kemira

January-December 2022

Financial Statements Bulletin

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JANUARY-DECEMBER 2022 FINANCIAL STATEMENTS BULLETIN

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RECORD YEAR WITH EXCEPTIONALLY STRONG Q4

Fourth quarter:

- Revenue increased by 35% to EUR 968.2 million (718.2). Revenue in local currencies, excluding acquisitions and divestments, increased by 30% due to higher sales prices, particularly in energy-intensive pulp and bleaching chemicals, especially caustic soda.
- Operative EBITDA increased by 81% to a record-high: EUR 177.0 million (97.8). Operative EBITDA improved in both segments driven by higher sales prices. The operative EBITDA margin increased to 18.3% (13.6%) following improvement in both segments. EBITDA increased by 166% to EUR 184.8 million (69.5). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to a manufacturing unit sale to a customer.
- Operative EBIT increased by 163% to EUR 123.4 million (47.0). EBIT increased by 652% to EUR 131.8 million (17.5).
- Cash flow from operating activities was EUR 254.9 million (80.8).
- EPS (diluted) increased by 955% to EUR 0.57 (0.05) following higher EBITDA.

January-December:

- Revenue increased by 33% to a record-high: EUR 3,569.6 million (2,674.4). Revenue in local currencies, excluding acquisitions and divestments, increased by 27% due to higher sales prices, particularly in energy-intensive pulp and bleaching chemicals, including caustic soda.
- Operative EBITDA increased by 34% to a record-high: EUR 571.6 million (425.5) following improvement in both segments. The operative EBITDA margin increased to 16.0% (15.9%) following actions to mitigate impacts from strong inflation. EBITDA increased by 50% to EUR 558.8 million (373.2). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to an expected loss from the divestment of most of our colorants business, Kemira's exit from Russia and a manufacturing unit sale to a customer.
- Operative EBIT increased by 60% to EUR 361.6 million (225.4). EBIT increased by 104% to EUR 347.6 million (170.1).
- Cash flow from operating activities was EUR 400.3 million (220.2).
- EPS (diluted) increased by 114% to EUR 1.50 (0.70).

Dividend proposal for 2022

The Board of Directors proposes to the Annual General Meeting 2023 a cash dividend of EUR 0.62 per share (0.58), totaling EUR 95 million (89). It is proposed that the dividend be paid in two installments.

Outlook for 2023

Revenue

Kemira's revenue is expected to be between EUR 3,200 million and EUR 3,700 million in 2023 (2022: EUR 3,569.6 million).

Operative EBITDA

Kemira's operative EBITDA is expected to be between EUR 500 and EUR 600 million in 2023 (2022: EUR 571.6 million).

Assumptions behind outlook

We expect demand in Kemira's end-markets to be resilient despite the significant uncertainty related to the global macroeconomic environment, energy prices, and the development of the war in Ukraine. Overall, Kemira's end-market demand (in volumes) is expected to decline somewhat. Demand in the oil & gas market is expected to grow. Variable costs are expected to decline but with variation by raw material. Electricity prices are expected to remain above long-term average in Europe, but with uncertainty related to the level of pricing. Market prices for caustic soda are expected to moderate during 2023 from the current very high level. The outlook assumes no major disruptions to Kemira's manufacturing operations, supply chain, or Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels.

Kemira's President and CEO Jari Rosendal:

"The year 2022 was a record year for Kemira. Revenue reached a historical high of almost EUR 3.6 billion. The increase was driven by higher sales prices, particularly in energy-intensive pulp and bleaching chemicals, especially caustic soda. Also the operative EBITDA reached a record-high of EUR 572 million in 2022. We had exceptionally strong performance in Q4 with the operative EBITDA improving in both segments. During the year our team worked hard to mitigate the impacts of unprecedented inflationary pressures. The operative EBITDA margin improved to 16.0%, which is within our financial target range of 15-18%. In line with our dividend policy, the Board of Directors is proposing to increase the dividend to EUR 0.62 to be paid in two installments in April and November.

The Pulp & Paper segment had an excellent year. Market demand was solid in H1, but the market in volumes started to slow down in Q3 2022. Revenue grew by 30% to over EUR 2 billion. This was driven by higher market prices, particularly for energy-intensive pulp and bleaching chemicals, which increased in particular during H2 2022. Operative EBITDA margin improved to 17.2% driven by higher sales prices.

The Industry & Water segment also had a strong year. Demand in the water treatment business remained good, while the oil & gas market grew strongly following higher oil prices. Segment revenue grew by 38% to EUR 1.5 billion driven by both the Oil & Gas business and water treatment. Operative EBITDA margin declined to 14.5% in 2022 due to strong inflationary pressures. However, operative EBITDA margin improved in Q4 2022.

Kemira is now a fundamentally stronger company. Our balance sheet is strong and the net debt / operative EBITDA ratio declined to 1.3 at the end of 2022. Our strong position enables us to look for organic and inorganic growth opportunities as sustainable profitable growth continues to be our strategic focus area. In 2023, our capacity expansion in Uruguay will be completed. We will also continue to progress our biobased strategy to reach our goal of EUR 500 million in biobased revenue by 2030.

Looking at 2023, we expect market demand to decline somewhat following macroeconomic uncertainty. Variable costs, on the other hand, are expected to decline. We are in a good position going into 2023, thanks to our well-performing segments and also thanks to the high level of backward-integration in electricity in Finland. As a result, we expect revenue to be between EUR 3,200 million and EUR 3,700 million and operative EBITDA between EUR 500 and EUR 600 million in 2023.

To conclude, I am very pleased with our performance in 2022: strong financial performance, improved employee engagement, and customer satisfaction. I would like to thank all our stakeholders in making 2022 the most successful year for Kemira so far."

KEY FIGURES AND RATIOS

EUR million	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Revenue	968.2	718.2	3,569.6	2,674.4
Operative EBITDA	177.0	97.8	571.6	425.5
Operative EBITDA, %	18.3	13.6	16.0	15.9
EBITDA	184.8	69.5	558.8	373.2
EBITDA, %	19.1	9.7	15.7	14.0
Operative EBIT	123.4	47.0	361.6	225.4
Operative EBIT, %	12.7	6.5	10.1	8.4
EBIT	131.8	17.5	347.6	170.1
EBIT, %	13.6	2.4	9.7	6.4
Net profit for the period	90.3	9.8	239.7	115.2
Earnings per share, diluted, EUR	0.57	0.05	1.50	0.70

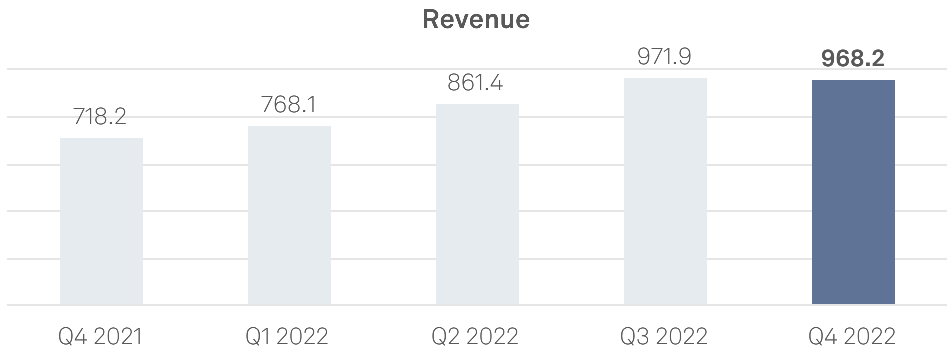
Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2021.

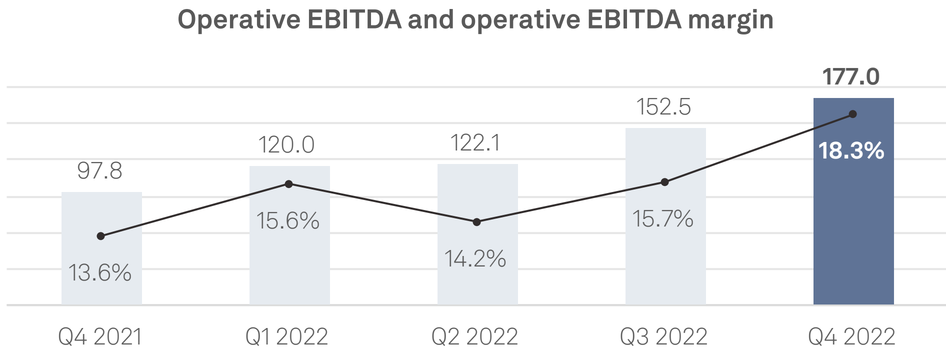
Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and Kemira management, such as revenue growth in local currencies, excluding acquisitions and divestments (=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	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Capital employed*	2,238.0	1,995.0	2,238.0	1,995.0
Operative ROCE*, %	16.2	11.3	16.2	11.3
ROCE*, %	15.5	8.5	15.5	8.5
Cash flow from operating activities	254.9	80.8	400.3	220.2
Capital expenditure excl. acquisition	89.8	74.5	197.9	168.8
Capital expenditure	89.8	74.5	197.9	169.8
Cash flow after investing activities	180.0	13.1	222.3	57.3
Equity ratio, % at period-end	46	43	46	43
Equity per share, EUR	10.89	8.68	10.89	8.68
Gearing, % at period-end	46	63	46	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 Q4 2022

Revenue increased by 35%. Revenue in local currencies, excluding acquisitions and divestments, increased by 30%. Sales prices increased in both segments and across geographic regions, particularly in energy-intensive pulp and bleaching chemicals, especially caustic soda. Sales volumes declined due to lower sales volumes in Pulp & Paper. Sales volumes in Industry & Water were stable.

Revenue	Oct-Dec 2022 EUR million	Oct-Dec 2021 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	556.2	420.4	+32	+28	+4	0
Industry & Water	412.0	297.8	+38	+32	+6	0
Total	968.2	718.2	+35	+30	+5	0

*Revenue growth in local currencies, excluding acquisitions and divestments

Operative EBITDA increased by 81% to EUR 177.0 million (97.8) following improvement in both segments. The operative EBITDA margin increased to 18.3%. It improved in both segments. The operative EBITDA margin improved especially in the Pulp & Paper segment due to higher sales prices particularly in energy-intensive pulp and bleaching chemicals, especially in caustic soda.

Variance analysis, EUR million	Oct-Dec
Operative EBITDA, 2021	**97.8**
Sales volumes	-19.9
Sales prices	+269.4
Variable costs	-140.8
Fixed costs	-30.9
Currency exchange	+6.4
Others	-5.0
Operative EBITDA, 2022	**177.0**

Operative EBITDA	Oct-Dec 2022 EUR million	Oct-Dec 2021 EUR million	Δ%	Oct-Dec 2022 %-margin	Oct-Dec 2021 %-margin
Pulp & Paper	110.9	60.5	+83	19.9	14.4
Industry & Water	66.1	37.3	+77	16.1	12.5
Total	177.0	97.8	+81	18.3	13.6

EBITDA increased by 166% to EUR 184.8 million (69.5). The difference between it and operative EBITDA is explained by **items affecting comparability,** which were mainly related to a manufacturing unit sale to a customer, which was partly offset by environmental provisions. Items affecting comparability in the comparison period mainly consisted of a provision caused by the expected underutilization of a single-asset energy company in Pori, Finland majority owned by Kemira via Pohjolan Voima.

Items affecting comparability, EUR million	Oct-Dec 2022	Oct-Dec 2021
Within EBITDA	**7.8**	-28.3
Pulp & Paper	7.2	-28.9
Industry & Water	0.6	0.6
Within depreciation, amortization and impairments	**0.6**	-1.2
Pulp & Paper	0.6	0.0
Industry & Water	0.0	-1.2
Total items affecting comparability in EBIT	**8.4**	-29.5

Depreciation, amortization and impairments were EUR 53.0 million (51.9), including EUR 1.8 million (3.1) in amortization of purchase price allocation.

