

kemira

January-June 2022

Half-year Financial Report



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RECORD-HIGH REVENUE AND OPERATIVE EBITDA

Second quarter:

- Revenue increased by 31% to a record-high, EUR 861.4 million (657.5). Revenue in local currencies, excluding acquisitions and divestments, increased by 24% due to higher sales prices.
- Operative EBITDA increased by 14% to EUR 122.1 million (107.3) following higher revenue. The operative EBITDA margin decreased to 14.2% (16.3%) due to continued strong inflationary pressures. EBITDA increased by 35% to EUR 123.2 million (91.1). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to a gain on sale of land. In the comparison period, items affecting comparability amounted to EUR 16.2 million and were mainly related to a damage claim settlement.
- Operative EBIT increased by 20% to EUR 69.7 million (58.2). EBIT increased by 65% to EUR 69.1 million (41.9).
- Cash flow from operating activities was EUR 41.6 million (38.6) and it was impacted by an increase in net working capital.
- EPS (diluted) increased by 95% to EUR 0.29 (0.15).

January–June:

- Revenue increased by 29% to a record-high, EUR 1,629.4 million (1,263.6). Revenue in local currencies, excluding acquisitions and divestments, increased by 23% due to higher sales prices.
- Operative EBITDA increased by 14% to EUR 242.1 million (211.9). The operative EBITDA margin decreased to 14.9% (16.8%) following strong inflationary pressures. EBITDA increased by 22% to EUR 236.7 million (194.2). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to Kemira's exit from Russia.
- Operative EBIT increased by 22% to EUR 138.6 million (114.0). EBIT increased by 37% to EUR 131.3 million (96.1).

- Cash flow from operating activities was EUR 30.6 million (52.4) as net working capital increased clearly.
- EPS (diluted) increased by 38% to EUR 0.56 (0.40).

Outlook for 2022 (updated on June 8, 2022)

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 increase from 2021 (EUR 425.5 million).

Assumptions behind outlook

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. The outlook also assumes normal energy availability in Europe. Inflationary pressures are expected to remain strong in 2022.

Previous outlook (published February 11, 2022):

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).

Kemira's President and CEO Jari Rosendal:

"We had a strong second quarter. Revenue grew by 31% to a record-high of EUR 861 million. Revenue growth was driven by higher sales prices, while sales volumes declined mainly due to our decision to exit Russia. Operative EBITDA reached a record-high level of EUR 122 million thanks to strong revenue growth. Inflationary pressures continued to impact our relative profitability and the operative EBITDA margin declined to 14.2%.

In Pulp & Paper, revenue increased by 29%. Demand remained robust in our end markets. Our sales volumes declined slightly during the quarter mainly due to our exit from Russia. Operative EBITDA grew to EUR 74 million, and the operative EBITDA margin was almost unchanged at 15.1% despite unprecedented inflationary pressures.

In Industry & Water, revenue increased by 34%. Demand in the water treatment business continued to be good. Oil & Gas revenue grew by 36%. Operative EBITDA was rather stable at EUR 48 million, while the operative EBITDA margin declined to 13.0% following unprecedented inflationary pressures.

We made progress with our profitable growth strategy during Q2 2022. We launched a new Growth Accelerator unit within Kemira to accelerate the commercialization of new biomaterials in our current markets and to create business opportunities in new adjacent markets. The build-up of this new organization is ongoing and it is expected to be operational in early 2023. During Q2 2022, we also announced an extension to our partnership with Danimer Scientific in order to commercialize fully biobased barrier coatings. This is another concrete proof point of how our growth strategy is progressing.

Sustainability is a key cornerstone of our profitable growth strategy. In June, we committed to the Science Based Targets Initiative (SBTi) and set a new ambitious

climate target. We commit to cut emissions from our own operations (scope 1 and scope 2 emissions) by 50% by 2030 from a 2018 baseline. This target is in line with limiting global warming to 1.5°C and it will be validated by the SBTi. Our ambition continues to be carbon neutral by 2045 for scope 1 and scope 2 emissions.

We see uncertainties continuing in our operating environment. We expect inflation to remain strong for the remainder of the year and we are preparing for various scenarios should energy availability be disrupted in Europe in the coming quarters. We will need to continue our actions to mitigate the impact from higher inflation going forward. Despite the uncertainty, on June 8, we upgraded our 2022 outlook for operative EBITDA. We expect revenue in local currencies, excluding acquisitions and divestments, to increase from 2021 (EUR 2,674.4 million) and the operative EBITDA to increase from 2021 (EUR 425.5 million)."



KEY FIGURES AND RATIOS

	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
EUR million	2022	2021	2022	2021	2021
Revenue	861.4	657.5	1,629.4	1,263.6	2,674.4
Operative EBITDA	122.1	107.3	242.1	211.9	425.5
Operative EBITDA, %	14.2	16.3	14.9	16.8	15.9
EBITDA	123.2	91.1	236.7	194.2	373.2
EBITDA, %	14.3	13.9	14.5	15.4	14.0
Operative EBIT	69.7	58.2	138.6	114.0	225.4
Operative EBIT, %	8.1	8.9	8.5	9.0	8.4
EBIT	69.1	41.9	131.3	96.1	170.1
EBIT, %	8.0	6.4	8.1	7.6	6.4
Net profit for the period	46.9	24.9	89.1	65.7	115.2
Earnings per share, diluted, EUR	0.29	0.15	0.56	0.40	0.70

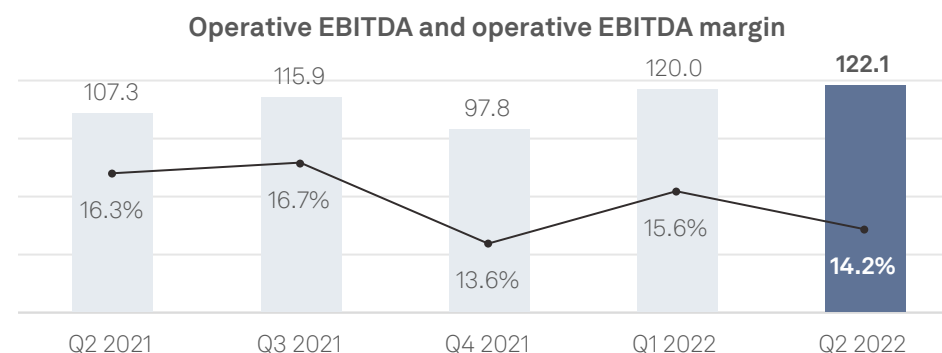
Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2021. Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets 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.



	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
EUR million	2022	2021	2022	2021	2021
Capital employed*	2,113.6	1,956.1	2,113.6	1,956.1	1,995.0
Operative ROCE*, %	11.8	11.9	11.8	11.9	11.3
ROCE*, %	9.7	10.0	9.7	10.0	8.5
Cash flow from operating activities	41.6	38.6	30.6	52.4	220.2
Capital expenditure excl. acquisition	38.5	32.5	64.7	59.1	168.8
Capital expenditure	38.5	32.5	64.7	59.1	169.8
Cash flow after investing activities	6.7	6.1	-29.9	-6.9	57.3
Equity ratio, % at period-end	43	42	43	42	43
Equity per share, EUR	10.09	7.74	10.09	7.74	8.68
Gearing, % at period-end	61	69	61	69	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 > 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.



FINANCIAL PERFORMANCE IN Q2 2022

Revenue increased by 31%. Revenue in local currencies, excluding acquisitions and divestments, increased by 24% following higher sales prices. Sales volumes declined due to Kemira's exit from Russia and strike at a customer in Finland.

