

kemira

January-June 2023

Half-year Financial Report



TABLE OF CONTENTS

JANUARY-JUNE 2023 HALF-YEAR FINANCIAL REPORT

Executive summary	3
Key figures and ratios	5
Financial Performance Q2 2023	6
Financial Performance January-June 2023	3
Financial Position and Cash Flow	10
Capital expenditure	10
Research & Development	10
Human resources	10
Corporate sustainability	11
Segments	12
Pulp & Paper	12
Industry & Water	14
Kemira Oyj's shares and shareholders	15
Authorization	16
Dividend	16
Short-term risks and uncertainties	17
Events after the review period	18
Outlook for 2023	19

FINANCIALS OF JANUARY-JUNE 2023

Consolidated Income Statement	20
Consolidated Statement of Comprehensive Income	20
Consolidated Balance Sheet	21
Consolidated Statement of Cash Flow	22
Consolidated Statement of Changes in Equity	23
Group key figures	25
Definitions of key figures	27
Reconciliation to IFRS figures	28

Notes of January-June 2023 Half-year Financial Report

1 Quarterly segment information	30
2 Changes in property, plant and equipment	31
3 Changes in goodwill and other intangible assets	31
4 Changes in right-of-use assets	31
5 Derivative instruments	32
6 Fair value of financial assets	32
7 Fair value of financial liabilities	33
8 Business combinations	34
9 Assets held for sale	34
10 Contingent liabilities and litigation	34
11 Related party	35
12 Basis of preparation and accounting principles	35
Critical accounting estimates and judgments	35

STRONG PERFORMANCE IN INDUSTRY & WATER COMPENSATED FOR SOFT PULP AND PAPER MARKET

Second quarter:

- Revenue decreased by 2% to EUR 840.1 million (861.4). Revenue in local currencies, excluding acquisitions and divestments, increased by 0.5% as revenue growth in Industry & Water compensated for revenue decline in Pulp & Paper.
- Operative EBITDA increased by 24% to EUR 151.0 million (122.1) following strong improvement in the Industry & Water segment. The operative EBITDA margin increased to 18.0% (14.2%). The operative EBITDA margin improved in both segments, particularly in the Industry & Water segment. EBITDA increased by 20% to EUR 147.4 million (123.2). The differences between operative and reported figures are explained by items affecting comparability.
- Operative EBIT increased by 45% to EUR 100.9 million (69.7). EBIT increased by 41% to EUR 97.2 million (69.1).
- Cash flow from operating activities was strong at EUR 142.9 million (41.6)
- EPS (diluted) increased by 43% to EUR 0.42 (0.29) following higher EBIT

January-June:

- Revenue increased by 7% to EUR 1,746.1 million (1,629.4). Revenue in local currencies, excluding acquisitions and divestments, increased by 8% driven by the Industry & Water segment.
- Operative EBITDA increased by 42% to EUR 343.7 million (242.1) following improvement in both segments. The operative EBITDA margin increased to 19.7% (14.9%) following higher sales prices in both segments. EBITDA increased by 40% to EUR 331.5 million (236.7). The differences between operative and reported figures are explained by items affecting comparability, which were mainly related to a loss from the divestment of most of our colorants business.
- Operative EBIT increased by 75% to EUR 242.8 million (138.6). EBIT increased by 76% to EUR 230.6 million (131.3).
- Cash flow from operating activities was strong at EUR 239.6 million (30.6)
- EPS (diluted) increased by 83% to EUR 1.02 (0.56) following higher EBIT

Outlook for 2023 (unchanged)

Revenue

Kemira's revenue is expected to be between EUR 3,200 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 550 and EUR 650 million in 2023 (2022: EUR 571.6 million).

Assumptions behind outlook (specified)

Kemira's end-market demand (in volumes) is expected to decline. Demand is expected to be resilient in water treatment, while demand in the pulp and paper market is expected to be weak following economic slowdown and continued destocking in the customer value chain. Demand in the oil & gas market is expected to grow. Variable costs overall are expected to decline, while electricity prices are expected to remain above long-term average in Europe. Market prices for caustic soda are expected to moderate during 2023. 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. The outlook is based on Kemira's current portfolio, including the Oil & Gas business.

Kemira's Interim President & CEO Petri Castrén*:

"Our business model again proved its resilience during the second quarter as weakness in the pulp and paper market was largely offset by strong performance in the Industry & Water segment. Overall, our financial performance was robust during Q2 2023. Revenue was EUR 840 million with slight organic growth as sales prices increased in both segments. Sales volumes continued to decline following weak demand in the Pulp & Paper segment. Operative EBITDA on the other hand grew year-on-year by 24% to EUR 151 million driven by strong improvement in the Industry & Water segment. The operative EBITDA margin was strong at 18% although we did see a moderation from the exceptionally high level of Q1 2023. Also cash flow during the quarter was very strong.