Operative EBIT increased by 163% due to higher EBITDA. **EBIT** increased by 652%, and the difference between the two is explained by items affecting comparability, which were mainly related to a manufacturing unit sale to a customer, which was partly offset by environmental provisions. Items affecting comparability in the comparison period mainly consisted of a provision caused by the expected underutilization of a single-asset energy company in Pori, Finland majority owned by Kemira via Pohjolan Voima.

Net finance costs totaled EUR -15.3 million (-8.9). The increase was driven by higher interest rates. **Income taxes** were EUR -26.3 million (1.2), with the reported tax rate being 23% (-13%). The income taxes in the comparison period were positively impacted by a regional business model change. **Net profit for the period** increased by 819% mainly due to higher EBIT. Net profit in the comparison period was burdened by items affecting comparability described on the previous page.

FINANCIAL PERFORMANCE IN JANUARY-DECEMBER 2022

Revenue increased by 33%. Revenue in local currencies, excluding acquisitions and divestments, increased by 27%. This was due to higher sales prices in both segments and across geographic regions, particularly in energy-intensive pulp and bleaching chemicals, including caustic soda. Sales volumes decreased following a decline in sales volumes in Pulp & Paper. In Industry & Water, sales volumes increased.

Revenue	Jan-Dec 2022 EUR million	Jan-Dec 2021 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	2,027.7	1,559.6	+30	+24	+6	0
Industry & Water	1,541.9	1,114.8	+38	+31	+8	0
Total	3,569.6	2,674.4	+33	+27	+7	0

*Revenue growth in local currencies, excluding acquisitions and divestments

Geographically, the revenue split was as follows: EMEA (Europe, Middle East, Africa) 51% (51%), the Americas 40% (38%), and Asia Pacific 9% (11%).

Operative EBITDA increased by 34% to EUR 571.6 million (425.5). Operative EBITDA improved in both segments, particularly in Pulp & Paper driven by higher market prices for energy-intensive pulp and bleaching chemicals, including caustic soda. The operative EBITDA margin improved to 16.0%.

Variance analysis, EUR million	Jan-Dec
Operative EBITDA, 2021	**425.5**
Sales volumes	-48.9
Sales prices	+851.1
Variable costs	-611.8
Fixed costs	-72.1
Currency exchange	+25.3
Others	+2.5
Operative EBITDA, 2022	**571.6**

Operative EBITDA	Jan-Dec 2022 EUR million	Jan-Dec 2021 EUR million	Δ%	Jan-Dec 2022 %-margin	Jan-Dec 2021 %-margin
Pulp & Paper	348.0	244.7	+42	17.2	15.7
Industry & Water	223.7	180.8	+24	14.5	16.2
Total	571.6	425.5	+34	16.0	15.9

EBITDA increased by 50% to EUR 558.8 million (373.2). The difference between it and operative EBITDA is explained by items affecting comparability. **Items affecting comparability** were mainly related to an expected loss from the divestment of most of our colorants business, environmental provisions, Kemira's exit from Russia, and a manufacturing unit sale to a customer. Items affecting comparability in the comparison period mainly consisted of a provision caused by the expected underutilization of a single-asset energy company in Pori, Finland majority owned by Kemira via Pohjolan Voima, a damage claim settlement with CDC, provisions related to site closures, and restructuring.

Items affecting comparability, EUR million	Jan-Dec 2022	Jan-Dec 2021
Within EBITDA	**-12.8**	-52.4
Pulp & Paper	-11.4	-46.5
Industry & Water	-1.4	-5.9
Within depreciation, amortization and impairments	**-1.2**	-3.0
Pulp & Paper	-1.2	-0.1
Industry & Water	0.0	-2.9
Total	**-14.0**	-55.4

Depreciation, amortization, and impairments increased to EUR 211.2 million (203.1), including the EUR 9.4 million (12.1) amortization of purchase price allocation.

Operative EBIT increased by 60% compared to the previous year. **EBIT** increased by 104%, and the difference between the two is explained by items affecting comparability, which were mainly related to an divestment of most of our colorants business, environmental provisions, Kemira's exit from Russia, and a manufacturing unit sale to a customer. Items affecting comparability in the comparison period are described above in the EBITDA section.

Net finance costs totaled EUR -39.4 million (-26.7). The comparison period included a gain of EUR 5.6 million arising from bond liability management. **Income taxes** were EUR -68.5 million (-28.2), with the reported tax rate being 22% (20%). **Net profit** for the period increased by 108% mainly due to higher EBIT.

FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in January-December 2022 increased to EUR 400.3 million (220.2) mainly due to higher net profit for the period. Net working capital increased compared to the previous year due to higher inventories and receivables following higher raw material prices and strong revenue growth. However, during Q4 2022, net working capital decreased significantly. 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 222.3 million (57.3).

At the end of the period, interest-bearing liabilities totaled EUR 1,021.8 million (992.2), including lease liabilities of EUR 148.9 million (136.8). The average interest rate of the Group’s interest-bearing loan portfolio (excluding leases) was 2.4% (1.7%), and the duration was 22 months (29). Fixed-rate loans accounted for 83% (80%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities maturing in the next 12 months amounted to EUR 183.7 million. On December 31, 2022, cash and cash equivalents totaled EUR 250.6 million (142.4). The Group has a EUR 400 million undrawn committed credit facility maturing in 2026. During the last quarter, Kemira signed bilateral loan agreements of EUR 180 million replacing bilateral loan agreements of EUR 150 million that would have otherwise matured in 2023. New loan agreements mature in 2025 and 2027.

At the end of the period, Kemira Group’s net debt was EUR 771.2 million (849.8), including lease liabilities. The equity ratio was 46% (43%), while gearing was 46% (63%).

The value of Kemira's shares in Pohjolan Voima and Teollisuuden Voima were increased by EUR 123 million during 2022 mainly due to higher electricity prices. The value of electricity derivatives increased by EUR 47 million during 2022.

Kemira is exposed to transaction and translation currency risks. The Group's most significant transaction currency risks arise from the Chinese renminbi, the Canadian dollar, the US dollar and the Swedish krona. At the end of the year, the Chinese renmimbi denominated exchange rate risk against the euro had an equivalent value of approximately EUR 86 million, of which 68% was hedged on an average basis. The Canadian dollar's denominated exchange rate risk against the euro had an equivalent value of approximately EUR 56 million, of which 52% was hedged on an average basis. The US dollar denominated exchange change risk against EUR was approximately EUR 54 million, of which 68% was hedged on an average basis. The Swedish krona denominated exchange rate risk against EUR had an equivalent value of approximately EUR 36 million, of which 64% was hedged on an average basis. In addition, Kemira is exposed to smaller transaction risks against EUR mainly in relation to the Korean won, Polish zloty, Norwegian krona, and the Danish krona; and against the US dollar mainly in relation to the Canadian dollar and the Brazilian real with the annual exposure in those currencies being approximately EUR 131 million.

As Kemira’s consolidated financial statements are compiled in euros, Kemira is also subject to a currency translation risk to the extent to which the income statement and balance sheet items of subsidiaries located outside the euro area are reported in a currency other than the euro. The most significant translation exposures derive from the US dollar and the Canadian dollar. The strengthening of currencies against the euro would increase Kemira’s revenue and EBITDA through a translation effect.

CAPITAL EXPENDITURE

In January-December 2022, capital expenditure excluding acquisitions increased by 17% to EUR 197.9 million (168.8). Capital expenditure (capex) can be broken down as follows: expansion capex 22% (15%), improvement capex 29% (29%), and maintenance capex 49% (55%).

RESEARCH AND DEVELOPMENT

In January-December 2022, total research and development expenses were EUR 33.4 million (28.3), representing 0.9% (1.1%) of the Group's revenue.

Kemira's research and development is an enabler of growth and further differentiation. New product launches contribute to the efficiency and sustainability of customer processes as well as improved profitability. Both Kemira's future market position and profitability depend on the company's ability to understand and meet current and future customer needs and market trends, as well as on its ability to innovate differentiated products and applications.

At the end of 2022, Kemira had 401 (382) patent families, including 2,101 (1,972) granted patents, and 1,026 (996) pending applications. During 2022, Kemira applied for 34 (36) new patents and started 14 new product development projects, 86% of them aiming to improve customers' resource efficiency. At the same time, Kemira started commercialization of nine new product development projects all contributing to improve resource efficiency in customer processes.

HUMAN RESOURCES

At the end of the period, Kemira Group had 4,902 employees (4,926). Kemira had 756 (766) employees in Finland, 1,690 (1,750) employees elsewhere in EMEA, 1,525 (1,487) in the Americas, and 931 (923) 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 2022, which will be published on February 17, 2023.

Sustainability performance in 2022

SAFETY

In 2022 systematic work was done to reinforce a culture where people actively promote safety and recognize and correct unsafe behaviors. Kemira's safety performance in 2022 improved slightly compared to 2021 and the TRIF rate was 2.6. Safety performance improved clearly towards the year-end and the Q4 TRIF rate was 1.7.

PEOPLE

Kemira's long-term goal is to reach the top 10% cross industry benchmark for Diversity & Inclusion by 2025. In 2022, Kemira D&I index score improved by 2 points and Kemira was able to slightly close the gap to the target group. Kemira ended slightly below the top 25% cross industry benchmark. In order to promote a diverse and inclusive work environment, Kemira had several initiatives during the year, such as diversity & inclusion training for people leaders and new employee resource groups, Women's Network and KemPride.

CIRCULARITY

Kemira continued to make progress in its biobased strategy and launched a new Growth Accelerator unit during 2022 in order to accelerate the commercialization of new biobased products. In addition, Kemira signed a multi-year extension to its partnership with Danimer Scientific to develop and commercialize biobased coatings. In terms of waste, Kemira continued site-specific work to identify opportunities for waste reduction during the year. Waste intensity in 2022 increased slightly compared to 2021.

WATER

In Q1 2022, Kemira updated its sustainability target for water and aims to reach the highest, Leadership-level (A), in water management by the end of 2025 as measured by CDP Water Security. In 2022 Kemira was rated B by CDP's Water Security scoring methodology. Based on the scoring report Kemira's overall water management improved compared to 2021.

CLIMATE

During Q2 2022, Kemira committed to the Science Based Targets initiative (SBTi) and set a new ambitious climate target to reduce Scope 1 and Scope 2 emissions by 50% by 2030. In H2 2022 Kemira worked to develop a quantified near-term Scope 3 emission reduction target to be validated by the SBTi. In 2022, Kemira's Scope 1 and 2 emissions declined by around 5% compared to 2021, which is slightly above the level expected to meet the updated 2030 climate target. However, Kemira has ongoing near-term projects which are expected to further reduce our emissions in line with the more ambitious target.