Revenue	Apr-Jun 2022 EUR million	Apr-Jun 2021 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	487.6	378.4	+29	+22	+7	0
Industry & Water	373.8	279.1	+34	+26	+8	0
Total	861.4	657.5	+31	+24	+7	0

*Revenue growth in local currencies, excluding acquisitions and divestments

Operative EBITDA increased by 14% to EUR 122.1 million (107.3) following higher revenue. The operative EBITDA margin declined to 14.2% due to continued strong inflationary pressures, particularly related to energy, raw materials and logistics.

Variance analysis, EUR million	Apr-Jun
Operative EBITDA, 2021	107.3
Sales volumes	-9.5
Sales prices	+187.9
Variable costs	-152.1
Fixed costs	-17.5
Currency exchange	+5.8
Others	+0.2
Operative EBITDA, 2022	122.1

Operative EBITDA	Apr-Jun 2022 EUR million	Apr-Jun 2021 EUR million	Δ%	Apr-Jun 2022 %-margin	Apr-Jun 2021 %-margin
Pulp & Paper	73.6	57.8	+27	15.1	15.3
Industry & Water	48.5	49.5	-2	13.0	17.7
Total	122.1	107.3	+14	14.2	16.3

EBITDA increased by 35% to EUR 123.2 million (91.1). The difference between it and operative EBITDA is explained by **items affecting comparability**, which were mainly related to a gain on sale of land in Finland. Items affecting comparability in the comparison period were mainly related to a damage claim settlement and site closures.

Items affecting comparability, EUR million	Apr-Jun 2022	Apr-Jun 2021
Within EBITDA	1.2	-16.2
Pulp & Paper	1.3	-15.6
Industry & Water	-0.1	-0.6
Within depreciation, amortization and impairments	-1.9	-0.1
Pulp & Paper	-1.9	-0.1
Industry & Water	0.0	0.0
Total items affecting comparability in EBIT	-0.7	-16.3

Depreciation, amortization and impairments were EUR 54.2 million (49.2), including EUR 2.4 million (3.0) in amortization of the purchase price allocation.

Operative EBIT increased by 20% due to higher EBITDA. **EBIT** increased by 65%, and the difference between the two is explained by items affecting comparability, which mainly consisted of a gain on sale of land in Finland and losses related to Kemira's exit from Russia. Items affecting comparability in the comparison period were mainly related to a damage claim settlement and site closures.

Net finance costs totaled EUR -8.9 million (-8.5). **Income taxes** were EUR -13.3 million (-8.5), with the reported tax rate being 22% (25%). **Net profit for the period** increased by 88% mainly due to higher EBIT. The net profit for the comparison period was impacted by a damage claim settlement.

FINANCIAL PERFORMANCE IN JANUARY-JUNE 2022

Revenue increased by 29%. Revenue in local currencies, excluding acquisitions and divestments, increased by 23% due to higher sales prices. Sales volumes declined slightly due to a strike at a customer in Finland and Kemira's exit from Russia.

Revenue	Jan-Jun 2022 EUR million	Jan-Jun 2021 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	934.1	747.9	+25	+20	+5	0
Industry & Water	695.3	515.7	+35	+28	+6	0
Total	1,629.4	1,263.6	+29	+23	+6	0

*Revenue growth in local currencies, excluding acquisitions and divestments

Geographically, the revenue split was as follows: EMEA (Europe, Middle East, Africa) 51% (52%), the Americas 39% (35%), and Asia Pacific 10% (11%).

Operative EBITDA increased by 14% to EUR 242.1 million (211.9) following higher revenue. The operative EBITDA margin declined to 14.9% due to strong inflationary pressures, particularly related to energy, raw materials and logistics.

Variance analysis, EUR million	Jan-Jun
Operative EBITDA, 2021	211.9
Sales volumes	-12.1
Sales prices	+325.9
Variable costs	-274.4
Fixed costs	-20.8
Currency exchange	+7.8
Others	+3.8
Operative EBITDA, 2022	242.1

Operative EBITDA	Jan-Jun 2022 EUR million	Jan-Jun 2021 EUR million	Δ%	Jan-Jun 2022 %-margin	Jan-Jun 2021 %-margin
Pulp & Paper	144.8	120.7	+20	15.5	16.1
Industry & Water	97.3	91.2	+7	14.0	17.7
Total	242.1	211.9	+14	14.9	16.8

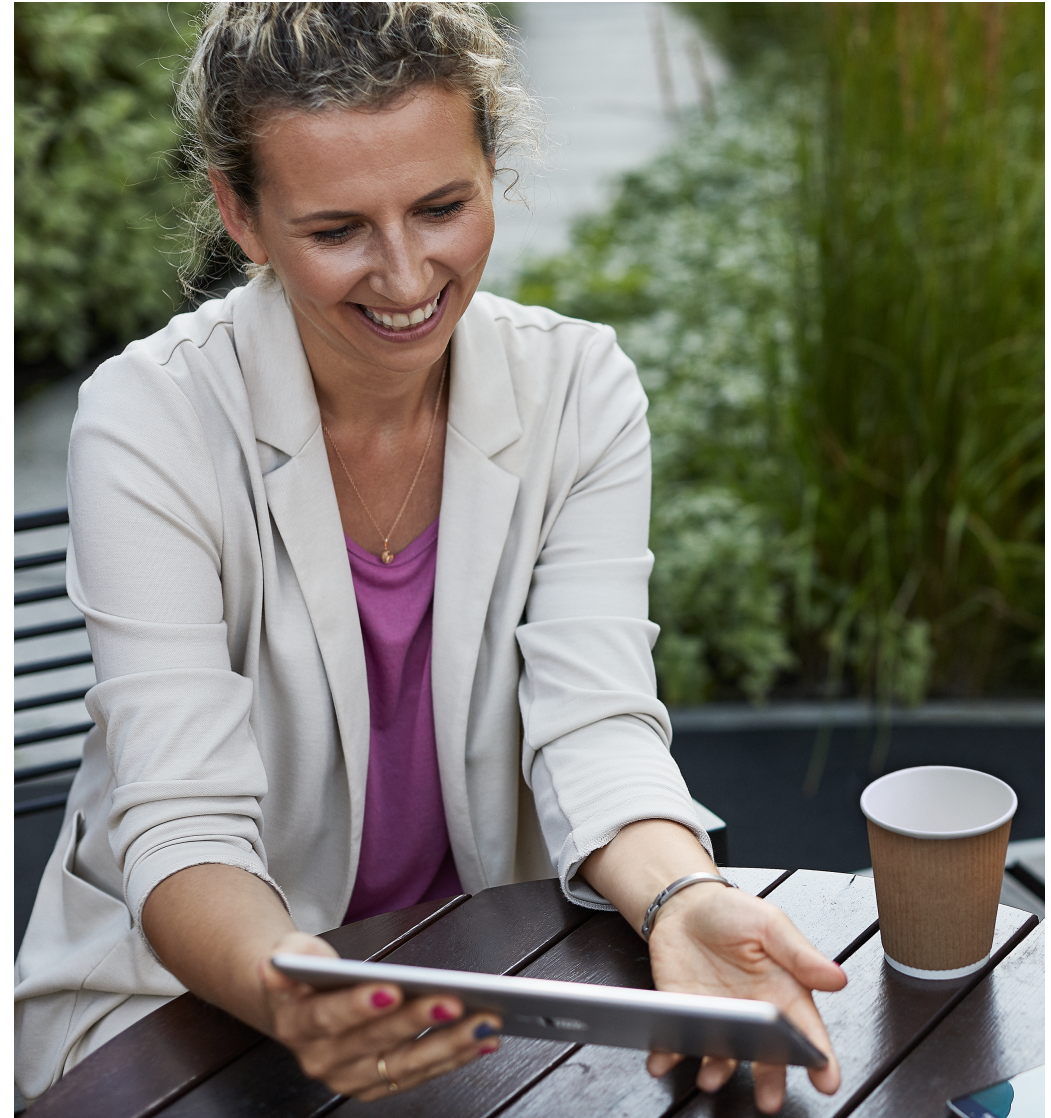
EBITDA increased by 22% to EUR 236.7 million (194.2). The difference between it and operative EBITDA is explained by items affecting comparability. **Items affecting comparability** were mainly related to Kemira's exit from Russia. Items affecting comparability in the comparison period were mainly related to a damage claim settlement, site closures and organizational restructuring.