The pulp and paper market weakened significantly during Q2 2023 following larger and longer-than-expected inventory destocking in the customer value chain. As a result, the segment's revenue declined by 14% to EUR 421 million as sales volumes declined in line with weak market demand. The operative EBITDA margin improved year-on-year to 15.5%, but it declined from the exceptionally strong level seen during Q1 2023. The ramp-up of the bleaching capacity expansion in Uruguay is progressing as planned.

In Industry & Water, the municipal water treatment market remained resilient, while industrial water treatment was more impacted by the slowdown in the economy. Demand in the oil & gas market remained robust. The segment's total revenue increased by 12% to EUR 419 million following higher sales prices. Segment sales volumes declined in water treatment, but this was more than offset by growth in Oil & Gas sales volumes. The operative EBITDA margin improved considerably to 20.5% driven by strong performance in water treatment and margin improvement in the Oil & Gas business. In March 2023, we announced a strategic review of the Oil & Gas business. The review is currently ongoing and we will disclose further details in due course.

The pulp and paper market has weakened and market volumes are expected to remain weak during 2023. On the other hand, performance in our Industry & Water segment has been stronger than we anticipated at the start of the year. We have kept our outlook for 2023 unchanged. We expect revenue to be between EUR 3,200 and EUR 3,700 million and operative EBITDA to be between EUR 550 and EUR 650 million (2022: EUR 571.6 million).

Our commitment to sustainability was recognized during the quarter as Kemira was awarded a Platinum level rating for the third consecutive year by EcoVadis. Overall, Kemira is currently in excellent shape: our resilient business model gives us confidence during times of softer market demand and the strong balance sheet also gives us flexibility should interesting M&A opportunities arise."



*On July 11, 2023, Kemira announced that President & CEO Jari Rosendal will be on sick leave for the time being. On July 18, 2023 Kemira announced that CFO Petri Castrén has been appointed Interim President & CEO.

KEY FIGURES AND RATIOS

EUR million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2023	2022	2023	2022	2022
Revenue	840.1	861.4	1,746.1	1,629.4	3,569.6
Operative EBITDA	151.0	122.1	343.7	242.1	571.6
Operative EBITDA, %	18.0	14.2	19.7	14.9	16.0
EBITDA	147.4	123.2	331.5	236.7	558.8
EBITDA, %	17.5	14.3	19.0	14.5	15.7
Operative EBIT	100.9	69.7	242.8	138.6	361.6
Operative EBIT, %	12.0	8.1	13.9	8.5	10.1
EBIT	97.2	69.1	230.6	131.3	347.6
EBIT, %	11.6	8.0	13.2	8.1	9.7
Net profit for the period	67.7	46.9	163.2	89.1	239.7
Earnings per share, diluted, EUR	0.42	0.29	1.02	0.56	1.50

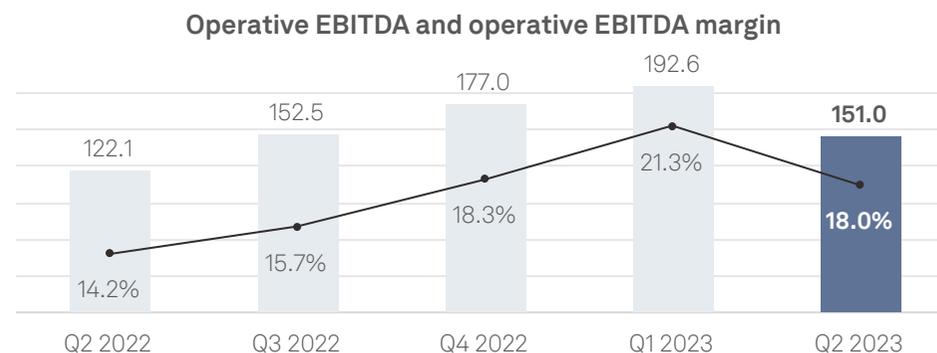
Unless otherwise stated, all comparisons in this report are made to the corresponding period in 2022. Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets 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	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2023	2022	2023	2022	2022
Capital employed*	2,221.5	2,113.6	2,221.5	2,113.6	2,238.0
Operative ROCE*, %	21.0	11.8	21.0	11.8	16.2
ROCE*, %	20.1	9.7	20.1	9.7	15.5
Cash flow from operating activities	142.9	41.6	239.6	30.6	400.3
Capital expenditure excl. acquisition	48.8	38.5	77.9	64.7	197.9
Capital expenditure	48.8	38.5	79.7	64.7	197.9
Cash flow after investing activities	103.3	6.7	169.8	-29.9	222.3
Equity ratio, % at period-end	48	43	48	43	46
Equity per share, EUR	10.51	10.09	10.51	10.09	10.89
Gearing, % at period-end	41	61	41	61	46

*12-month rolling average

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



FINANCIAL PERFORMANCE IN Q2 2023

Revenue decreased by 2%. Revenue in local currencies, excluding acquisitions and divestments, increased by 0.5%. Sales prices increased in both segments, particularly in Industry & Water. Total sales volumes declined due to lower sales volumes in Pulp & Paper. Sales volumes in Industry & Water increased.