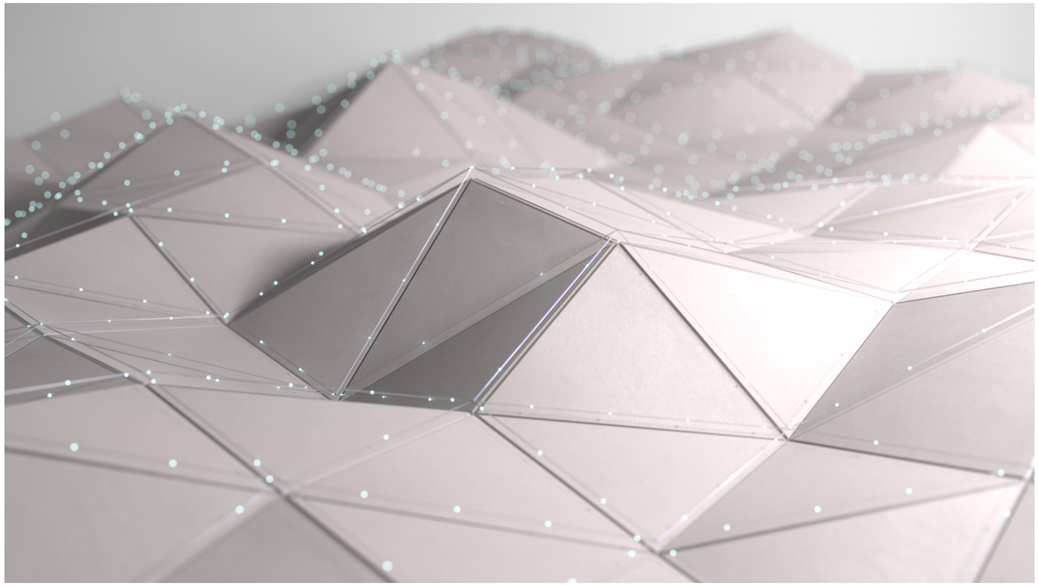
SDG	KPI	UNIT	2022	2021
8 DECENT WORK AND ECONOMIC GROWTH	**SAFETY** **TRIF* 1.5 by 2025 and 1.1 by 2030** *TRIF = total recordable injury frequency per million hours, Kemira + contractors		2.6	2.7
8 DECENT WORK AND ECONOMIC GROWTH	**PEOPLE** **Reach top 10% cross industry norm for Diversity & Inclusion by 2025**		Slightly below top 25%	Slightly below top 25%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**CIRCULARITY** **Reduce waste intensity** by 15% by 2030 from a 2019 baseline of 4.6** **Biobased products > EUR 500 million revenue by 2030** **metric tonnes of routine disposed production waste per thousand metric tonnes of production	t/1000t	4.4	4.3
6 CLEAN WATER AND SANITATION	**WATER** **Reach the Leadership level (A) in water management by the end of 2025 measured by CDP Water Security scoring methodology.**	Rate scale A-D	B	B
13 CLIMATE ACTION	**CLIMATE** **Scopes 1 & 2*** emissions -50% by 2030 compared to 2018 baseline of 930 ktCO2e**	ktCO2e	816	856

***Scope 1: Direct greenhouse gas emissions from Kemira's manufacturing sites, e.g. the 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 as well as end product performance and quality. 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 also building a strong position in the emerging Asian and South American markets.



EUR million	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Revenue	556.2	420.4	2,027.7	1,559.6
Operative EBITDA	110.9	60.5	348.0	244.7
Operative EBITDA, %	19.9	14.4	17.2	15.7
EBITDA	118.1	31.6	336.6	198.3
EBITDA, %	21.2	7.5	16.6	12.7
Operative EBIT	80.3	30.4	225.7	124.3
Operative EBIT, %	14.4	7.2	11.1	8.0
EBIT	88.1	1.6	213.1	77.7
EBIT, %	15.8	0.4	10.5	5.0
Capital employed*	1,337.7	1,226.9	1,337.7	1,226.9
Operative ROCE*, %	16.9	10.1	16.9	10.1
ROCE*, %	15.9	6.3	15.9	6.3
Capital expenditure excl. M&A	51.4	39.9	122.5	88.5
Capital expenditure incl. M&A	51.4	39.9	122.5	89.5
Cash flow after investing activities	115.0	17.0	207.2	94.6

*12-month rolling average

Fourth quarter:

The segment's **revenue** increased by 32%. Revenue in local currencies, excluding acquisitions and divestments, increased by 28% due to higher sales prices, particularly in energy-intensive pulp and bleaching chemicals. This includes caustic soda, which saw exceptionally high market prices during the quarter. Sales volumes declined in all product groups as demand slowed down during the quarter. Kemira's exit from Russia also had a negative impact on sales volumes. Currencies had a positive impact.

In **EMEA**, revenue increased by 41% due to higher sales prices across product groups, particularly in energy-intensive pulp and bleaching chemicals, including caustic soda. Sales volumes declined in process and functional chemicals as well as in bleaching chemicals. In **the Americas**, revenue increased by 33%. Revenue in local currencies, excluding acquisitions and divestments, increased by 19% due to higher sales prices across product groups. Sales volumes declined. In **APAC**, revenue increased by 4%. Revenue in local currencies, excluding acquisitions and divestments, increased by 2% due to higher sales prices in all product groups. Sales volumes declined.

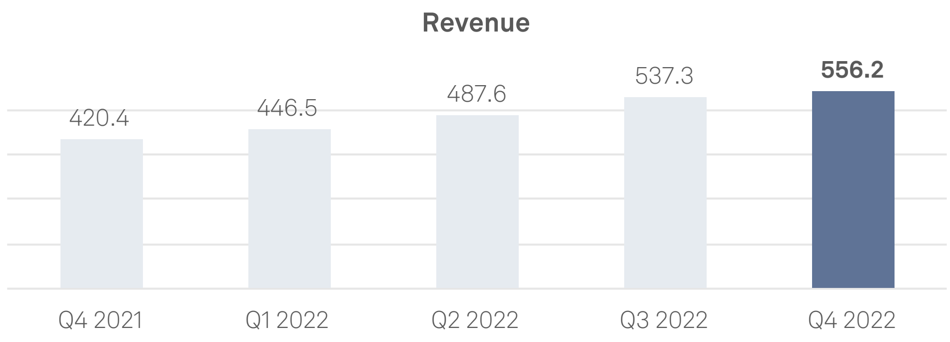
Operative EBITDA increased by 83%. This was driven by higher market prices for energy-intensive pulp and bleaching chemicals, especially caustic soda, which had a significant positive impact during the quarter. The operative EBITDA margin increased to 19.9% following higher sales prices. **EBITDA** increased by 274%. The difference from operative EBITDA is explained by items affecting comparability, which were mainly related to a manufacturing unit sale to a customer. Items affecting comparability in the comparison period mainly consisted of a provision caused by the expected underutilization of a single-asset energy company in Pori, Finland majority owned by Kemira via Pohjolan Voima.

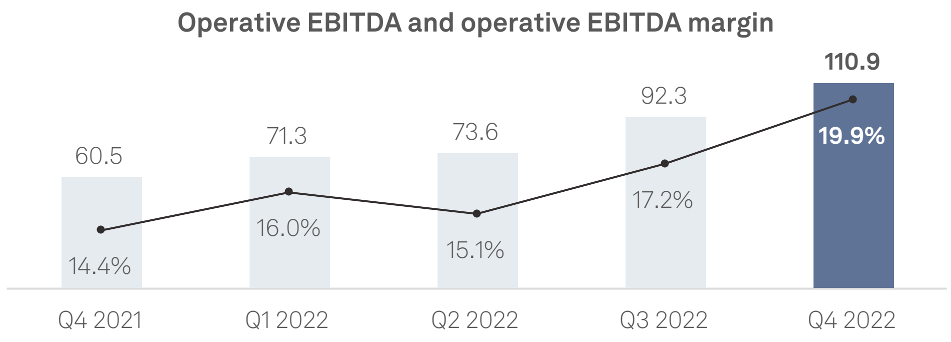
January-December:

The segment's **revenue** increased by 30%. Revenue in local currencies (excluding divestments and acquisitions) increased by 24% driven by higher sales prices in all product groups, particularly in energy-intensive pulp and bleaching chemicals, including caustic soda. Sales volumes declined following softer demand towards the end of the year and Kemira's exit from Russia.

In **EMEA**, revenue increased by 33% to EUR 1,088.6 million (816.8) due to higher sales prices across product groups, particularly in energy-intensive pulp and bleaching chemicals, including caustic soda. Sales volumes declined. In **the Americas**, revenue increased by 34% to EUR 647.1 million (481.6). Revenue in local currencies, excluding acquisitions and divestments, increased by 20% due to higher sales prices across product groups. Sales volumes declined. In **APAC**, revenue increased by 12% to EUR 292.0 million (261.2). Revenue in local currencies, excluding acquisitions and divestments, increased by 5% due to higher sales prices, particularly in sizing chemicals. Sales volumes declined.

Operative EBITDA increased by 42% following higher revenue and, in particular, due to high market prices for energy-intensive pulp and bleaching chemicals, including caustic soda. The operative EBITDA margin increased to 17.2% due to higher sales prices. **EBITDA** increased by 70%. The difference between it and operative EBITDA is explained by items affecting comparability, which were mainly related to an expected loss from the divestment of most of our colorants business, environmental provisions, Kemira's exit from Russia and a manufacturing unit sale to a customer. Items affecting comparability in the comparison period mainly consisted of a provision caused by the expected underutilization of a single-asset energy company in Pori, Finland majority owned by Kemira via Pohjolan Voima, a damage claim settlement with CDC, a provision related to a site closure and organizational restructuring costs.


Revenue
420.4
446.5
487.6
537.3
556.2
Q4 2021
Q1 2022
Q2 2022
Q3 2022
Q4 2022


Operative EBITDA and operative EBITDA margin
60.5
71.3
73.6
92.3
110.9
14.4%
16.0%
15.1%
17.2%
19.9%
Q4 2021
Q1 2022
Q2 2022
Q3 2022
Q4 2022

INDUSTRY & WATER

Industry & Water supports municipalities and water-intensive industries in the efficient and sustainable use of resources. In water treatment, Kemira enables the optimization of 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	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
Revenue	412.0	297.8	1,541.9	1,114.8
Operative EBITDA	66.1	37.3	223.7	180.8
Operative EBITDA, %	16.1	12.5	14.5	16.2
EBITDA	66.7	37.9	222.2	174.9
EBITDA, %	16.2	12.7	14.4	15.7
Operative EBIT	43.1	16.6	135.9	101.2
Operative EBIT, %	10.5	5.6	8.8	9.1
EBIT	43.7	16.0	134.5	92.4
EBIT, %	10.6	5.4	8.7	8.3
Capital employed*	900.3	767.6	900.3	767.6
Operative ROCE*, %	15.1	13.2	15.1	13.2
ROCE*, %	14.9	12.0	14.9	12.0
Capital expenditure excl. M&A	38.3	34.7	75.4	80.3
Capital expenditure incl. M&A	38.3	34.7	75.4	80.3
Cash flow after investing activities	75.6	9.1	100.9	50.9

*12-month rolling average

Fourth quarter:

The segment's **revenue** increased by 38%. Revenue in local currencies, excluding acquisitions and divestments, increased by 32% due to higher sales prices. Sales volumes were stable. Currencies had a positive impact.

In the water treatment business, revenue increased by 35% due to higher sales prices. Sales volumes declined. The revenue of the Oil & Gas business increased by 51% to EUR 98.1 million (65.1), driven by higher sales volumes and sales prices.

In **EMEA**, revenue increased by 41% mainly due to higher sales prices in water treatment. In **the Americas**, revenue increased by 41%. Revenue in local currencies, excluding acquisitions and divestments, increased by 27% driven mainly by higher sales prices. In water treatment, revenue growth was driven by higher sales prices, while sales volumes declined. In the Oil and Gas business, growth was driven by higher sales volumes. Also sales prices increased. In **APAC**, revenue decreased by 33% albeit from a low base.

Operative EBITDA increased by 77% following higher sales prices. The high market prices of caustic soda had a positive impact on the operative EBITDA. The operative EBITDA margin increased to 16.1% due to higher sales prices. **EBITDA** increased by 76%, and the difference from operative EBITDA is explained by items affecting comparability.