Items affecting comparability, EUR million	Jan-Jun 2022	Jan-Jun 2021
Within EBITDA	-5.4	-17.7
Pulp & Paper	-3.5	-16.3
Industry & Water	-1.8	-1.4
Within depreciation, amortization and impairments	-2.0	-0.1
Pulp & Paper	-2.0	-0.1
Industry & Water	0.0	0.0
Total	-7.3	-17.9

Depreciation, amortization and impairments increased to EUR 105.5 million (98.1), including the EUR 5.5 million (6.0) amortization of the purchase price allocation.

Operative EBIT increased by 22% compared to the previous year. **EBIT** increased by 37%, and the difference between the two is explained by items affecting comparability, which were mainly related to Kemira's exit from Russia. Items affecting comparability in the comparison period were mainly related to a damage claim settlement, site closures and organizational restructuring.

Net finance costs totaled EUR -16.7 million (-10.1). The comparison period included a gain of EUR 5.6 million arising from bond liability management. **Income taxes** were EUR -25.4 million (-20.3), with the reported tax rate being 22% (24%). **Net profit** for the period increased by 36%.



FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in January–June 2022 decreased to EUR 30.6 million (52.4) due to an increase in net working capital. Net working capital increased due to higher inventories and receivables following higher raw material prices and strong revenue growth. 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 -29.9 million (-6.9).

At the end of the period, interest-bearing liabilities totaled EUR 1,106 million (977), including lease liabilities of EUR 153 million (128). In May 2022, Kemira repaid maturing bond of EUR 53 million. The use of commercial papers increased by EUR 90 million during second quarter. The average interest rate of the Group's interest-bearing loan portfolio (excluding leases) was 1.6% (1.8%), and the duration was 23 months (33). Fixed-rate loans accounted for 67% (81%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities maturing in the next 12 months amounted to EUR 295 million. On June 30, 2022, cash and cash equivalents totaled EUR 147 million (145). 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 959 million (831), including lease liabilities. The equity ratio was 43% (42%), while gearing was 61% (69%). In Q2 2022, Kemira's shares in Pohjolan Voima and Teollisuuden Voima were revalued. Value of the shares increased by EUR 141 million due to higher electricity prices. In addition, the value of electricity derivatives increased by EUR 75 million during Q2 2022.

CAPITAL EXPENDITURE

In January–June 2022, capital expenditure excluding acquisitions increased by 9% to EUR 64.7 million (59.1). Capital expenditure (capex) can be broken down as follows: expansion capex 22% (22%), improvement capex 29% (26%), and maintenance capex 49% (52%).

RESEARCH AND DEVELOPMENT

In January–June 2022, total research and development expenses were EUR 15.5 million (14.1), representing 0.9% (1.1%) of the Group's revenue.

HUMAN RESOURCES

At the end of the period, Kemira Group had 4,976 employees (5,008). Kemira had 818 (823) employees in Finland, 1,728 (1,793) employees elsewhere in EMEA, 1,511 (1,466) in the Americas, and 919 (926) 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 Kemira's scope 1 and scope 2 emissions will be available on Kemira's website (kemira.com/investors) in early August.

Sustainability performance in Q2 2022

SAFETY

Kemira's safety performance improved in Q2 2022 (TRIF 2.3) compared with Q1 2022 (TRIF 4.1). Kemira's H1 2022 TRIF was 3.2, higher than H1 2021 (2.8).

PEOPLE

Kemira measures the employees' perception of diversity and inclusion. In Q2 2022, Kemira launched several Diversity & Inclusion initiatives, including a KemPride employee network, to further promote and develop an inclusive work environment.

CIRCULARITY

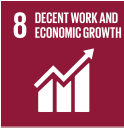
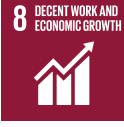



Kemira continued to progress its biobased strategy during Q2 2022. During the quarter, Kemira launched a new unit, Growth Accelerator, to accelerate the commercialization of new biobased products. In May, Kemira also announced an expansion to its exclusive partnership with Danimer Scientific in order to commercialize fully biobased barrier coatings. In addition, product-specific waste generation assessments as part of Product Carbon Footprint and Life Cycle Assessments (PCF / LCA) work continued.

WATER

In Q1 2022, 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. Product-specific water consumption assessment as part of Product Carbon Footprint and Life Cycle Assessments (PCF / LCA) work continued during the second quarter.

CLIMATE

During Q2 2022, Kemira committed to the Science Based Targets initiative (SBTi) and set a new ambitious climate target. Kemira commits to cut its scope 1 and scope 2 emissions by 50% (previously 30%) by 2030, compared to a 2018 baseline. This target is in line with limiting global warming 1.5°C and it will be validated by the SBTi. In addition, Kemira commits to developing a quantified near-term scope 3 emission reduction target to be validated by the SBTi. Kemira's ambition to become carbon neutral in scopes 1&2 by 2045 remains unchanged. During the quarter, Kemira also increased its internal carbon price for capital expenditure projects.

SDG	KPI	UNIT	2021
	SAFETY TRIF* 1.5 by 2025 and 1.1 by 2030 <small>*TRIF = total recordable injury frequency per million hours, Kemira + contractors</small>		2.7
	PEOPLE Reach top 10% cross industry norm for Diversity & Inclusion by 2025		Slightly below top 25%
	CIRCULARITY 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
	WATER Reach Leadership level in water management by 2025 measured by CDP Water Security scoring methodology.	Rate scale A-D	B
	CLIMATE Scopes 1 & 2*** emissions -50% 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.



	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
EUR million	2022	2021	2022	2021	2021
Revenue	487.6	378.4	934.1	747.9	1,559.6
Operative EBITDA	73.6	57.8	144.8	120.7	244.7
Operative EBITDA, %	15.1	15.3	15.5	16.1	15.7
EBITDA	74.9	42.2	141.3	104.4	198.3
EBITDA, %	15.4	11.2	15.1	14.0	12.7
Operative EBIT	42.8	28.1	83.5	61.3	124.3
Operative EBIT, %	8.8	7.4	8.9	8.2	8.0
EBIT	42.3	12.4	78.0	44.9	77.7
EBIT, %	8.7	3.3	8.4	6.0	5.0
Capital employed*	1,284.6	1,223.8	1,284.6	1,223.8	1,226.9
Operative ROCE*, %	11.4	10.9	11.4	10.9	10.1
ROCE*, %	8.6	7.9	8.6	7.9	6.3
Capital expenditure excl. M&A	24.7	17.6	42.6	28.7	88.5
Capital expenditure incl. M&A	24.7	17.6	42.6	28.7	89.5
Cash flow after investing activities	49.3	24.7	25.6	50.8	94.6

*12-month rolling average

Second quarter:

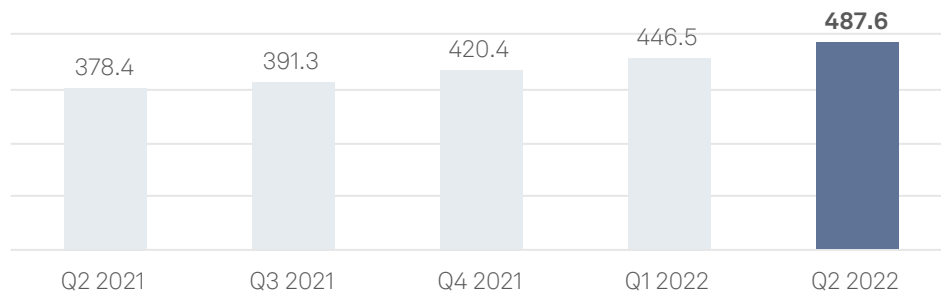
The segment's **revenue** increased by 29%. Revenue in local currencies, excluding acquisitions and divestments, increased by 22% due to higher sales prices. Sales volumes declined due to Kemira's exit from Russia and strike at a customer in Finland. Currencies had a positive impact.

