.5</b>	<b>58.2</b>	<b>55.7</b>	<b>225.4</b>
Total items affecting comparability in EBITDA	-6.5	-28.3	-6.3	-16.2	-1.6	-52.4
Items affecting comparability in depreciation, amortization and impairments	-0.1	-1.2	-1.7	-0.1	0.0	-3.0
<b>Operating profit (EBIT)</b>	<b>62.2</b>	<b>17.5</b>	<b>56.4</b>	<b>41.9</b>	<b>54.2</b>	<b>170.1</b>
<b>ROCE AND OPERATIVE ROCE</b>						
Operative EBIT	68.9	47.0	64.5	58.2	55.7	225.4
Operating profit (EBIT)	62.2	17.5	56.4	41.9	54.2	170.1
Capital employed <sup>1)</sup>	2,045.4	1,995.0	1,966.7	1,956.1	1,958.8	1,995.0
Operative ROCE, %	11.7	11.3	12.0	11.9	11.9	11.3
ROCE, %	8.7	8.5	9.8	10.0	10.7	8.5
<b>NET WORKING CAPITAL</b>						
Inventories	408.0	352.1	324.3	280.6	268.8	352.1
Trade receivables and other receivables	530.5	475.2	430.7	406.8	378.0	475.2
Excluding financing items in other receivables	-30.4	-35.4	-29.1	-13.6	-9.9	-35.4
Trade payables and other liabilities	624.5	538.3	510.4	451.8	505.0	538.3
Excluding dividend liability and financing items in other liabilities	-123.1	-33.5	-72.3	-70.0	-121.9	-33.5
<b>Net working capital</b>	<b>406.7</b>	<b>287.2</b>	<b>287.8</b>	<b>292.0</b>	<b>253.8</b>	<b>287.2</b>

EUR million	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2021 1-12
<b>INTEREST-BEARING NET LIABILITIES</b>						
Non-current interest-bearing liabilities	795.5	776.9	778.3	773.4	819.1	776.9
Current interest-bearing liabilities	258.8	215.3	206.2	203.1	160.8	215.3
<b>Interest-bearing liabilities</b>	1,054.4	992.2	984.5	976.6	979.9	992.2
Cash and cash equivalents	154.5	142.4	184.4	145.3	203.0	142.4
<b>Interest-bearing net liabilities</b>	899.8	849.8	800.1	831.3	776.9	849.8

1) 12-month rolling average

## NOTES OF INTERIM REPORT 2022

## 1. QUARTERLY SEGMENT INFORMATION

EUR million	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2021 1-12
<b>Revenue</b>						
Pulp & Paper	446.5	420.4	391.3	378.4	369.5	1,559.6
Industry & Water	321.5	297.8	301.4	279.1	236.6	1,114.8
<b>Total</b>	<b>768.1</b>	<b>718.2</b>	<b>692.7</b>	<b>657.5</b>	<b>606.1</b>	<b>2,674.4</b>
<b>Operative EBITDA</b>						
Pulp & Paper	71.3	60.5	63.5	57.8	62.9	244.7
Industry & Water	48.8	37.3	52.3	49.5	41.7	180.8
<b>Total</b>	<b>120.0</b>	<b>97.8</b>	<b>115.9</b>	<b>107.3</b>	<b>104.6</b>	<b>425.5</b>
<b>Items affecting comparability in EBITDA</b>						
Pulp & Paper	-4.8	-28.9	-1.3	-15.6	-0.8	-46.5
Industry & Water	-1.7	0.6	-5.0	-0.6	-0.8	-5.9
<b>Total</b>	<b>-6.5</b>	<b>-28.3</b>	<b>-6.3</b>	<b>-16.2</b>	<b>-1.6</b>	<b>-52.4</b>
<b>EBITDA</b>						
Pulp & Paper	66.4	31.6	62.3	42.2	62.2	198.3
Industry & Water	47.1	37.9	47.3	48.9	40.8	174.9
<b>Total</b>	<b>113.5</b>	<b>69.5</b>	<b>109.5</b>	<b>91.1</b>	<b>103.0</b>	<b>373.2</b>
<b>Operative EBIT</b>						
Pulp & Paper	40.7	30.4	32.5	28.1	33.2	124.3
Industry & Water	28.2	16.6	31.9	30.1	22.5	101.2
<b>Total</b>	<b>68.9</b>	<b>47.0</b>	<b>64.5</b>	<b>58.2</b>	<b>55.7</b>	<b>225.4</b>