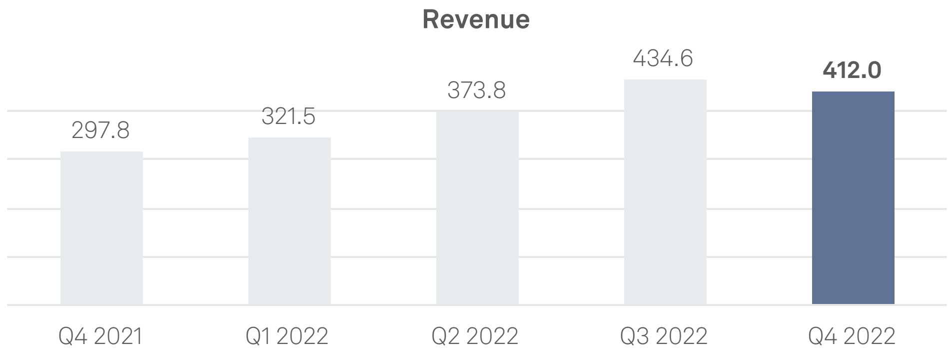
January-December:

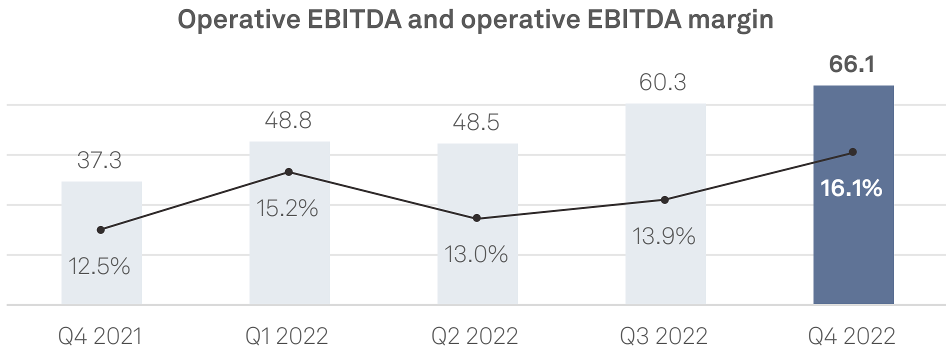
The segment's **revenue** increased by 38%. Revenue in local currencies, excluding acquisitions and divestments, increased by 31%. The increase was driven mainly by higher sales prices. Also sales volumes increased. Currencies had a positive impact.

In the water treatment business, revenue increased by 34% due to higher sales prices. Sales volumes were rather stable. Revenue in the Oil & Gas business increased by 54% to EUR 377.5 million (245.9) mainly due to higher sales prices, particularly in shale. In addition, sales volumes increased.

In **EMEA**, revenue increased by 34% to EUR 746.4 million (558.9) mainly due to higher sales prices in water treatment. Sales volumes increased following higher volumes in the Oil & Gas business. Water treatment sales volumes were stable. Currencies had a positive impact. In **the Americas**, revenue increased by 45% to EUR 767.1 million (528.6). Revenue in local currencies, excluding acquisitions and divestments, increased by 30% following higher sales prices in both water treatment and in the Oil and Gas business. Sales volumes also increased driven by the Oil and Gas business, shale in particular. In **APAC**, revenue increased by 4% to EUR 28.4 million (27.3).

Operative EBITDA increased by 24% due to higher revenue following higher sales prices. High market prices for caustic soda also had a positive impact. The operative EBITDA margin declined to 14.5% due to continued strong inflationary pressures. **EBITDA** increased by 27% and the difference from operative EBITDA is explained by items affecting comparability. Items affecting comparability in the comparison period mainly consisted of organizational restructuring costs and a provision related to a site closure.





PARENT COMPANY'S FINANCIAL PERFORMANCE

Kemira Oyj's revenue increased to EUR 2,206.7 million (1,572.5) in 2022. EBITDA was EUR 220.4 million (70.8). The parent company's financing income and expenses were EUR 172.7 million (26.5) following higher dividend income from group companies. The net result for the financial year increased to EUR 314.7 million (-2.9) following higher revenue and financing income. The total capital expenditure was EUR 23.2 million (42.9), excluding investments in subsidiaries.

Kemira Oyj had 502 (2021: 502, 2020: 501) employees on average during 2022.

KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On December 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 December 2022, Kemira Oyj had 48,403 registered shareholders (49,484 on December 31, 2021). Non-Finnish shareholders held 31.5% of the shares (28.4% on December 31, 2021), including nominee-registered holdings. Households owned 19.3% of the shares (19.8% on December 31, 2021). Kemira held 1,990,197 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 increased by 8% during the year and closed at EUR 14.33 on the Nasdaq Helsinki at the end of December 2022 (13.33 on December 31, 2021). The shares registered a high of EUR 14.94 and a low of EUR 10.36 in January-December 2022, and the average share price was EUR 12.57. The company's market capitalization, excluding treasury shares, was EUR 2,198 million at the end of December 2022 (2,041 December 31, 2021).

In January-December 2022, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 462 million (EUR 787 million in January-December 2021). The average daily trading volume was 146,311 shares (228,087 in January-December 2021). The total volume of Kemira Oyj's share trading in January-December 2022 was 49 million shares (72 million shares in January-December 2021), 25% (20% in January-December 2021) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

Flagging notifications

During January–December 2022, Impax Management Group plc made a notification in accordance with the Finnish Securities Market Act Chapter 9, Section 5. Kemira received the notification on March 25, 2022 and it was published as a stock exchange release and is available on Kemira's internet pages at ***kemira.com/investors***. According to the notification, the total number of Kemira Oyj shares owned by Impax Asset Management Group plc and its funds increased to five (5) per cent of the share capital of Kemira on March 24, 2022.

AGM DECISIONS

Annual General Meeting

Kemira Oyj's Annual General Meeting, held on March 24, 2022, approved the Board of Directors' proposal for a dividend of EUR 0.58 per share for the financial year 2021. The dividend was paid in two installments. The first installment of EUR 0.29 per share was paid on April 7, 2022. The Annual General Meeting authorized the Board of Directors to decide the record date and the payment date for the second installment of the dividend.

The Board of Directors decided on the record date and the payment date for the second installment of the dividend of EUR 0.29 at its meeting on October 24, 2022. The payment date of the second installment of the dividend was November 3, 2022.

Kemira announced the resolution of the Board of Directors with a separate stock exchange release and confirmed the record and payment dates.

The AGM 2022 authorized the Board of Directors to decide upon the repurchase of a maximum of 5,800,000 of the company's own shares. This corresponds to approximately 3.7% of all shares and votes in the company. The shares will 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 otherwise 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 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 would be 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 those of Euroclear Finland Ltd. 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 will decide on other terms related to the share repurchase. The Share repurchase authorization is valid until the end of the next Annual General Meeting. The authorization was not used by 31 December 2022.

The Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 15,600,000 new shares (corresponding to approximately 10% of all company shares and votes) and/or transfer a maximum of 7,800,000 company's own shares (corresponding to approximately 5% of all company shares and votes) held by the company ("Share issue"). 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 company's own shares shall be recorded to the invested unrestricted equity reserves. The Board of Directors shall decide upon other terms related to the share issues. The Share issue authorization is valid until May 31, 2023. The share issue authorization has been used and shares owned by the Group were conveyed to members of the Board and key employees in connection with the remuneration.

The AGM elected Ernst & Young Oy to serve as the company's auditor, with Mikko Rytilahti, Authorized Public Accountant, acting as the key audit partner.

CORPORATE GOVERNANCE AND GROUP STRUCTURE

Kemira Oyj's corporate governance is based on the Articles of Association, the Finnish Companies Act, and Nasdaq Helsinki's rules and regulations on listed companies. Furthermore, the company complies with the Finnish Corporate Governance Code. The company's corporate governance is presented as a separate statement on the company's website.

Board of Directors

On March 24, 2022, 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 and Kristian Pullola and elected Annika Paasikivi and Tina Sejersgård Fanø as new members to the Board of Directors. Matti Kähkönen was elected as the Chair of the Board of Directors and Annika Paasikivi was elected as the Vice Chair. In 2022, Kemira's Board of Directors met nine times, with a 96% attendance rate.

Kemira Oyj's Board of Directors has appointed two committees: the Personnel and Remuneration Committee, and the Audit Committee. The Personnel and Remuneration Committee is chaired by Matti Kähkönen and has Wolfgang Büchele, Shirley Cunningham and Timo Lappalainen as members. In 2022, the Personnel and Remuneration Committee met six times, with a 96% attendance rate. The Audit Committee is chaired by Timo Lappalainen and has Werner Fuhrmann, Annika Paasikivi and Kristian Pullola as members. In 2022, the Audit Committee met five times, with a 95% attendance rate.

Structure

There have been no significant acquisitions or divestments during the year that would have impacted the company structure.

SHORT-TERM RISKS AND UNCERTAINTIES

Price and availability of raw materials and commodities

A significant and sudden increase in the cost of raw materials, commodities, or logistics could place Kemira's profitability at risk if Kemira is not able to pass on such increases to product prices without delay. For instance, considerable and/or rapid changes in oil, energy, and electricity prices could materially impact Kemira's profitability. Changes in the raw material supplier field, such as consolidation or decreasing capacity, may also increase raw material prices. Furthermore, significant demand changes in industries that are the main users of certain raw materials may lead to raw material price fluctuations. In 2022, raw material and commodity prices increased significantly mainly following the war in Ukraine. Energy and electricity prices also increased significantly, particularly in Europe following the war in Ukraine. The war in Ukraine also led to concerns about sufficient energy availability to Europe. In 2023 variable costs are expected to stay at a high level although cost increases are expected to moderate. Electricity prices are expected to stay above long-term average levels.

Poor availability of certain raw materials may affect Kemira's production and also profitability if Kemira fails to prepare for this by mapping out alternative suppliers or opportunities for process changes. Raw material and commodity risks can be effectively monitored and managed with Kemira's centralized Sourcing unit. Risk management measures include, for instance, forward-looking forecasting of key raw materials and commodities, synchronization of raw material purchase agreements and sales agreements, captive manufacturing of some of the critical raw materials, strategic investment in energy-generating companies, and hedging a portion of the energy and electricity spend. In 2022, Kemira witnessed some raw material availability issues following the war in Ukraine and due to COVID-19 restrictions in China. Before the war in Ukraine, 1% of Kemira's total direct purchases and logistics costs were related to purchases from Russia and Belarus. Kemira did not purchase raw materials from Ukraine. In 2022, Kemira worked to find long-term alternatives to Russian and Belarussian suppliers. Continued supply chain disruptions are possible in 2023 depending on the development of the war in Ukraine. Also the relaxation of COVID-19 restrictions in China could have an impact on global supply chains.

Following the war in Ukraine, the energy market in Europe has been disrupted. This has led to temporary shutdowns in industrial production in Europe due to high energy prices, particularly for natural gas. The unaffordability of energy for industrial operations could lead to extended or permanent shutdowns of chemical manufacturing in Europe, which could have an adverse impact on Kemira's supply chain. Kemira is monitoring the situation closely.

Suppliers

The continuity of Kemira's business operations is dependent on the accurate supply of good-quality products and services. Kemira currently has in place numerous partnerships and other agreements with third-party product and service suppliers to secure its business continuity. Certain products used as raw materials are considered critical, as the purchase can be made economically only from a sole or single source. In the event of a sudden and significant loss or interruption in the supply of such a raw material, Kemira's operations could be impacted, and this could have a negative effect on Kemira. Ineffective procurement planning, supply source selection, and contract administration, as well as inadequate supplier relationship management, create a risk of Kemira not being able to fulfill its promises to customers. The war in Ukraine or the COVID-19 pandemic did not cause significant impacts on Kemira's manufacturing operations in 2022. However, there were disruptions in the availability of certain raw materials that Kemira purchases. Kemira was able to handle the situation and the impact on Kemira's revenue was not material. Disruptions to energy availability or changes in energy pricing could also increase counterparty risk in energy hedging. Kemira is monitoring the energy counterparty risk actively.

Kemira sources a large share of its electricity in Finland at production cost (Mankala principle) through its partial ownership in the electricity producing hydro and nuclear assets of Teollisuuden Voima and Pohjolan Voima. Significant long-term disruptions to the production levels in these assets could have an adverse financial impact for Kemira.

Kemira continuously aims to identify, analyze, and engage third-party suppliers in a way that ensures security of supply and competitive pricing of the end products and services. Collaborative relationships with key suppliers are developed in order to uncover and realize new value and to reduce risk. Supplier performance is also regularly monitored as a part of the supplier performance management process. Due to the high-risk environment related to suppliers of the chemical industry, risk management and mitigation in this area is of continuous high focus.