In **EMEA**, revenue increased by 32% due to higher sales prices, which increased across product groups. Sales volumes declined due to Kemira's exit from Russia and strike at a customer in Finland. In **the Americas**, revenue increased by 33%. Revenue in local currencies, excluding acquisitions and divestments, increased by 17% due to

higher sales prices, which increased across product groups. Sales volumes declined slightly. In **APAC**, revenue increased by 11%. Revenue in local currencies, excluding acquisitions and divestments, increased by 2% due to higher sales prices, particularly in sizing chemicals. Sales volumes declined.

Operative EBITDA increased by 27% due to higher revenue. The operative EBITDA margin was rather stable at 15.1% despite continued strong inflationary pressures. **EBITDA** increased by 77%. The difference from operative EBITDA is explained by items affecting comparability, which were mainly related to a gain on sale of land in Finland. Items affecting comparability in the comparison period amounted to EUR 15.6 million and were mainly related to a damage claim settlement.

Revenue

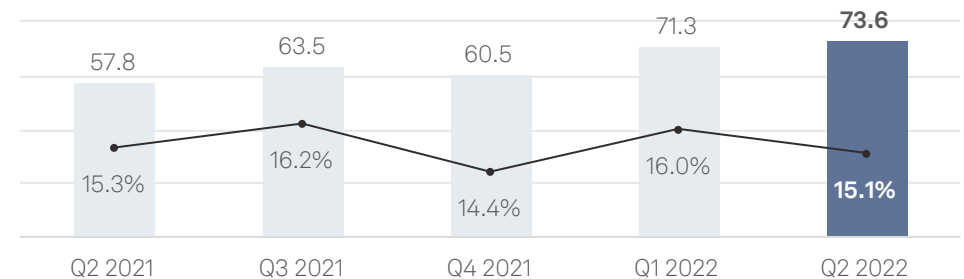


January–June:

The segment's **revenue** increased by 25%. Revenue in local currencies (excluding divestments and acquisitions) increased by 20% driven by higher sales prices. Sales volumes decreased due to a strike at a customer in Finland and due to Kemira's exit from Russia.

Operative EBITDA increased by 20% following higher revenue. The operative EBITDA margin declined to 15.5% due to strong inflationary pressures. **EBITDA** increased by 35%. The difference between it and operative EBITDA is explained by items affecting comparability, which were mainly related to Kemira's exit from Russia and a gain on sale of land in Finland. Items affecting comparability in the comparison period amounted to EUR 16.3 million and were mainly related to a damage claim settlement.

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.



	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
EUR million					
Revenue	373.8	279.1	695.3	515.7	1,114.8
Operative EBITDA	48.5	49.5	97.3	91.2	180.8
Operative EBITDA, %	13.0	17.7	14.0	17.7	16.2
EBITDA	48.4	48.9	95.4	89.7	174.9
EBITDA, %	12.9	17.5	13.7	17.4	15.7
Operative EBIT	26.9	30.1	55.1	52.7	101.2
Operative EBIT, %	7.2	10.8	7.9	10.2	9.1
EBIT	26.8	29.5	53.3	51.2	92.4
EBIT, %	7.2	10.6	7.7	9.9	8.3
Capital employed*	828.7	731.8	828.7	731.8	767.6
Operative ROCE*, %	12.5	13.6	12.5	13.6	13.2
ROCE*, %	11.4	13.4	11.4	13.4	12.0
Capital expenditure excl. M&A	13.8	15.0	22.0	30.5	80.3
Capital expenditure incl. M&A	13.8	15.0	22.0	30.5	80.3
Cash flow after investing activities	-13.4	2.7	-6.4	3.5	50.9

*12-month rolling average

Second quarter:

The segment's **revenue** increased by 34%. Revenue in local currencies, excluding acquisitions and divestments, increased by 26% mainly due to higher sales prices. Sales volumes were stable. Currencies had a positive impact.

In the water treatment business, revenue increased by 33% 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 36% to EUR 89.5 million (66.0), driven by higher sales prices. Sales volumes declined slightly.

In **EMEA**, revenue increased by 29% mainly due to higher sales prices in water treatment. In **the Americas**, revenue increased by 39%. Revenue in local currencies,

excluding acquisitions and divestments, increased by 23% driven by higher sales prices. In water treatment, sales prices and sales volumes increased. In the Oil and Gas business, sales prices increased, while sales volumes declined. In **APAC**, revenue increased by 41% albeit from a low base due to higher sales volumes and sales prices.

Operative EBITDA decreased by 2% as higher variable and fixed costs were not fully offset by higher sales prices. The operative EBITDA margin declined to 13.0% following continued strong inflationary pressures. **EBITDA** decreased by 1%, and the difference from operative EBITDA is explained by items affecting comparability.

Revenue



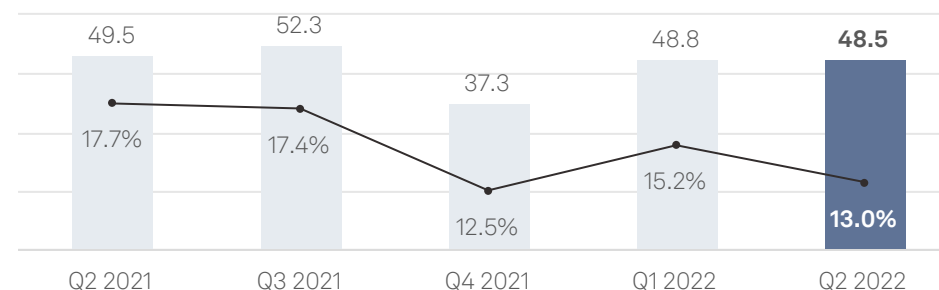
January–June:

The segment's **revenue** increased by 35%. Revenue in local currencies, excluding acquisitions and divestments, increased by 28%. The increase was driven mainly by higher sales prices. Also sales volumes increased. Currencies had a positive impact.

In the water treatment business, revenue increased by 31% particularly due to higher sales prices. Also sales volumes increased. Revenue in the Oil & Gas business increased by 50% to EUR 158.6 million (105.9) mainly due to higher sales prices, particularly in shale. Also sales volumes increased slightly.

Operative EBITDA increased by 7% following higher revenue. The operative EBITDA margin declined to 14.0% due to continued strong inflationary pressures. **EBITDA** increased by 6% and the difference from operative EBITDA is explained by items affecting comparability.

Operative EBITDA and operative EBITDA margin



KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On June 30, 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 June 2022, Kemira Oyj had 49,903 registered shareholders (49,484 on December 31, 2021). Non-Finnish shareholders held 30.5% of the shares (28.4% on December 31, 2021), including nominee-registered holdings. Households owned 20.0% of the shares (19.8% on December 31, 2021). Kemira held 1,978,977 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 13% from the beginning of the year and closed at EUR 11.66 on the Nasdaq Helsinki at the end of June 2022 (13.33 on December 31, 2021). The shares registered a high of EUR 13.50 and a low of EUR 11.47 in January–June 2022, and the average share price was EUR 12.37. The company's market capitalization, excluding treasury shares, was EUR 1,788 million at the end of June 2022 (2,041 December 31, 2021).