EUR million	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2021 1-12
<b>Items affecting comparability in EBIT</b>						
Pulp & Paper	-4.9	-28.9	-1.3	-15.7	-0.8	-46.6
Industry & Water	-1.7	-0.6	-6.8	-0.6	-0.8	-8.8
<b>Total</b>	<b>-6.7</b>	<b>-29.5</b>	<b>-8.0</b>	<b>-16.3</b>	<b>-1.6</b>	<b>-55.4</b>
<b>Operating profit (EBIT)</b>						
Pulp & Paper	35.7	1.6	31.2	12.4	32.4	77.7
Industry & Water	26.5	16.0	25.2	29.5	21.7	92.4
<b>Total</b>	<b>62.2</b>	<b>17.5</b>	<b>56.4</b>	<b>41.9</b>	<b>54.2</b>	<b>170.1</b>

## 2. CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Net book value at beginning of period</b>	1,063.0	1,011.4	1,011.4
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	22.7	24.9	158.8
Decreases	-1.6	—	-0.2
Depreciation and impairments	-36.5	-34.4	-143.9
Exchange rate differences and other changes	13.9	16.2	36.9
<b>Net book value at end of period</b>	<b>1,061.5</b>	<b>1,018.1</b>	<b>1,063.0</b>

## 3. CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Net book value at beginning of period</b>	580.7	582.1	582.1
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	3.5	1.7	9.9
Decreases	—	—	—
Amortization and impairments	-5.8	-6.2	-25.2
Exchange rate differences and other changes	3.7	7.5	13.9
<b>Net book value at end of period</b>	<b>582.0</b>	<b>585.1</b>	<b>580.7</b>

## 4. CHANGES IN RIGHT-OF-USE ASSETS

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Net book value at beginning of period</b>	135.8	121.0	121.0
Increases	9.6	5.2	42.5
Depreciation and impairments	-8.9	-8.2	-34.1
Exchange rate differences and other changes	1.7	3.3	6.4
<b>Net book value at end of period</b>	<b>138.2</b>	<b>121.2</b>	<b>135.8</b>

## 5. DERIVATIVE INSTRUMENTS

EUR million	3/31/2022		12/31/2021	
	<b>Nominal value</b>	<b>Fair value</b>	Nominal value	Fair value
<b>Currency derivatives</b>				
Forward contracts	535.7	-5.4	496.3	-7.1
of which cash flow hedge	57.6	-1.5	62.0	-1.4
	<b>GWh</b>	<b>Fair value</b>	GWh	Fair value
<b>Other derivatives</b>				
Electricity forward contracts, bought	1,573.2	39.3	1,626.1	32.5
of which cash flow hedge	1,573.2	39.3	1,626.1	32.5

The fair values of the publicly traded instruments are based on market valuation on the date of reporting. The values of other instruments have been determined based on net present values of future cash flows.

## 6. FAIR VALUE OF FINANCIAL ASSETS

EUR million	3/31/2022				12/31/2021			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	Level 1	Level 2	Level 3	Total
<b>Fair value hierarchy</b>								
<b>Non-current assets</b>								
Other shares	—	—	260.1	260.1	—	—	260.0	260.0
Other investments	—	7.1	—	7.1	—	7.3	—	7.3
Other derivatives, hedge accounting	—	14.0	—	14.0	—	—	—	—
<b>Current assets</b>								
Currency derivatives	—	2.8	—	2.8	—	1.3	—	1.3
Currency derivatives, hedge accounting	—	0.1	—	0.1	—	0.1	—	0.1
Other derivatives, hedge accounting	—	26.4	—	26.4	—	32.5	—	32.5
Other receivables	—	0.3	—	0.3	—	0.3	—	0.3
Trade receivables	—	437.4	—	437.4	—	373.0	—	373.0
Cash and cash equivalents	—	154.5	—	154.5	—	142.4	—	142.4
<b>Total</b>	<b>—</b>	<b>642.7</b>	<b>260.1</b>	<b>902.7</b>	<b>—</b>	<b>557.0</b>	<b>260.0</b>	<b>817.0</b>

Level 1: Fair value is determined based on quoted market prices in markets.