Hazard risks

Kemira's production activities are exposed to many hazard risks – such as fires and explosions, machinery breakdowns, natural catastrophes, exceptional weather conditions, and environmental incidents – and the consequent possible liabilities, as well as the risks to employee health and safety. These risk events could derive from several factors, also including (but not limited to) unauthorized IT system access by a malicious intruder or other cyber security issues causing possible damage to the systems, which in turn could lead to financial losses. A systematic focus on achieving set targets, certified management systems, efficient hazard prevention programs, the promotion of an active safety culture, adequate maintenance, and competent personnel play a central role in managing these hazard risks. In addition, Kemira has several insurance programs that protect the company against the financial impacts of hazard risks. Kemira also actively trains and educates its personnel on detecting and reporting on possible cyber security threats. Kemira's Board of Directors regularly reviews cyber security risks.

Kemira's operations rely on functional and up-to-date IT systems. Kemira is renewing its group-wide enterprise resource planning system with an estimated completion during 2023. Issues with existing IT systems or significant problems with the ERP transition could have an impact on Kemira's operations.

Changes in customer demand

A significant unforeseen decline in the use of certain chemicals (e.g. chemicals for packaging and board production) or in the demand for customers' products and operations could have a negative impact on Kemira's business. A significant decline in certain raw material and utility prices (e.g. oil, gas, and metals) may shift customers' activities towards areas where fewer chemicals are needed. Also, increased awareness of and concern about climate change and more sustainable products may change customer demands, for instance, in favor of water treatment technologies with lower chemical consumption. On the other hand, possible capacity expansions by customers could increase the chemical consumption and challenge Kemira's current production capacity.

In order to manage and mitigate this risk, Kemira systematically monitors leading and early warning indicators that focus on market development. Kemira has also continued to focus on the sustainability of its business and is further improving the coordination and cooperation between the Business Development, R&D, and Sales units in order to better understand the future needs and expectations of its customers. Timely capital investments as well as continuous discussions and follow-ups with customers ensure Kemira's ability to respond to changes in demand. Kemira's geographic and customer industry diversity also provide partial protection against the risk of changed customer demands.

To respond to expected changes in customer requirements, Kemira has also revised its strategy to focus more on biobased products. Kemira has also started several external partnerships in order to innovate and commercialize new biobased products to its customers. Biobased products are expected to play a significant role in Kemira's growth ambitions.

Economic conditions and geopolitical changes

Uncertainties in the global economic and geopolitical development are considered to include direct or indirect risks, such as a lower-growth period in global GDP and possible unexpected trade-related political decisions, both of which could have unfavorable impacts on the demand for Kemira's products. Certain political actions or changes, especially in countries that are important to Kemira, could cause business interference or other adverse consequences. The ongoing war in Ukraine and sanctions against Russia have increased uncertainty in the global economy and also created concerns about sufficient energy availability in Europe. Possible trade or supply chain disruptions following geopolitical tensions in eastern Asia could also have an impact on Kemira's operations as Kemira sources materials from the region and has manufacturing facilities and derives around 10% of its revenue from the APAC region.

Weak economic development may result in customer closures or consolidations, resulting in a diminishing customer base. The liquidity of Kemira's customers could become weaker, resulting in increased credit losses for Kemira. Despite the increased economic uncertainty in 2022, Kemira did not see materially higher credit losses. Unfavorable market conditions may also increase the availability and price risk of certain raw materials. Kemira's geographical and customer industry diversity provides only partial protection against these risks. Kemira continuously monitors geopolitical movements and changes and aims to adjust its business accordingly. Trade war-related risks are actively monitored and taken into account.

Competition

Kemira operates in a rapidly changing and competitive business environment that represents a considerable risk to meeting its goals. New players seeking a foothold in Kemira's key business segments may use aggressive means as a competitive tool, which could affect Kemira's financial results. Major competitor or customer consolidations could change the market dynamics, and possibly also change Kemira's market position.

Kemira is seeking growth in product categories that are less familiar and where new competitive situations prevail, particularly in biobased products. In the long term, completely new types of technology may considerably change the current competitive situation. This risk is managed at both Group and segment levels through continuous monitoring of the competition. The company aims to respond to its competition through the active management of customer relationships and continuous development of its products and services to further differentiate itself from the competitors and to be competitive.

Acquisitions

In addition to organic growth, acquisitions are a potential way to achieve corporate goals and strategies. Consolidations are driven by chemical manufacturers' interests in realizing synergies and establishing footholds in new markets. Acquisitions and/or partnerships may also be needed in order to enter totally new geographic markets or new product markets. However, the integration of acquired businesses, operations, and personnel also involves risks. If integration is unsuccessful, the results may fall short of the targets for such acquisitions.

Kemira has created mergers and acquisitions procedures and established Group-level dedicated resources to actively manage merger and acquisition activities and to support the execution of its business transactions. In addition, external advisory services are being used to screen potential merger and acquisition targets.

Innovation and Research & Development

Kemira's research and development is a critical enabler of organic growth and further differentiation. Kemira's future market position and profitability depend on its ability to understand and meet current and future customer needs and market trends, and its ability to innovate new differentiated products and applications. Furthermore, new product launches contribute to the efficiency and sustainability of Kemira's or its customers' processes, as well as to the improved profitability. Failure to innovate or focus on disruptive new technologies and products, or to effectively commercialize new products or service concepts may result in the non-achievement of growth targets and may negatively impact Kemira's competitive situation.

Innovation- and R&D-related risks are managed through effective R&D portfolio management, in close collaboration between R&D and the two business segments. There is close coordination and cooperation between the Business Development, R&D, Sales, and Marketing units in order to better understand the future needs and expectations of Kemira's customers. With the continuous development of innovation processes, Kemira is aiming for more stringent project execution. Kemira maintains an increased focus towards the development of more differentiated and sustainable products and processes, and is also continuously monitoring sales of its new products and applications.

Changes in laws and regulations

Kemira's business is subject to various laws and regulations, which have relevance in the development and implementation of Kemira's strategy. Laws and regulations can generally be considered as an opportunity for Kemira, as regulation drives the treatment of water, for example. However, certain legislative initiatives supporting, for instance, the use of biodegradable raw materials or biological water treatment, or limiting the use of aluminum, may also have a negative impact on Kemira's business. Significant changes in chemical, environmental or transportation laws and regulations may also impact Kemira's profitability through an increase in production and transportation costs. At the same time, such changes may also create new business opportunities for Kemira. As an example, possible restrictions for plastic packaging would likely benefit the fiber-based packaging industry and therefore also Kemira. In addition, Kemira is actively following the European Commission's proposal for Packaging and Packaging Waste Regulations and its implications, particularly for disposable packaging.

Inclusion of new substances in the REACH authorization process may also bring further requirements to Kemira, where failure to obtain the relevant authorization could impact Kemira's business. In addition, the changes in import/export and customs-related regulations create needs for monitoring and mastering global trade compliance in order to ensure compliant product importation, for example.

Kemira continuously follows regulatory developments in order to maintain its awareness of proposed and upcoming changes of those laws and regulations that may have an impact, for instance, on its sales, production, and product development needs. Kemira has established an internal process to manage substances of potential concern and to create management plans for them. These plans cover the possibilities to replace certain substances if they become subject to stricter regulation, for example. Kemira has also increased its focus and resources in the management of global trade compliance.

Regulatory effects are also systematically taken into consideration in strategic decision making. Kemira takes an active role in regulatory discussions whenever this is justified from the perspective of the industry or business. For example, currently there are many regulatory discussions ongoing in the EU, as the EU is undergoing a major review of its water legislation and directives. This may have a positive demand-related impact for Kemira in the future, due to the need for water to be treated more carefully. The EU has, as part of its Green Deal initiative, launched several initiatives, such as the EU Chemicals Strategy for Sustainability (CSS) and Fit-for-55 programs. Kemira is closely following these initiatives and their potential implications for the chemical sector and Kemira.

Talent management

To secure competitiveness and profitable growth, as well as to improve operational efficiency, it is essential to attract and retain personnel with the right skills and competences. Kemira is continuously identifying people with high potential and key competencies for future needs. Through the systematic development and improvement of compensation schemes, learning programs, and career development programs, Kemira aims to ensure the continuity of skilled personnel also in the future.

Climate-related risks

Kemira has identified certain climate-related risks that could have an impact on Kemira’s operations or customer demand. Increased awareness of and concern about climate change and more sustainable products may, for example, change customer demands in favor of water treatment technologies with lower chemical consumption. Higher awareness of the impacts of climate change could lead to a more rapid transition to sustainable, fossil-free energy sources, which could lead to higher energy prices and impact the availability of energy. This could have a negative impact on Kemira as parts of Kemira’s manufacturing operations are energy-intensive. A part of Kemira’s raw materials are fossil-based. Kemira has active plans to increase the share of renewable raw materials in its portfolio and reduce the reliance on oil and gas derivatives. Many of Kemira's customers, particularly in the Pulp & Paper segment, have ambitions to be carbon neutral, which will likely have implications on Kemira and the chemicals used in the customers' processes. Also extreme weather patterns related to climate change, such as hurricanes and floods, could impact Kemira’s supply chain and suppliers as well as Kemira’s own manufacturing sites. Several climate related risks are included in Kemira’s enterprise risk management portfolio and active monitoring and mitigation planning is being done. In 2022, Kemira conducted an initial climate risk scenario analysis in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. The analysis evaluated Kemira's climate risk from a global company perspective. The results of the scenario analysis are described in more detail in Kemira’s sustainability report.

Risks and impacts of the war in Ukraine

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 2022, Kemira had no business operations or personnel left in Russia.

The direct impacts of the war on Kemira have been and are expected to be limited. Before the war, 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. In 2022, Kemira was able to manage the situation without operational disruptions and has worked to find long-term alternatives to Russian and Belarussian suppliers.

In 2022, the main risk from the war in Ukraine was accelerated inflation. The war in Ukraine and the sanctions against Russia and Belarus have created concerns about sufficient energy availability to Europe, particularly in natural gas. Kemira is a significant user of energy. The majority of Kemira's energy purchases is electricity, but some of Kemira's production facilities use natural gas in Europe. The energy crisis also increased energy prices significantly during 2022 and prices are expected to stay above long-term average prices also in 2023. Kemira's annual energy purchases globally increased from around EUR 200 million in 2021 to around EUR 300 million in 2022. Kemira is monitoring the energy market situation and its impacts on Kemira closely. The energy crisis did not have a material impact on Kemira's operations during 2022.

Kemira is also exposed to indirect impacts via Kemira's customers and suppliers. In particular, 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. During 2022 some of Kemira's customers in the EMEA region, particularly in the Pulp & Paper segment, curtailed or temporarily closed production due to high energy prices, particularly during Q3 and Q4 2022.

In 2022, Kemira recorded EUR 4.8 million of losses related to its exit from Russia. At the end of 2022, net assets in Russian amounted to around EUR 8 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is looking at options to repatriate funds from Russia. Kemira had no assets or personnel in Belarus or Ukraine at the end of December 2022.

For Kemira's 2023 outlook, including assumptions behind the outlook, please refer to the section "Outlook" on page 28.

A detailed description of Kemira’s risk management principles is available on the company’s website at ***www.kemira.com***. Financial risks are described in the Notes to the Financial Statements for the year 2022.

DIVIDEND AND DIVIDEND POLICY

On December 31, 2022, Kemira Oyj’s distributable funds totaled EUR 702,802,752 of which net profit for the period was EUR 314,734,444. No material changes have taken place in the company’s financial position after the balance sheet date.