In January–June 2022, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 281 million (EUR 499 million in January–June 2021). The average daily trading volume was 184,964 shares (296,994 in January–June 2021). The total volume of Kemira Oyj's share trading in January–June 2022 was 31 million shares (46 million shares in January–June 2021), 26% (20% in January–June 2021) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

AUTHORIZATIONS

The Annual General Meeting 2022 authorized the Board of Directors to decide upon the repurchase of a maximum of 5,800,000 of the company's own shares ("share repurchase authorization"). 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 share issue authorization is valid until May 31, 2023.

DIVIDEND

The Annual General Meeting 2022 approved the Board of Directors' 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 Board of Directors will decide on the record date and the payment date for the second dividend installment of EUR 0.29 at its meeting on October 24, 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 with a separate stock exchange release and confirm the record and payment dates.

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, particularly related to energy availability. The risks and impacts of the war in Ukraine are described in more detail below.

Kemira also referred to the risks of the COVID-19 situation in its Financial Statements Bulletin 2021. The COVID-19 situation in China has remained volatile during H1 2022, but the situation improved during Q2 2022. Previous and possible upcoming 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. 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. Revenue from Belarus and Ukraine was not material in 2021. The fifth EU sanctions list published on April 9, 2022 included the majority of Kemira's products. Kemira

announced on May 6, 2022 that it will exit the Russian market. At the end of June 2022, Kemira's exit from Russia was progressing well.

The direct impacts from the war on Kemira 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. In 2021, 1% of Kemira's total direct purchases and logistics costs were related to purchases from Russia and Belarus. 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 production facilities use natural gas in Europe. The gas is purchased locally, but originates at least partly from Russia. Kemira is preparing for various scenarios should energy, particularly gas, availability be disrupted in Europe in the coming quarters.

Kemira is also exposed to indirect impacts via Kemira's customers and suppliers. Particularly high energy prices or disruptions in energy availability 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 H1 2022 there were no material customer or supplier shutdowns due to the war in Ukraine. 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, particularly related to energy, accelerated during H1 2022, partly due to the war in Ukraine. Inflationary pressures are expected to remain strong throughout 2022.

Kemira had limited exposure to Russia at the end of June 2022. During H1 2022, Kemira recorded EUR 6.3 million of losses related to the exit from Russia. After recorded losses in H1 2022, net assets related to the Russian business amounted to around EUR 11 million at the end of June 2022 and consisted mainly of cash and cash equivalents. Kemira is looking at various options to transfer funds from Russia. The cash is denominated in Russian roubles. Kemira had no assets or personnel in Belarus or Ukraine at the end of June 2022.

CHANGES IN KEMIRA'S MANAGEMENT BOARD

[On May 18, 2022](#), Kemira announced that Kim Poulsen, President, Segment Pulp & Paper, is leaving Kemira. The search for a successor is ongoing.

EVENTS AFTER THE REVIEW PERIOD

No events after the review period.



OUTLOOK FOR 2022

(updated on June 8, 2022)

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 increase from 2021 (EUR 425.5 million).

Assumptions behind outlook

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. The outlook also assumes normal energy availability in Europe. Inflationary pressures are expected to remain strong in 2022.

Previous outlook (published February 11, 2022):

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).

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, July 14, 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 AND 2023

Interim report for January-September 2022	October 25, 2022
Financial Statements Bulletin for the year 2022	February 10, 2023
Interim report January-March 2023	April 25, 2023
Half-year financial report January-June 2023	July 18, 2023
Interim report January-September 2023	October 24, 2023
Annual Report 2022 will be published the week starting on February 13, 2023.	

Capital Markets Day will be held on September 13, 2022.

The Annual General Meeting is scheduled for Wednesday, March 22, 2023.

WEBCAST AND CONFERENCE CALL FOR PRESS AND ANALYSTS

Kemira will arrange a webcast for analysts, investors, and media on Friday July, 15, 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. 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: 86867612#	

KEMIRA GROUP - FINANCIALS OF HALF-YEAR FINANCIAL REPORT 2022

CONSOLIDATED INCOME STATEMENT

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue	861.4	657.5	1,629.4	1,263.6	2,674.4
Other operating income	3.0	0.7	3.8	1.2	5.9
Operating expenses	-741.1	-567.1	-1,396.6	-1,070.6	-2,306.7
Share of profit or loss of associates	0.0	0.0	0.0	0.0	-0.5
EBITDA	123.2	91.1	236.7	194.2	373.2
Depreciation, amortization and impairments	-54.2	-49.2	-105.5	-98.1	-203.1
Operating profit (EBIT)	69.1	41.9	131.3	96.1	170.1
Finance costs, net	-8.9	-8.5	-16.7	-10.1	-26.7
Profit before taxes	60.2	33.4	114.5	86.0	143.3
Income taxes	-13.3	-8.5	-25.4	-20.3	-28.2
Net profit for the period	46.9	24.9	89.1	65.7	115.2
Net profit attributable to					
Equity owners of the parent company	45.0	23.0	85.5	62.0	108.1
Non-controlling interests	2.0	1.9	3.6	3.7	7.1
Net profit for the period	46.9	24.9	89.1	65.7	115.2
Earnings per share, basic, EUR	0.29	0.15	0.56	0.41	0.71
Earnings per share, diluted, EUR	0.29	0.15	0.56	0.40	0.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net profit for the period	46.9	24.9	89.1	65.7	115.2
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	25.7	2.5	43.6	17.2	32.2
Cash flow hedges	58.4	5.3	63.8	1.2	19.3
Items that will not be reclassified subsequently to profit or loss					
Other shares	112.9	—	112.9	—	40.2
Remeasurements of defined benefit plans	—	—	—	—	21.5
Other comprehensive income for the period, net of tax	196.9	7.7	220.2	18.3	113.3
Total comprehensive income for the period	243.8	32.7	309.3	84.1	228.4
Total comprehensive income attributable to					
Equity owners of the parent company	241.8	30.5	305.9	80.3	221.2
Non-controlling interests	1.9	2.2	3.4	3.8	7.2
Total comprehensive income for the period	243.8	32.7	309.3	84.1	228.4

CONSOLIDATED BALANCE SHEET

EUR million	6/30/2022	6/30/2021	12/31/2021
ASSETS			
Non-current assets			
Goodwill	526.2	508.6	514.0
Other intangible assets	65.2	70.9	66.7
Property, plant and equipment	1,070.2	1,015.9	1,063.0
Right-of-use assets	150.5	127.3	135.8
Investments in associates	4.8	5.2	4.8
Other shares	401.2	212.3	260.0
Deferred tax assets	29.9	37.9	30.5
Other financial assets	49.9	7.5	7.3
Receivables of defined benefit plans	63.3	47.9	73.2
Total non-current assets	2,361.3	2,033.5	2,155.4
Current assets			
Inventories	490.6	280.6	352.1
Interest-bearing receivables	0.3	0.4	0.3
Trade receivables and other receivables	620.4	406.8	475.2
Current income tax assets	18.6	20.5	13.9
Cash and cash equivalents	147.3	145.3	142.4
Total current assets	1,277.3	853.6	983.9
Total assets	3,638.6	2,887.1	3,139.3