Level 2: Fair value is determined by using valuation techniques. The fair value refers to the value that is observable from the market value of elements of the financial instrument or from the market value of corresponding financial instruments, or the value that is observable by using commonly accepted valuation models and techniques, if the market value can be measured reliably with them.

Level 3: Fair value is determined by using valuation techniques that use inputs that have a significant effect on the recorded fair value, and the inputs are not based on observable market data. Level 3 includes mainly the shares of Pohjolan Voima Group.

Level 3 specification on assets:

EUR million	3/31/2022	12/31/2021
Carrying value at beginning of period	260.0	212.3
Effect on other comprehensive income	—	50.2
Increases	0.0	1.0
Decreases	—	-3.5
<b>Carrying value at end of period</b>	<b>260.1</b>	<b>260.0</b>

7. FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	3/31/2022				12/31/2021			
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Non-current liabilities</b>								
Interest-bearing liabilities	—	706.8	—	706.8	—	706.7	—	706.7
Current portion of interest-bearing liabilities	—	53.4	—	53.4	—	54.7	—	54.7
Other liabilities	—	9.5	—	9.5	—	9.4	—	9.4
Current portion of other liabilities	—	6.9	—	6.9	—	6.9	—	6.9
Lease liabilities	—	109.3	—	109.3	—	108.1	—	108.1
Current portion of lease liabilities	—	29.8	—	29.8	—	28.7	—	28.7
Other derivatives, hedge accounting	—	0.4	—	0.4	—	—	—	—
<b>Current liabilities</b>								
Interest-bearing loans	—	171.7	—	171.7	—	131.9	—	131.9
Other liabilities	—	29.3	—	29.3	—	23.5	—	23.5
Currency derivatives	—	6.7	—	6.7	—	6.9	—	6.9
Currency derivatives, hedge accounting	—	1.6	—	1.6	—	1.6	—	1.6
Other derivatives, hedge accounting	—	0.7	—	0.7	—	—	—	—
Trade payables	—	267.7	—	267.7	—	285.5	—	285.5
<b>Total</b>	<b>—</b>	<b>1,393.9</b>	<b>—</b>	<b>1,393.9</b>	<b>—</b>	<b>1,364.1</b>	<b>—</b>	<b>1,364.1</b>

## 8. CONTINGENT LIABILITIES

EUR million	3/31/2022	3/31/2021	12/31/2021
<b>Guarantees</b>			
On behalf of own commitments	102.2	93.0	95.1
On behalf of associates	12.5	12.6	12.5
On behalf of others	1.8	2.0	1.8
<b>Other obligations</b>			
On behalf of own commitments	0.9	0.9	0.9
On behalf of others	16.3	16.3	16.3

### The most significant off-balance sheet investments commitments

Major amounts of contractual investment commitments for the acquisition of property, plant, and equipment on March 31, 2022 were about EUR 34 million for plant investments.

In addition, the Group has a lease commitment related to the R&D Center to be constructed in Finland with value of EUR 47 million.

## LITIGATION

While the Group is involved in some legal proceedings, such as litigations, arbitrations, administrative and tax proceedings incidental to its global operations, the Group does not expect that the outcome of any of these legal proceedings will have a materially adverse effect upon its consolidated results or financial position.

## 9. RELATED PARTY

Pension Fund Neliapila, which is a related party, paid a surplus return of EUR 10 million to Kemira Group companies during Q1 2022. Apart from these, transactions with related parties have not changed materially.

## 10. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited interim financial statements has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and using the same accounting policies as in the annual financial statements for 2021. The interim financial statements should be read in conjunction with the annual financial statements for 2021.

All individual figures presented in this interim financial statements have been rounded to the nearest exact figure. Therefore, the sum of the individual figures may deviate from the total figure presented in the interim financial statements. The key figures are calculated using exact values.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.