Kemira Oyj’s Board of Directors proposes to the Annual General Meeting to be held on March 22, 2023 that a dividend of EUR 0.62 per share, totaling EUR 95 million, be paid on the basis of the adopted balance sheet for the financial year that ended on December 31, 2022. The dividend will be paid in two installments. The first installment, of EUR 0.31 per share, will be paid to shareholders who are registered in the company’s shareholder register maintained by Euroclear Finland Oy on the record date for the dividend payment: March 24, 2023. The Board of Directors proposes that the first installment of the dividend be paid out on April 5, 2023.The second installment, of EUR 0.31 per share, will be paid in November 2023. The second installment will be paid to shareholders who are registered in the company’s shareholder register maintained by Euroclear Finland Oy 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 2023. The record date is planned to be October 26, 2023, and the dividend payment date November 2, 2023 at the earliest.

Kemira’s dividend policy is to pay a competitive dividend that increases over time.

CHANGES IN KEMIRA'S MANAGEMENT BOARD

On **May 18, 2022** Kemira announced that President, Segment Pulp & Paper, Kim Poulsen is leaving Kemira.

On **August 8, 2022** Kemira announced that Antti Salminen (1971) had been appointed to lead Kemira's Pulp & Paper segment as of August 15, 2022. He has had several prior leadership positions in Kemira, latest as President, Industry & Water segment, and has been a member of Kemira's Management Board since 2011.

On **August 30, 2022** Kemira announced that Wido Waelput (1959) has been appointed Interim President of Kemira's Industry & Water segment and a member of Kemira's Management Board as of September 1, 2022 until the ongoing search process for the permanent segment president has been concluded.

OTHER EVENTS DURING THE REVIEW PERIOD

On **September 12, 2022** Kemira announced an agreement to divest most of its colorants business to ChromaScape LLC. The transaction is expected to close in Q1 2023. The revenue of the business was approximately EUR 50 million in 2021.

EVENTS AFTER THE REVIEW PERIOD

On January 9, 2023 Kemira announced the proposals of the Nomination Board to the Annual General Meeting 2023.
The Nomination Board proposes to the Annual General Meeting of Kemira Oyj that eight members be elected to the Board of Directors and that the present members Tina Sejersgård Fanø, Werner Fuhrmann, Matti Kähkönen, Timo Lappalainen, Annika Paasikivi and Kristian Pullola be re-elected as members of the Board of Directors. Nomination Board proposes that Fernanda Lopes Larsen and Mikael Staffas be elected as new members of the Board of Directors. In addition, the Nomination Board proposes that Matti Kähkönen be re-elected as the Chair of the Board of Directors and Annika Paasikivi be re-elected as the Vice Chair.

All the nominees have given their consent to the position and are independent of the company's significant shareholders except for Annika Paasikivi. Annika Paasikivi is the President & CEO of Oras Invest Oy and Oras Invest Oy owns over 10% of Kemira Oyj's shares.
Of the current members of the Board of Directors Wolfgang Büchele, who has served on the company's Board of Directors first from 2009 until 2012, then as President and CEO of Kemira Oyj from 2012 until 2014, and then again in the Board of Directors since 2014, and Shirley Cunningham, who has served on the Board of Directors since 2017, have informed that they will no longer be available for re-election to the next term of the Board of Directors. The Nomination Board wishes to thank Wolfgang Büchele and Shirley Cunningham for their long service and significant contribution to Kemira Oyj.

Ms. Fernanda Lopes Larsen, M.Sc. (Engineering), b. 1974, has been Executive Vice President Africa & Asia in Yara International since 2020. In 2012-2018 she served in multiple executive and managerial positions in Yara International. In 2001-2012 she held managerial positions in GlaxoSmithKline and in Procter & Gamble. Fernanda Lopes Larsen is a dual Brazilian and British citizen.

Mr. Mikael Staffas, M.Sc. (Engineering), MBA, b. 1965, is the President & CEO of Boliden AB since 2018. In 2015-2018 he served as the President of Boliden Mines, and in 2011-2015 as the CFO of Boliden. In 2005-2011 he was the CFO of Södra Skogsägarna. He was a Partner at McKinsey & Company in 1999-2004 and held various positions there in 1990-1999. Mikael Staffas is a Swedish citizen.

Regarding the selection procedure for the members of the Board of Directors, the Nomination Board recommends that shareholders take a position on the proposal as a whole at the Annual General Meeting. This recommendation is based on the fact that Kemira’s shareholders' Nomination Board is separate from the Board of Directors, in line with a good Nordic governance model. The Nomination Board, in addition to ensuring that individual nominees for membership of the Board of Directors possess the required competences, is responsible for making sure that the proposed Board of Directors as a whole also has the best possible expertise and experience for the company and that the diversity principles of the company will be met, and that the composition of the Board of Directors meets other requirements of the Finnish Corporate Governance Code for listed companies.

The Nomination Board proposes that the remuneration paid to the members of the Board of Directors will be increased as follows (current remuneration in parentheses): for the Chair EUR 118,000 per year (EUR 110,000), for the Vice Chair and the Chair of the Audit Committee EUR 67,000 per year (EUR 65,000) and for the other members EUR 52,000 per year (EUR 50,000).

The Nomination Board proposes that a fee payable for each meeting of the Board of Directors and the Board Committees will be paid based on the method of participation and place of the meeting as follows: participating remotely or in a meeting arranged in the member’s country of residence EUR 600, participating in a meeting arranged on the same continent as the member’s country of residence EUR 1,200 and participating in a meeting arranged in a different continent than the member’s country of residence EUR 2,400. Travel expenses are proposed to be paid according to Kemira's travel policy.

In addition, the Nomination Board proposes to the Annual General Meeting 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, 2023. The meeting fees are proposed to be paid in cash.

The Nomination Board has consisted of the following representatives: Ville Kivelä, Chief Investment Officer of Oras Invest Oy as the Chair of the Nomination Board; Pauli Anttila, Investment Director, Solidium Oy; Lisa Beauvilain, Global Head of Sustainability, Executive Director, Impax Asset Management plc and Annika Ekman, Head of Direct Equity Investments, Ilmarinen Mutual Pension Insurance Company as members of the Nomination Board and Matti Kähkönen, Chair of Kemira's Board of Directors as an expert member.

On *January 17, 2023* Kemira announced that the shareholding of Impax Asset Management Group plc in Kemira has decreased to 4.99 per cent

On *January 25, 2023* Kemira announced that Kemira is strengthening its services offering by acquiring the advanced process optimization start-up SimAnalytics.

Kemira announced in August 2021 its investment in SimAnalytics and has now acquired the rest of the business. With the acquisition, Kemira strengthens its capability to support its customers’ business with data-driven predictive services and machine learning solutions.

On *February 1, 2023* Kemira announced that Linus Hildebrandt has been appointed as Executive Vice President, Strategy and member of Kemira's Management Board.

OUTLOOK FOR 2023

Revenue

Kemira's revenue is expected to be between EUR 3,200 million and EUR 3,700 million in 2023 (2022: EUR 3,569.6 million).

Operative EBITDA

Kemira's operative EBITDA is expected to be between EUR 500 and EUR 600 million in 2023 (2022: EUR 571.6 million).

Assumptions behind outlook

We expect demand in Kemira's end-markets to be resilient despite the significant uncertainty related to the global macroeconomic environment, energy prices, and the development of the war in Ukraine. Overall, Kemira's end-market demand (in volumes) is expected to decline somewhat. Demand in the oil & gas market is expected to grow. Variable costs are expected to decline but with variation by raw material. Electricity prices are expected to remain above long-term average in Europe, but with uncertainty related to the level of pricing. Market prices for caustic soda are expected to moderate during 2023 from the current very high level. The outlook assumes no major disruptions to Kemira's manufacturing operations, supply chain, or Kemira's energy-generating assets in Finland. Foreign exchange rates are expected to remain at approximately current levels.

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, February 9, 2023

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 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 on February 17, 2023.
The Annual General Meeting will be held on Wednesday, March 22, 2023.

WEBCAST AND CONFERENCE CALL FOR PRESS AND ANALYSTS

Kemira will arrange a webcast for analysts, investors, and media on Friday, February 10, 2023, starting at 10.30 am EET (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. You can access the teleconference by registering on the link below. After the registration you will be provided phone numbers and a conference ID to access the conference.
http://palvelu.flik.fi/teleconference/?id=1008732
If you wish to ask a question please, dial *5 on your telephone keypad to enter the queue.

KEMIRA GROUP - FINANCIALS OF FINANCIAL STATEMENTS BULLETIN 2022

CONSOLIDATED INCOME STATEMENT

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Revenue	968.2	718.2	3,569.6	2,674.4
Other operating income	9.0	4.1	18.2	5.9
Operating expenses	-792.7	-652.6	-3,029.3	-2,306.7
Share of profit or loss of associates	0.3	-0.2	0.3	-0.5
EBITDA	184.8	69.5	558.8	373.2
Depreciation, amortization and impairments	-53.0	-51.9	-211.2	-203.1
Operating profit (EBIT)	131.8	17.5	347.6	170.1
Finance costs, net	-15.3	-8.9	-39.4	-26.7
Profit before taxes	116.5	8.7	308.2	143.3
Income taxes	-26.3	1.2	-68.5	-28.2
Net profit for the period	90.3	9.8	239.7	115.2
Net profit attributable to				
Equity owners of the parent company	88.2	8.3	231.7	108.1
Non-controlling interests	2.1	1.5	8.0	7.1
Net profit for the period	90.3	9.8	239.7	115.2
Earnings per share, basic, EUR	0.58	0.05	1.51	0.71
Earnings per share, diluted, EUR	0.57	0.05	1.50	0.70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Net profit for the period	90.3	9.8	239.7	115.2
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	-46.3	10.3	17.5	32.2
Cash flow hedges	-44.4	5.2	39.2	19.3
Items that will not be reclassified subsequently to profit or loss				
Other shares	-14.3	14.9	98.6	40.2
Remeasurements of defined benefit plans	31.8	21.5	31.8	21.5
Other comprehensive income for the period, net of tax	-73.2	52.0	187.1	113.3
Total comprehensive income for the period	17.0	61.8	426.7	228.4
Total comprehensive income attributable to				
Equity owners of the parent company	14.6	60.1	418.9	221.2
Non-controlling interests	2.4	1.7	7.8	7.2
Total comprehensive income for the period	17.0	61.8	426.7	228.4

CONSOLIDATED BALANCE SHEET

EUR million	12/31/2022	12/31/2021
ASSETS		
Non-current assets		
Goodwill	510.5	514.0
Other intangible assets	61.2	66.7
Property, plant and equipment	1,080.2	1,063.0
Right-of-use assets	146.0	135.8
Investments in associates	5.1	4.8
Other shares	383.3	260.0
Deferred tax assets	27.1	30.5
Other financial assets	31.0	7.3
Receivables of defined benefit plans	78.4	73.2
Total non-current assets	2,322.8	2,155.4
Current assets		
Inventories	433.7	352.1
Interest-bearing receivables	0.3	0.3
Trade receivables and other receivables	603.7	475.2
Current income tax assets	18.7	13.9
Cash and cash equivalents	250.6	142.4
Total current assets	1,307.0	983.9
Assets classified as held-for-sale	21.3	—
Total assets	3,651.1	3,139.3

EUR million	12/31/2022	12/31/2021
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity owners of the parent company	1,669.9	1,328.9
Non-controlling interests	14.7	13.9
Total equity	1,684.6	1,342.7
Non-current liabilities		
Interest-bearing liabilities	838.1	776.9
Other financial liabilities	9.4	9.4
Deferred tax liabilities	118.2	77.1
Liabilities of defined benefit plans	66.9	94.1
Provisions	38.4	48.0
Total non-current liabilities	1,070.9	1,005.5
Current liabilities		
Interest-bearing liabilities	183.7	215.3
Trade payables and other liabilities	635.2	538.3
Current income tax liabilities	57.2	14.3
Provisions	18.8	23.1
Total current liabilities	894.9	791.0
Total liabilities	1,965.8	1,796.5
Liabilities classified as held-for-sale	0.7	—
Total equity and liabilities	3,651.1	3,139.3