EUR million	6/30/2022	6/30/2021	12/31/2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity owners of the parent company	1,547.9	1,184.8	1,328.9
Non-controlling interests	17.3	15.0	13.9
Total equity	1,565.1	1,199.7	1,342.7
Non-current liabilities			
Interest-bearing liabilities	811.2	773.4	776.9
Other financial liabilities	9.6	8.5	9.4
Deferred tax liabilities	117.9	64.2	77.1
Liabilities of defined benefit plans	91.8	96.3	94.1
Provisions	46.9	27.0	48.0
Total non-current liabilities	1,077.5	969.4	1,005.5
Current liabilities			
Interest-bearing liabilities	295.1	203.1	215.3
Trade payables and other liabilities	647.5	451.8	538.3
Current income tax liabilities	35.5	19.1	14.3
Provisions	17.9	43.9	23.1
Total current liabilities	996.0	718.0	791.0
Total liabilities	2,073.5	1,687.4	1,796.5
Total equity and liabilities	3,638.6	2,887.1	3,139.3

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Cash flow from operating activities					
Net profit for the period	46.9	24.9	89.1	65.7	115.2
Total adjustments	75.8	73.8	156.8	138.4	273.4
Cash flow before change in net working capital	122.7	98.7	246.0	204.1	388.5
Change in net working capital	-52.0	-38.9	-166.2	-90.4	-80.2
Cash generated from operations before financing items and taxes	70.7	59.9	79.7	113.7	308.3
Finance expenses, net and dividends received	-20.2	-13.0	-30.9	-27.3	-44.2
Income taxes paid	-8.9	-8.3	-18.2	-33.9	-44.0
Net cash generated from operating activities	41.6	38.6	30.6	52.4	220.2
Cash flow from investing activities					
Capital expenditure in associated company	—	—	—	—	—
Capital expenditure in other shares	—	—	—	—	-1.0
Other capital expenditure	-38.5	-32.5	-64.7	-59.1	-168.8
Proceeds from sale of assets and capital repayments	3.5	—	3.7	—	6.7
Decrease (+) / increase (-) in loan receivables	0.2	0.1	0.4	-0.2	0.2
Net cash used in investing activities	-34.9	-32.5	-60.5	-59.3	-162.9

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities	—	—	15.9	200.0	200.0
Repayments of non-current liabilities	-52.8	—	-52.8	-97.3	-97.3
Short-term financing, net increase (+) / decrease (-)	86.4	-10.0	126.0	-50.0	-53.9
Repayments of lease liabilities	-8.7	-8.3	-17.2	-16.3	-33.1
Dividends paid	-44.5	-46.4	-44.5	-46.4	-95.3
Net cash used in financing activities	-19.4	-64.7	27.5	-9.9	-79.5
Net decrease (-) / increase (+) in cash and cash equivalents	-12.7	-58.6	-2.5	-16.8	-22.2
Cash and cash equivalents at end of period	147.3	145.3	147.3	145.3	142.4
Exchange gains (+) / losses (-) on cash and cash equivalents	5.6	0.9	7.4	2.6	5.1
Cash and cash equivalents at beginning of period	154.5	203.0	142.4	159.5	159.5
Net decrease (-) / increase (+) in cash and cash equivalents	-12.7	-58.6	-2.5	-16.8	-22.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity owners of the parent company							Non-controlling interests	Total Equity
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings		
Equity on January 1, 2022	221.8	257.9	140.9	196.3	-53.7	-14.9	580.5	13.9	1,342.7
Net profit for the period	—	—	—	—	—	—	85.5	3.6	89.1
Other comprehensive income, net of tax	—	—	176.7	—	43.8	—	—	-0.2	220.2
Total comprehensive income	—	—	176.7	—	43.8	—	85.5	3.4	309.3
Transactions with owners									
Dividends paid	—	—	—	—	—	—	-88.9 ¹⁾	—	-88.9
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.5	—	—	1.5
Treasury shares issued to the Board of Directors	—	—	—	—	—	0.1	—	—	0.1
Treasury shares returned	—	—	—	—	—	0.0	—	—	0.0
Share-based payments	—	—	—	—	—	—	0.3	—	0.3
Transfers in equity	—	—	0.1	—	—	—	-0.1	—	0.0
Total transactions with owners	—	—	0.1	—	—	1.6	-88.7	—	-86.9
Equity on June 30, 2022	221.8	257.9	317.7	196.3	-9.9	-13.3	577.3	17.3	1,565.1

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 1,978,977 of its treasury shares on June 30, 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
Equity on January 1, 2021	221.8	257.9	81.1	196.3	-85.8	-16.3	537.1	1,192.1	13.2	1,205.3
Net profit for the period	—	—	—	—	—	—	62.0	62.0	3.7	65.7
Other comprehensive income, net of tax	—	—	1.2	—	17.1	—	—	18.2	0.1	18.3
Total comprehensive income	—	—	1.2	—	17.1	—	62.0	80.3	3.8	84.1
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-88.8 ²⁾	-88.8	-2.0	-90.8
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.3	—	1.3	—	1.3
Treasury shares issued to the Board of Directors	—	—	—	—	—	0.1	—	0.1	—	0.1
Treasury shares returned	—	—	—	—	—	0.0	—	0.0	—	0.0
Share-based payments	—	—	—	—	—	—	0.1	0.1	—	0.1
Transfers in equity	—	—	0.4	—	—	—	-0.4	0.0	—	0.0
Other items	—	—	—	—	—	—	-0.3	-0.3	—	-0.3
Total transactions with owners	—	—	0.4	—	—	1.4	-89.4	-87.6	-2.0	-89.6
Equity on June 30, 2021	221.8	257.9	82.7	196.3	-68.7	-14.9	509.7	1,184.8	15.0	1,199.7

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 > Investors > Financial information.

	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-6	2021 1-6	2021 1-12
Income statement and profitability									
Revenue, EUR million	861.4	768.1	718.2	692.7	657.5	606.1	1,629.4	1,263.6	2,674.4
Operative EBITDA, EUR million	122.1	120.0	97.8	115.9	107.3	104.6	242.1	211.9	425.5
Operative EBITDA, %	14.2	15.6	13.6	16.7	16.3	17.3	14.9	16.8	15.9
EBITDA, EUR million	123.2	113.5	69.5	109.5	91.1	103.0	236.7	194.2	373.2
EBITDA, %	14.3	14.8	9.7	15.8	13.9	17.0	14.5	15.4	14.0
Items affecting comparability in EBITDA, EUR million	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-5.4	-17.7	-52.4
Operative EBIT, EUR million	69.7	68.9	47.0	64.5	58.2	55.7	138.6	114.0	225.4
Operative EBIT, %	8.1	9.0	6.5	9.3	8.9	9.2	8.5	9.0	8.4
Operating profit (EBIT), EUR million	69.1	62.2	17.5	56.4	41.9	54.2	131.3	96.1	170.1
Operating profit (EBIT), %	8.0	8.1	2.4	8.1	6.4	8.9	8.1	7.6	6.4
Items affecting comparability in EBIT, EUR million	-0.7	-6.7	-29.5	-8.0	-16.3	-1.6	-7.3	-17.9	-55.4
Amortization and impairments of Intangible assets	-5.4	-5.8	-7.0	-5.9	-6.0	-6.2	-11.2	-12.3	-25.2
Of which purchase price allocation (PPA) related	-2.4	-3.1	-3.1	-3.0	-3.0	-3.0	-5.5	-6.0	-12.1
Depreciations and impairments of Property, plant and equipment	-39.4	-36.5	-35.3	-38.7	-34.6	-34.4	-76.0	-69.0	-143.0
Depreciations of right-of-use assets	-9.3	-8.9	-8.8	-8.5	-8.5	-8.2	-18.2	-16.8	-34.1
Return on investment (ROI), %	9.9	9.4	2.9	9.7	7.0	10.1	9.4	8.5	7.2
Capital employed, EUR million ¹⁾	2,113.6	2,045.4	1,995.0	1,966.7	1,956.1	1,958.8	2,113.6	1,956.1	1,995.0
Operative ROCE, %	11.8	11.7	11.3	12.0	11.9	11.9	11.8	11.9	11.3
ROCE, %	9.7	8.7	8.5	9.8	10.0	10.7	9.7	10.0	8.5