Revenue	Apr-Jun 2023 EUR million	Apr-Jun 2022 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	421.2	487.6	-14	-10	-2	-2
Industry & Water	418.9	373.8	+12	+14	-2	0
Total	840.1	861.4	-2	0	-2	-1

*Revenue growth in local currencies, excluding acquisitions and divestments

Operative EBITDA increased by 24% to EUR 151.0 million (122.1) driven by strong improvement in the Industry & Water segment. The operative EBITDA margin increased to 18.0%. It improved in both segments, particularly in Industry & Water following strong performance in water treatment and margin improvement in the Oil & Gas business. The impact of caustic soda normalized during Q2 2023.

Variance analysis, EUR million	Apr-Jun
Operative EBITDA, 2022	122.1
Sales volumes	-17.2
Sales prices	+65.6
Variable costs	+2.2
Fixed costs	-13.6
Currency exchange	-1.1
Others	-6.9
Operative EBITDA, 2023	151.0

Operative EBITDA	Apr-Jun 2023 EUR million	Apr-Jun 2022 EUR million	Δ%	Apr-Jun 2023 %-margin	Apr-Jun 2022 %-margin
Pulp & Paper	65.2	73.6	-11	15.5	15.1
Industry & Water	85.8	48.5	+77	20.5	13.0
Total	151.0	122.1	+24	18.0	14.2

EBITDA increased by 20% to EUR 147.4 million (123.2). The difference between it and operative EBITDA is explained by **items affecting comparability**, which were mainly related to portfolio actions, including a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period were mainly related to a gain on sale of land in Finland.

Items affecting comparability, EUR million	Apr-Jun 2023	Apr-Jun 2022
Within EBITDA	-3.7	1.2
Pulp & Paper	-1.3	1.3
Industry & Water	-2.4	-0.1
Within depreciation, amortization and impairments	0.0	-1.9
Pulp & Paper	0.0	-1.9
Industry & Water	0.0	0.0
Total items affecting comparability in EBIT	-3.7	-0.7

Depreciation, amortization and impairments were EUR 50.1 million (54.2), including EUR 1.8 million (2.4) in amortization of purchase price allocation.

Operative EBIT increased by 45% due to higher EBITDA. **EBIT** increased by 41%, and the difference between the two is explained by items affecting comparability, which were mainly related to portfolio actions, including a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period were mainly related to a gain on sale of land in Finland and Kemira's exit from Russia.

Net finance costs totaled EUR -12.1 million (-8.9). The increase was driven by higher interest rates. **Income taxes** were EUR -17.4 million (-13.3), with the reported tax rate

being 20% (22%). **Net profit for the period** increased by 44% mainly due to higher EBIT.



FINANCIAL PERFORMANCE IN JANUARY-JUNE 2023

Revenue increased by 7%. Revenue in local currencies, excluding acquisitions and divestments, increased by 8% driven by the Industry & Water segment. Sales prices increased in all product groups in both segments. Sales volumes decreased following lower sales volumes in Pulp & Paper. In Industry & Water, sales volumes increased as a whole.

Revenue	Jan-Jun 2023 EUR million	Jan-Jun 2022 EUR million	Δ%	Organic growth*, %	Currency impact, %	Acq. & div. impact, %
Pulp & Paper	925.8	934.1	-1	0	0	-1
Industry & Water	820.3	695.3	+18	+19	-1	0
Total	1,746.1	1,629.4	+7	+8	-1	-1

*Revenue growth in local currencies, excluding acquisitions and divestments

Geographically, the revenue split was as follows: EMEA (Europe, Middle East, Africa) 50% (51%), the Americas 42% (39%), and Asia Pacific 8% (10%).

Operative EBITDA increased by 42% to EUR 343.7 million (242.1). Operative EBITDA improved in both segments, particularly in Industry & Water, due to higher sales prices, which were partially offset by higher variable and fixed costs. The high market prices of caustic soda had an exceptionally positive impact on the operative EBITDA in Q1 2023. The operative EBITDA margin improved to 19.7% following improvement in both segments, particularly in Industry & Water.