CONSOLIDATED CASH FLOW STATEMENT

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Cash flow from operating activities				
Net profit for the period	90.3	9.8	239.7	115.2
Total adjustments	95.0	81.8	348.1	273.4
Cash flow before change in net working capital	185.3	91.6	587.8	388.5
Change in net working capital	80.2	2.2	-101.8	-80.2
Cash generated from operations before financing items and taxes	265.5	93.9	486.0	308.3
Finance expenses, net and dividends received	-2.9	-9.2	-52.2	-44.2
Income taxes paid	-7.7	-3.9	-33.5	-44.0
Net cash generated from operating activities	254.9	80.8	400.3	220.2
Cash flow from investing activities				
Capital expenditure in associated company	—	—	—	—
Capital expenditure in other shares	—	—	—	-1.0
Other capital expenditure	-89.8	-74.5	-197.9	-168.8
Proceeds from sale of assets and capital repayments	14.7	6.6	19.1	6.7
Decrease (+) / increase (-) in loan receivables	0.2	0.2	0.8	0.2
Net cash used in investing activities	-74.9	-67.7	-178.0	-162.9

EUR million	10-12/2022	10-12/2021	1-12/2022	1-12/2021
Cash flow from financing activities				
Proceeds from non-current interest-bearing liabilities	180.0	—	195.9	200.0
Repayments of non-current liabilities	-150.0	—	-202.8	-97.3
Short-term financing, net increase (+) / decrease (-)	-74.3	-3.9	21.4	-53.9
Repayments of lease liabilities	-9.1	-8.5	-35.1	-33.1
Dividends paid	-44.5	-44.4	-95.9	-95.3
Net cash used in financing activities	-97.9	-56.8	-116.4	-79.5
Net decrease (-) / increase (+) in cash and cash equivalents	82.1	-43.7	105.9	-22.2
Cash and cash equivalents at end of period	250.6	142.4	250.6	142.4
Exchange gains (+) / losses (-) on cash and cash equivalents	-5.4	1.7	2.3	5.1
Cash and cash equivalents at beginning of period	173.9	184.4	142.4	159.5
Net decrease (-) / increase (+) in cash and cash equivalents	82.1	-43.7	105.9	-22.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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, 2022	221.8	257.9	140.9	196.3	-53.7	-14.9	580.5	1,328.8	13.9	1,342.7
Net profit for the period	—	—	—	—	—	—	231.7	231.7	8.0	239.7
Other comprehensive income, net of tax	—	—	137.8	—	17.7	—	31.8	187.2	-0.2	187.1
Total comprehensive income	—	—	137.8	—	17.7	—	263.5	418.9	7.8	426.7
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-88.9 [1)]	-88.9	-7.0	-95.9
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.5	—	1.5	—	1.5
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	—	—	—	—	—	—	9.2	9.2	—	9.2
Transfers in equity	—	—	0.1	—	—	—	-0.1	0.0	—	0.0
Other items	—	—	—	—	—	—	0.4	0.4	—	0.4
Total transactions with owners	—	—	0.1	—	—	1.6	-79.4	-77.7	-7.0	-84.7
Equity on December 31, 2022	221.8	257.9	278.8	196.3	-36.0	-13.4	764.5	1,669.9	14.7	1,684.6

1) On March 24, 2022, the Annual General Meeting approved a dividend of EUR 0.58 per share. The dividend was paid in two installments. The payment date of the dividend of EUR 0.29 for the first installment was April 7, 2022. The payment date of the dividend of EUR 0.29 for the second installment was November 3, 2022.

Kemira had in its possession 1,990,197 of its treasury shares on December 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.

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 attributable to equity owners of the parent company									
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	—	—	—	—	—	—	108.1	108.1	7.1	115.2
Other comprehensive income, net of tax	—	—	59.5	—	32.1	—	21.5	113.1	0.1	113.3
Total comprehensive income	—	—	59.5	—	32.1	—	129.6	221.2	7.2	228.4
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-88.8 [2)]	-88.8	-6.5	-95.3
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	—	—	—	—	—	—	3.3	3.3	—	3.3
Transfers in equity	—	—	0.3	—	—	—	-0.3	0.0	—	0.0
Other items	—	—	—	—	—	—	-0.4	-0.4	—	-0.4
Total transactions with owners	—	—	0.3	—	—	1.4	-86.2	-84.5	-6.5	-91.0
Equity on December 31, 2021	221.8	257.9	140.9	196.3	-53.7	-14.9	580.5	1,328.8	13.9	1,342.7

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 10-12	2022 7-9	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-12	2021 1-12
Income statement and profitability										
Revenue, EUR million	968.2	971.9	861.4	768.1	718.2	692.7	657.5	606.1	3,569.6	2,674.4
Operative EBITDA, EUR million	177.0	152.5	122.1	120.0	97.8	115.9	107.3	104.6	571.6	425.5
Operative EBITDA, %	18.3	15.7	14.2	15.6	13.6	16.7	16.3	17.3	16.0	15.9
EBITDA, EUR million	184.8	137.3	123.2	113.5	69.5	109.5	91.1	103.0	558.8	373.2
EBITDA, %	19.1	14.1	14.3	14.8	9.7	15.8	13.9	17.0	15.7	14.0
Items affecting comparability in EBITDA, EUR million	7.8	-15.3	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-12.8	-52.4
Operative EBIT, EUR million	123.4	99.5	69.7	68.9	47.0	64.5	58.2	55.7	361.6	225.4
Operative EBIT, %	12.7	10.2	8.1	9.0	6.5	9.3	8.9	9.2	10.1	8.4
Operating profit (EBIT), EUR million	131.8	84.5	69.1	62.2	17.5	56.4	41.9	54.2	347.6	170.1
Operating profit (EBIT), %	13.6	8.7	8.0	8.1	2.4	8.1	6.4	8.9	9.7	6.4
Items affecting comparability in EBIT, EUR million	8.4	-15.0	-0.7	-6.7	-29.5	-8.0	-16.3	-1.6	-14.0	-55.4
Amortization and impairments of Intangible assets	-4.8	-5.0	-5.4	-5.8	-7.0	-5.9	-6.0	-6.2	-21.0	-25.2
Of which purchase price allocation (PPA) related	-1.8	-2.0	-2.4	-3.1	-3.1	-3.0	-3.0	-3.0	-9.4	-12.1
Depreciations and impairments of Property, plant and equipment	-38.8	-38.8	-39.4	-36.5	-35.3	-38.7	-34.6	-34.4	-153.6	-143.0
Depreciations of right-of-use assets	-9.5	-8.9	-9.3	-8.9	-8.8	-8.5	-8.5	-8.2	-36.7	-34.1
Return on investment (ROI), %	18.8	12.2	9.9	9.4	2.9	9.7	7.0	10.1	12.7	7.2
Capital employed, EUR million [1)]	2,238.0	2,194.9	2,113.6	2,045.4	1,995.0	1,966.7	1,956.1	1,958.8	2,238.0	1,995.0
Operative ROCE, %	16.2	13.0	11.8	11.7	11.3	12.0	11.9	11.9	16.2	11.3
ROCE, %	15.5	10.6	9.7	8.7	8.5	9.8	10.0	10.7	15.5	8.5

	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-12	2021 1-12
Cash flow										
Net cash generated from operating activities, EUR million	254.9	114.8	41.6	-10.9	80.8	86.9	38.6	13.8	400.3	220.2
Capital expenditure, EUR million	89.8	43.5	38.5	26.1	74.5	36.1	32.5	26.6	197.9	169.8
Capital expenditure excl. acquisitions, EUR million	89.8	43.5	38.5	26.1	74.5	35.1	32.5	26.6	197.9	168.8
Capital expenditure excl. acquisitions / revenue, %	9.3	4.5	4.5	3.4	10.4	5.1	4.9	4.4	5.5	6.3
Cash flow after investing activities, EUR million	180.0	72.3	6.7	-36.6	13.1	51.1	6.1	-13.1	222.3	57.3
Balance sheet and solvency										
Equity ratio, %	46.2	44.2	43.0	40.3	42.8	42.2	41.6	40.4	46.2	42.8
Gearing, %	45.8	54.5	61.3	68.2	63.3	62.5	69.3	66.5	45.8	63.3
Interest-bearing net liabilities, EUR million	771.2	906.4	959.0	899.8	849.8	800.1	831.3	776.9	771.2	849.8
Personnel										
Personnel at end of period	4,902	4,914	4,976	4,939	4,926	4,937	5,008	4,926	4,902	4,926
Personnel (average)	4,910	4,940	4,964	4,928	4,925	4,970	4,974	4,919	4,936	4,947
Key exchange rates at end of period										
USD	1.067	0.975	1.039	1.110	1.133	1.158	1.188	1.173	1.067	1.133
CAD	1.444	1.340	1.343	1.390	1.439	1.475	1.472	1.478	1.444	1.439
SEK	11.122	10.899	10.730	10.337	10.250	10.168	10.111	10.238	11.122	10.250
CNY	7.358	6.937	6.962	7.040	7.195	7.485	7.674	7.681	7.358	7.195
BRL	5.639	5.258	5.423	5.301	6.310	6.263	5.905	6.741	5.639	6.310
Per share figures, EUR										
Earnings per share (EPS), basic 2)	0.58	0.38	0.29	0.26	0.05	0.25	0.15	0.25	1.51	0.71
Earnings per share (EPS), diluted 2)	0.57	0.38	0.29	0.26	0.05	0.25	0.15	0.25	1.50	0.70
Net cash generated from operating activities per share 2)	1.66	0.75	0.27	-0.07	0.53	0.57	0.25	0.09	2.61	1.44
Equity per share 2)	10.89	10.77	10.09	8.50	8.68	8.28	7.74	7.53	10.89	8.68
Number of shares (1,000,000)										
Average number of shares, basic 2)	153.4	153.4	153.4	153.2	153.1	153.1	153.1	153.0	153.3	153.1
Average number of shares, diluted 2)	154.6	154.3	154.1	154.0	153.9	153.8	153.8	153.7	154.3	153.8
Number of shares at end of period, basic 2)	153.4	153.4	153.4	153.3	153.1	153.1	153.1	153.1	153.4	153.1
Number of shares at end of period, diluted 2)	154.9	154.5	154.2	154.0	154.1	153.8	153.8	153.7	154.9	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), %	=	$\frac{\text{(Profit before taxes + interest expenses + other financial expenses) x 100}}{\text{Total assets - non-interest-bearing liabilities}^{2)}}$
Operative return on capital employed (Operative ROCE), %	=	$\frac{\text{Operative EBIT x 100}^{3)}}{\text{Capital employed}^{4)}}$
Return on capital employed (ROCE), %	=	$\frac{\text{EBIT x 100}^{3)}}{\text{Capital employed}^{4)}}$
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, %	=	$\frac{\text{Total equity x 100}}{\text{Total assets - prepayments received}}$
Gearing, %	=	$\frac{\text{Interest-bearing net liabilities x 100}}{\text{Total equity}}$
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 10-12	2022 7-9	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-12	2021 1-12
ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT										
Operative EBITDA	177.0	152.5	122.1	120.0	97.8	115.9	107.3	104.6	571.6	425.5
Restructuring and streamlining programs	-1.6	0.1	0.1	-3.1	-0.1	-6.2	-4.7	-1.4	-4.5	-12.3
Transaction and integration expenses in acquisition	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1
Divestment of businesses and other disposals	8.9	-15.6	2.0	0.0	-28.1	0.0	0.0	-0.2	-4.6	-28.3
Other items	0.5	0.3	-0.9	-3.5	0.0	-0.1	-11.5	0.0	-3.6	-11.6
Total items affecting comparability	7.8	-15.3	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-12.8	-52.4
EBITDA	184.8	137.3	123.2	113.5	69.5	109.5	91.1	103.0	558.8	373.2
Operative EBIT	123.4	99.5	69.7	68.9	47.0	64.5	58.2	55.7	361.6	225.4
Total items affecting comparability in EBITDA	7.8	-15.3	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-12.8	-52.4
Items affecting comparability in depreciation, amortization and impairments	0.6	0.3	-1.9	-0.1	-1.2	-1.7	-0.1	0.0	-1.2	-3.0
Operating profit (EBIT)	131.8	84.5	69.1	62.2	17.5	56.4	41.9	54.2	347.6	170.1
ROCE AND OPERATIVE ROCE										
Operative EBIT	123.4	99.5	69.7	68.9	47.0	64.5	58.2	55.7	361.6	225.4
Operating profit (EBIT)	131.8	84.5	69.1	62.2	17.5	56.4	41.9	54.2	347.6	170.1
Capital employed [1)]	2,238.0	2,194.9	2,113.6	2,045.4	1,995.0	1,966.7	1,956.1	1,958.8	2,238.0	1,995.0
Operative ROCE, %	16.2	13.0	11.8	11.7	11.3	12.0	11.9	11.9	16.2	11.3
ROCE, %	15.5	10.6	9.7	8.7	8.5	9.8	10.0	10.7	15.5	8.5
NET WORKING CAPITAL										
Inventories	433.7	474.1	490.6	408.0	352.1	324.3	280.6	268.8	433.7	352.1
Trade receivables and other receivables	603.7	701.4	620.4	530.5	475.2	430.7	406.8	378.0	603.7	475.2
Excluding financing items in other receivables	-71.1	-105.9	-78.6	-30.4	-35.4	-29.1	-13.6	-9.9	-71.1	-35.4
Trade payables and other liabilities	635.2	684.8	647.5	624.5	538.3	510.4	451.8	505.0	635.2	538.3
Excluding dividend liability and financing items in other liabilities	-31.4	-82.1	-82.7	-123.1	-33.5	-72.3	-70.0	-121.9	-31.4	-33.5
Net working capital	362.4	466.9	467.6	406.7	287.2	287.8	292.0	253.8	362.4	287.2