	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-6	2021 1-6	2021 1-12
Cash flow									
Net cash generated from operating activities, EUR million	41.6	-10.9	80.8	86.9	38.6	13.8	30.6	52.4	220.2
Capital expenditure, EUR million	38.5	26.1	74.5	36.1	32.5	26.6	64.7	59.1	169.8
Capital expenditure excl. acquisitions, EUR million	38.5	26.1	74.5	35.1	32.5	26.6	64.7	59.1	168.8
Capital expenditure excl. acquisitions / revenue, %	4.5	3.4	10.4	5.1	4.9	4.4	4.0	4.7	6.3
Cash flow after investing activities, EUR million	6.7	-36.6	13.1	51.1	6.1	-13.1	-29.9	-6.9	57.3
Balance sheet and solvency									
Equity ratio, %	43.0	40.3	42.8	42.2	41.6	40.4	43.0	41.6	42.8
Gearing, %	61.3	68.2	63.3	62.5	69.3	66.5	61.3	69.3	63.3
Interest-bearing net liabilities, EUR million	959.0	899.8	849.8	800.1	831.3	776.9	959.0	831.3	849.8
Personnel									
Personnel at end of period	4,976	4,939	4,926	4,937	5,008	4,926	4,976	5,008	4,926
Personnel (average)	4,964	4,928	4,925	4,970	4,974	4,919	4,946	4,946	4,947
Key exchange rates at end of period									
USD	1.039	1.110	1.133	1.158	1.188	1.173	1.039	1.188	1.133
CAD	1.343	1.390	1.439	1.475	1.472	1.478	1.343	1.472	1.439
SEK	10.730	10.337	10.250	10.168	10.111	10.238	10.730	10.111	10.250
CNY	6.962	7.040	7.195	7.485	7.674	7.681	6.962	7.674	7.195
BRL	5.423	5.301	6.310	6.263	5.905	6.741	5.423	5.905	6.310
Per share figures, EUR									
Earnings per share (EPS), basic ²⁾	0.29	0.26	0.05	0.25	0.15	0.25	0.56	0.41	0.71
Earnings per share (EPS), diluted ²⁾	0.29	0.26	0.05	0.25	0.15	0.25	0.56	0.40	0.70
Net cash generated from operating activities per share ²⁾	0.27	-0.07	0.53	0.57	0.25	0.09	0.20	0.34	1.44
Equity per share ²⁾	10.09	8.50	8.68	8.28	7.74	7.53	10.09	7.74	8.68
Number of shares (1,000,000)									
Average number of shares, basic ²⁾	153.4	153.2	153.1	153.1	153.1	153.0	153.3	153.1	153.1
Average number of shares, diluted ²⁾	154.1	154.0	153.9	153.8	153.8	153.7	154.0	153.8	153.8
Number of shares at end of period, basic ²⁾	153.4	153.3	153.1	153.1	153.1	153.1	153.4	153.1	153.1
Number of shares at end of period, diluted ²⁾	154.2	154.0	154.1	153.8	153.8	153.7	154.2	153.8	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 ¹⁾	= 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), %	= $\frac{(\text{Profit before taxes} + \text{interest expenses} + \text{other financial expenses}) \times 100}{\text{Total assets} - \text{non-interest-bearing liabilities}^{2)}$
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, %	= $\frac{\text{Total equity} \times 100}{\text{Total assets} - \text{prepayments received}}$
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 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-6	2021 1-6	2021 1-12
ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT									
Operative EBITDA	122.1	120.0	97.8	115.9	107.3	104.6	242.1	211.9	425.5
Restructuring and streamlining programs	0.1	-3.1	-0.1	-6.2	-4.7	-1.4	-3.0	-6.0	-12.3
Transaction and integration expenses in acquisition	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1
Divestment of businesses and other disposals	2.0	0.0	-28.1	0.0	0.0	-0.2	2.0	-0.2	-28.3
Other items	-0.9	-3.5	0.0	-0.1	-11.5	0.0	-4.4	-11.5	-11.6
Total items affecting comparability	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-5.4	-17.7	-52.4
EBITDA	123.2	113.5	69.5	109.5	91.1	103.0	236.7	194.2	373.2
Operative EBIT									
Operative EBIT	69.7	68.9	47.0	64.5	58.2	55.7	138.6	114.0	225.4
Total items affecting comparability in EBITDA	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-5.4	-17.7	-52.4
Items affecting comparability in depreciation, amortization and impairments	-1.9	-0.1	-1.2	-1.7	-0.1	0.0	-2.0	-0.1	-3.0
Operating profit (EBIT)	69.1	62.2	17.5	56.4	41.9	54.2	131.3	96.1	170.1
ROCE AND OPERATIVE ROCE									
Operative EBIT	69.7	68.9	47.0	64.5	58.2	55.7	138.6	114.0	225.4
Operating profit (EBIT)	69.1	62.2	17.5	56.4	41.9	54.2	131.3	96.1	170.1
Capital employed ¹⁾	2,113.6	2,045.4	1,995.0	1,966.7	1,956.1	1,958.8	2,113.6	1,956.1	1,995.0
Operative ROCE, %	11.8	11.7	11.3	12.0	11.9	11.9	11.8	11.9	11.3
ROCE, %	9.7	8.7	8.5	9.8	10.0	10.7	9.7	10.0	8.5
NET WORKING CAPITAL									
Inventories	490.6	408.0	352.1	324.3	280.6	268.8	490.6	280.6	352.1
Trade receivables and other receivables	620.4	530.5	475.2	430.7	406.8	378.0	620.4	406.8	475.2
Excluding financing items in other receivables	-78.6	-30.4	-35.4	-29.1	-13.6	-9.9	-78.6	-13.6	-35.4
Trade payables and other liabilities	647.5	624.5	538.3	510.4	451.8	505.0	647.5	451.8	538.3
Excluding dividend liability and financing items in other liabilities	-82.7	-123.1	-33.5	-72.3	-70.0	-121.9	-82.7	-70.0	-33.5
Net working capital	467.6	406.7	287.2	287.8	292.0	253.8	467.6	292.0	287.2

EUR million	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-6	2021 1-6	2021 1-12
INTEREST-BEARING NET LIABILITIES									
Non-current interest-bearing liabilities	811.2	795.5	776.9	778.3	773.4	819.1	811.2	773.4	776.9
Current interest-bearing liabilities	295.1	258.8	215.3	206.2	203.1	160.8	295.1	203.1	215.3
Interest-bearing liabilities	1,106.3	1,054.4	992.2	984.5	976.6	979.9	1,106.3	976.6	992.2
Cash and cash equivalents	147.3	154.5	142.4	184.4	145.3	203.0	147.3	145.3	142.4
Interest-bearing net liabilities	959.0	899.8	849.8	800.1	831.3	776.9	959.0	831.3	849.8