EUR million	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-12	2021 1-12
INTEREST-BEARING NET LIABILITIES										
Non-current interest-bearing liabilities	838.1	814.3	811.2	795.5	776.9	778.3	773.4	819.1	838.1	776.9
Current interest-bearing liabilities	183.7	266.1	295.1	258.8	215.3	206.2	203.1	160.8	183.7	215.3
Interest-bearing liabilities	1,021.8	1,080.4	1,106.3	1,054.4	992.2	984.5	976.6	979.9	1,021.8	992.2
Cash and cash equivalents	250.6	173.9	147.3	154.5	142.4	184.4	145.3	203.0	250.6	142.4
Interest-bearing net liabilities	771.2	906.4	959.0	899.8	849.8	800.1	831.3	776.9	771.2	849.8

1) 12-month rolling average

NOTES OF FINANCIAL STATEMENTS BULLETIN 2022

1. QUARTERLY SEGMENT INFORMATION

EUR million	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-12	2021 1-12
Revenue										
Pulp & Paper	556.2	537.3	487.6	446.5	420.4	391.3	378.4	369.5	2,027.7	1,559.6
Industry & Water	412.0	434.6	373.8	321.5	297.8	301.4	279.1	236.6	1,541.9	1,114.8
Total	968.2	971.9	861.4	768.1	718.2	692.7	657.5	606.1	3,569.6	2,674.4
Operative EBITDA										
Pulp & Paper	110.9	92.3	73.6	71.3	60.5	63.5	57.8	62.9	348.0	244.7
Industry & Water	66.1	60.3	48.5	48.8	37.3	52.3	49.5	41.7	223.7	180.8
Total	177.0	152.5	122.1	120.0	97.8	115.9	107.3	104.6	571.6	425.5
Items affecting comparability in EBITDA										
Pulp & Paper	7.2	-15.1	1.3	-4.8	-28.9	-1.3	-15.6	-0.8	-11.4	-46.5
Industry & Water	0.6	-0.2	-0.1	-1.7	0.6	-5.0	-0.6	-0.8	-1.4	-5.9
Total	7.8	-15.3	1.2	-6.5	-28.3	-6.3	-16.2	-1.6	-12.8	-52.4
EBITDA										
Pulp & Paper	118.1	77.2	74.9	66.4	31.6	62.3	42.2	62.2	336.6	198.3
Industry & Water	66.7	60.1	48.4	47.1	37.9	47.3	48.9	40.8	222.2	174.9
Total	184.8	137.3	123.2	113.5	69.5	109.5	91.1	103.0	558.8	373.2
Operative EBIT										
Pulp & Paper	80.3	61.8	42.8	40.7	30.4	32.5	28.1	33.2	225.7	124.3
Industry & Water	43.1	37.7	26.9	28.2	16.6	31.9	30.1	22.5	135.9	101.2
Total	123.4	99.5	69.7	68.9	47.0	64.5	58.2	55.7	361.6	225.4

EUR million	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3	2022 1-12	2021 1-12
Items affecting comparability in EBIT										
Pulp & Paper	7.8	-14.9	-0.6	-4.9	-28.9	-1.3	-15.7	-0.8	-12.6	-46.6
Industry & Water	0.6	-0.2	-0.1	-1.7	-0.6	-6.8	-0.6	-0.8	-1.4	-8.8
Total	8.4	-15.0	-0.7	-6.7	-29.5	-8.0	-16.3	-1.6	-14.0	-55.4
Operating profit (EBIT)										
Pulp & Paper	88.1	47.0	42.3	35.7	1.6	31.2	12.4	32.4	213.1	77.7
Industry & Water	43.7	37.5	26.8	26.5	16.0	25.2	29.5	21.7	134.5	92.4
Total	131.8	84.5	69.1	62.2	17.5	56.4	41.9	54.2	347.6	170.1

2. CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

EUR million	1-12/2022	1-12/2021
Net book value at beginning of period	1,063.0	1,011.4
Purchases of subsidiaries and asset acquisitions	—	—
Increases	180.3	158.8
Decreases	-11.5	-0.2
Depreciation and impairments	-153.6	-143.9
Transferred to assets classified as held-for-sale	-4.8	—
Exchange rate differences and other changes	6.7	36.9
Net book value at end of period	1,080.2	1,063.0

3. CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-12/2022	1-12/2021
Net book value at beginning of period	580.7	582.1
Purchases of subsidiaries and asset acquisitions	—	—
Increases	17.6	9.9
Decreases	—	—
Amortization and impairments	-21.0	-25.2
Transferred to assets classified as held-for-sale	-13.0	—
Exchange rate differences and other changes	7.5	13.9
Net book value at end of period	571.7	580.7

4. CHANGES IN RIGHT-OF-USE ASSETS

EUR million	1-12/2022	1-12/2021
Net book value at beginning of period	135.8	121.0
Increases	45.6	42.5
Depreciation and impairments	-36.7	-34.1
Transferred to assets classified as held-for-sale	-0.4	—
Exchange rate differences and other changes	1.7	6.4
Net book value at end of period	146.0	135.8

5. DERIVATIVE INSTRUMENTS

EUR million	12/31/2022		12/31/2021	
Currency derivatives	**Nominal value**	**Fair value**	Nominal value	Fair value
Forward contracts	619.9	11.3	496.3	-7.1
of which cash flow hedge	71.6	0.3	62.0	-1.4
Other derivatives	**GWh**	**Fair value**	GWh	Fair value
Electricity forward contracts, bought	1,129.3	79.8	1,626.1	32.5
of which cash flow hedge	1,129.3	79.8	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	12/31/2022				12/31/2021			
Fair value hierarchy	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Non-current assets								
Other shares	—	—	383.3	383.3	—	—	260.0	260.0
Other investments	—	6.6	—	6.6	—	7.3	—	7.3
Other derivatives, hedge accounting	—	24.4	—	24.4	—	—	—	—
Current assets								
Currency derivatives	—	13.3	—	13.3	—	1.3	—	1.3
Currency derivatives, hedge accounting	—	1.7	—	1.7	—	0.1	—	0.1
Other derivatives, hedge accounting	—	55.6	—	55.6	—	32.5	—	32.5
Other receivables	—	0.3	—	0.3	—	0.3	—	0.3
Trade receivables	—	449.6	—	449.6	—	373.0	—	373.0
Cash and cash equivalents	—	250.6	—	250.6	—	142.4	—	142.4
Total	—	802.2	383.3	1,185.5	—	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	12/31/2022	12/31/2021
Carrying value at beginning of period	260.0	212.3
Effect on other comprehensive income	123.2	50.2
Increases	—	1.0
Decreases	—	-3.5
Carrying value at end of period	383.3	260.0

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	12/31/2022				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	—	708.0	—	708.0	—	706.7	—	706.7
Current portion of interest-bearing liabilities	—	—	—	—	—	54.7	—	54.7
Other liabilities	—	9.3	—	9.3	—	9.4	—	9.4
Current portion of other liabilities	—	6.8	—	6.8	—	6.9	—	6.9
Lease liabilities	—	118.0	—	118.0	—	108.1	—	108.1
Current portion of lease liabilities	—	30.9	—	30.9	—	28.7	—	28.7
Other derivatives, hedge accounting	—	0.0	—	0.0	—	0.0	—	0.0
Current liabilities								
Interest-bearing loans	—	146.1	—	146.1	—	131.9	—	131.9
Other liabilities	—	45.5	—	45.5	—	23.5	—	23.5
Currency derivatives	—	2.3	—	2.3	—	6.9	—	6.9
Currency derivatives, hedge accounting	—	1.4	—	1.4	—	1.6	—	1.6
Other derivatives, hedge accounting	—	0.2	—	0.2	—	—	—	—
Trade payables	—	292.8	—	292.8	—	285.5	—	285.5
Total	—	1,361.1	—	1,361.1	—	1,364.1	—	1,364.1

8. ASSETS HELD FOR SALE

Assets classified as held for sale

EUR million	12/31/2022	12/31/2021
Goodwill	0.0	–
Intangible assets	1.8	–
Property, plant and equipment	4.8	–
Right-of-use assets	0.4	–
Inventories	14.3	–
Total	21.3	–

Liabilities directly associated with the assets classified as held for sale

EUR million	12/31/2022	12/31/2021
Liabilities of defined benefit plans	0.3	–
Liabilities related to right-of-use assets	0.4	–
Total	0.7	–

In Q3 2022, Kemira signed an agreement to sell its colorants business to US based ChromaScape, LLC. Revenue of the business in 2021 was approximately EUR 50 million and 67 employees will be transferred to ChromaScape as part of transaction which is expected to be closed in the first quarter of 2023. The scope includes also one Kemira manufacturing site at Goose Creek, Bushy Park in South Carolina. Kemira will keep its APAC related colorants business.

The assets and liabilities related to a sale of the colorants business has been classified as a disposal group held for sale according to IFRS 5. As a result, the assets and liabilities related to the sale of the colorants business are presented in the consolidated balance sheet on separate lines. The reclassification had an effect on the reported values of balance sheet items and the expected loss from the sale of the colorants business was EUR 15 million. The colorants business is part of Kemira's Pulp & Paper segment.

9. CONTINGENT LIABILITIES

EUR million	12/31/2022	12/31/2021
Guarantees		
On behalf of own commitments	108.4	95.1
On behalf of associates	12.5	12.5
On behalf of others	2.5	1.8
Other obligations		
On behalf of own commitments	0.7	0.9
On behalf of others	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 December 31, 2022 were about EUR 43 million for plant investments.

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

10. 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 this, transactions with related parties have not changed materially.

11. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This financial statements bulletin 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 financial statements bulletin should be read in conjunction with the annual financial statements for 2021.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements bulletin 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 FINANCIAL STATEMENTS BULLETIN

At the end of December 2022, Kemira had no operative business or personnel left in Russia. In 2022, Kemira recorded EUR 4.8 million of losses related to its exit from Russia, which were mostly related to PP&E write-downs, credit losses and other liabilities. At the end of December 2022, Kemira had approximately EUR 8 million net assets, mainly in cash and cash equivalents, in Russia in Russian roubles. Kemira is looking at options to repatriate funds from Russia.