1) 12-month rolling average

NOTES OF HALF-YEAR FINANCIAL REPORT 2022

1. QUARTERLY SEGMENT INFORMATION

EUR million	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-6	2021 1-6	2021 1-12
Revenue									
Pulp & Paper	487.6	446.5	420.4	391.3	378.4	369.5	934.1	747.9	1,559.6
Industry & Water	373.8	321.5	297.8	301.4	279.1	236.6	695.3	515.7	1,114.8
Total	861.4	768.1	718.2	692.7	657.5	606.1	1,629.4	1,263.6	2,674.4
Operative EBITDA									
Pulp & Paper	73.6	71.3	60.5	63.5	57.8	62.9	144.8	120.7	244.7
Industry & Water	48.5	48.8	37.3	52.3	49.5	41.7	97.3	91.2	180.8
Total	122.1	120.0	97.8	115.9	107.3	104.6	242.1	211.9	425.5
Items affecting comparability in EBITDA									
Pulp & Paper	1.3	-4.8	-28.9	-1.3	-15.6	-0.8	-3.5	-16.3	-46.5
Industry & Water	-0.1	-1.7	0.6	-5.0	-0.6	-0.8	-1.8	-1.4	-5.9
Total	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-5.4	-17.7	-52.4
EBITDA									
Pulp & Paper	74.9	66.4	31.6	62.3	42.2	62.2	141.3	104.4	198.3
Industry & Water	48.4	47.1	37.9	47.3	48.9	40.8	95.4	89.7	174.9
Total	123.2	113.5	69.5	109.5	91.1	103.0	236.7	194.2	373.2
Operative EBIT									
Pulp & Paper	42.8	40.7	30.4	32.5	28.1	33.2	83.5	61.3	124.3
Industry & Water	26.9	28.2	16.6	31.9	30.1	22.5	55.1	52.7	101.2
Total	69.7	68.9	47.0	64.5	58.2	55.7	138.6	114.0	225.4

EUR million	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-6	2021 1-6	2021 1-12
Items affecting comparability in EBIT									
Pulp & Paper	-0.6	-4.9	-28.9	-1.3	-15.7	-0.8	-5.5	-16.4	-46.6
Industry & Water	-0.1	-1.7	-0.6	-6.8	-0.6	-0.8	-1.8	-1.4	-8.8
Total	-0.7	-6.7	-29.5	-8.0	-16.3	-1.6	-7.3	-17.9	-55.4
Operating profit (EBIT)									
Pulp & Paper	42.3	35.7	1.6	31.2	12.4	32.4	78.0	44.9	77.7
Industry & Water	26.8	26.5	16.0	25.2	29.5	21.7	53.3	51.2	92.4
Total	69.1	62.2	17.5	56.4	41.9	54.2	131.3	96.1	170.1

2. CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

EUR million	1-6/2022	1-6/2021	1-12/2021
Net book value at beginning of period	1,063.0	1,011.4	1,011.4
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	55.9	55.3	158.8
Decreases	-3.7	—	-0.2
Depreciation and impairments	-76.0	-69.0	-143.9
Exchange rate differences and other changes	31.0	18.3	36.9
Net book value at end of period	1,070.2	1,015.9	1,063.0

3. CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-6/2022	1-6/2021	1-12/2021
Net book value at beginning of period	580.7	582.1	582.1
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	8.7	3.8	9.9
Decreases	—	—	—
Amortization and impairments	-11.2	-12.3	-25.2
Exchange rate differences and other changes	13.2	5.8	13.9
Net book value at end of period	591.5	579.4	580.7

4. CHANGES IN RIGHT-OF-USE ASSETS

EUR million	1-6/2022	1-6/2021	1-12/2021
Net book value at beginning of period	135.8	121.0	121.0
Increases	26.5	20.2	42.5
Depreciation and impairments	-18.3	-16.8	-34.1
Exchange rate differences and other changes	6.4	2.8	6.4
Net book value at end of period	150.5	127.3	135.8

5. DERIVATIVE INSTRUMENTS

EUR million	6/30/2022		12/31/2021	
	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives				
Forward contracts	594.8	-9.2	496.3	-7.1
of which cash flow hedge	60.7	-3.5	62.0	-1.4
Other derivatives	GWh	Fair value	GWh	Fair value
Electricity forward contracts, bought	1,465.8	114.3	1,626.1	32.5
of which cash flow hedge	1,465.8	114.3	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	6/30/2022				12/31/2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fair value hierarchy								
Non-current assets								
Other shares	—	—	401.2	401.2	—	—	260.0	260.0
Other investments	—	7.0	—	7.0	—	7.3	—	7.3
Other derivatives, hedge accounting	—	42.9	—	42.9	—	—	—	—
Current assets								
Currency derivatives	—	6.2	—	6.2	—	1.3	—	1.3
Currency derivatives, hedge accounting	—	0.1	—	0.1	—	0.1	—	0.1
Other derivatives, hedge accounting	—	71.4	—	71.4	—	32.5	—	32.5
Other receivables	—	0.3	—	0.3	—	0.3	—	0.3
Trade receivables	—	465.8	—	465.8	—	373.0	—	373.0
Cash and cash equivalents	—	147.4	—	147.4	—	142.4	—	142.4
Total	—	741.0	401.2	1,142.3	—	557.0	260.0	817.0

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 and Teollisuuden Voima.

Level 3 specification on assets:

EUR million	6/30/2022	12/31/2021
Carrying value at beginning of period	260.0	212.3
Effect on other comprehensive income	141.2	50.2
Increases	—	1.0
Decreases	—	-3.5
Carrying value at end of period	401.2	260.0

In Q2 2022, fair value of Pohjolan Voima and Teollisuuden Voima shares increased mainly due to higher electricity prices. The shares has been recognized at fair value according to the valuation method described in the Note 3.5 Other Shares in Annual Financial Statement 2021.

7. FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	6/30/2022				12/31/2021			
Fair value hierarchy	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Non-current liabilities								
Interest-bearing liabilities	—	692.8	—	692.8	—	706.7	—	706.7
Current portion of interest-bearing liabilities	—	—	—	—	—	54.7	—	54.7
Other liabilities	—	9.6	—	9.6	—	9.4	—	9.4
Current portion of other liabilities	—	7.0	—	7.0	—	6.9	—	6.9
Lease liabilities	—	121.6	—	121.6	—	108.1	—	108.1
Current portion of lease liabilities	—	31.0	—	31.0	—	28.7	—	28.7
Other derivatives, hedge accounting	—	—	—	—	—	0.0	—	0.0
Current liabilities								
Interest-bearing loans	—	259.3	—	259.3	—	131.9	—	131.9
Other liabilities	—	32.9	—	32.9	—	23.5	—	23.5
Currency derivatives	—	11.9	—	11.9	—	6.9	—	6.9
Currency derivatives, hedge accounting	—	3.6	—	3.6	—	1.6	—	1.6
Other derivatives, hedge accounting	—	—	—	—	—	—	—	—
Trade payables	—	301.1	—	301.1	—	285.5	—	285.5
Total	—	1,470.6	—	1,470.6	—	1,364.1	—	1,364.1

8. CONTINGENT LIABILITIES

EUR million	6/30/2022	6/30/2021	12/31/2021
Guarantees			
On behalf of own commitments	107.3	91.7	95.1
On behalf of associates	12.3	12.5	12.5
On behalf of others	2.5	1.8	1.8
Other obligations			
On behalf of own commitments	0.7	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 June 30, 2022 were about EUR 40 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.

EFFECTS OF THE UKRAINE WAR ON THE INTERIM REPORT

At the end of June 2022, Kemira's exit from Russia was progressing well. As a result of the preparations to exit the Russian market, in H1 2022 Kemira recognized EUR 6.3 million (EUR 3.6 million in Q1 2022) mostly related to PP&E write-downs, credit losses and other liabilities. At the end of June 2022, Kemira had EUR 11.4 million in cash and cash equivalents in Russia. Kemira is looking at various options to transfer funds from Russia. The cash is denominated in Russian roubles.