Variance analysis, EUR million	Jan-Jun
Operative EBITDA, 2022	242.1
Sales volumes	-26.3
Sales prices	+239.9
Variable costs	-72.8
Fixed costs	-37.0
Currency exchange	+4.8
Others	-7.1
Operative EBITDA, 2023	343.7

	Jan-Jun 2023 EUR million	Jan-Jun 2022 EUR million	Δ%	Jan-Jun 2023 %-margin	Jan-Jun 2022 %-margin
Operative EBITDA					
Pulp & Paper	174.6	144.8	+21	18.9	15.5
Industry & Water	169.1	97.3	+74	20.6	14.0
Total	343.7	242.1	+42	19.7	14.9

EBITDA increased by 40% to EUR 331.5 million (236.7). The difference between it and operative EBITDA is explained by items affecting comparability. **Items affecting** comparability mainly consisted of a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period were mainly related to Kemira's exit from Russia.

Items affecting comparability, EUR million	Jan-Jun 2023	Jan-Jun 2022
Within EBITDA	-12.1	-5.4
Pulp & Paper	-9.8	-3.5
Industry & Water	-2.4	-1.8
Within depreciation, amortization and impairments	0.0	-2.0
Pulp & Paper	0.0	-2.0
Industry & Water	0.0	0.0
Total	-12.1	-7.3

Depreciation, amortization, and impairments were EUR 100.9 million (105.5), including the EUR 3.7 million (5.5) amortization of purchase price allocation.

Operative EBIT increased by 75% compared to the previous year. **EBIT** increased by 76%, and the difference between the two is explained by items affecting comparability, which were mainly related to a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period were mainly related to Kemira's exit from Russia.

Net finance costs totaled EUR -22.9 million (-16.7). The increase was due to higher interest rate levels. **Income taxes** were EUR -44.6 million (-25.4), with the reported tax rate being 21% (22%). **Net profit** for the period increased by 83% mainly due to higher EBIT.



FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities in January-June 2023 increased to EUR 239.6 million (30.6) due to lower net working capital and higher net profit for the period. Cash flow after investing activities was strong at EUR 169.8 million (-29.9).

At the end of the period, interest-bearing liabilities totaled EUR 965.1 million (1,106.3), including lease liabilities of EUR 149.9 million (152.5). The average interest rate of the Group's interest-bearing loan portfolio (excluding leases) was 2.6% (1.7%), and the duration was 20 months (25). Fixed-rate loans accounted for 96% (67%) of net interest-bearing liabilities, including lease liabilities.

Short-term liabilities maturing in the next 12 months amounted to EUR 325.5 million. On June 30, 2023, cash and cash equivalents totaled EUR 299.5 million (147.3). The Group has a EUR 400 million undrawn committed credit facility maturing in 2026.

At the end of the period, Kemira Group's net debt was EUR 665.5 million (959.0), including lease liabilities. The equity ratio was 48% (43%), while gearing was 41% (61%).

The fair value of Pohjolan Voima and Teollisuuden Voima shares decreased during H1 2023 mainly due to lower electricity forward prices and long-term forecasts. Olkiluoto 3 started regular electricity production during Q2 2023 and Kemira's indirect ownership through PVO's B2 shares has now been valued with the discounted cash flow method for the first time. The value of PVO B2 share series increased to EUR 69 million at the end of June 2023. More information can be found in note 6.

CAPITAL EXPENDITURE

In January-June 2023, capital expenditure excluding acquisitions increased by 20% to EUR 77.9 million (64.7). Capital expenditure excluding acquisitions (capex) can be broken down as follows: expansion capex 22% (22%), improvement capex 29% (29%), and maintenance capex 49% (49%).

RESEARCH AND DEVELOPMENT

In January-June 2023, total research and development expenses were EUR 17.5 million (15.5), representing 1.0% (0.9%) of the Group's revenue.

HUMAN RESOURCES

At the end of the period, Kemira Group had 4,989 employees (4,976). Kemira had 845 (818) employees in Finland, 1,727 (1,728) employees elsewhere in EMEA, 1,488 (1,511) in the Americas, and 929 (919) 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). In May 2023, Kemira achieved a Platinum level rating for the third consecutive year for its sustainability performance by EcoVadis, the global sustainability rating platform. Kemira remains among the top 1% of companies rated worldwide with a score increase of 2 points to 80/100 (78/100 in 2022) e.g. due to its progress in sustainable procurement through engagement with suppliers on climate-related issues.

Sustainability performance in Q2 2023

SAFETY

TRIF in H1 2023 improved compared to H1 2022 (2.8 vs 3.2). The lessons from all incidents have been shared in our organization, and work continues to improve our 2023 safety performance toward our 2023 TRIF target (1.9).

PEOPLE

Kemira's target is to reach the top 10% cross industry benchmark for Diversity & Inclusion by the end of 2025. In May 2023, the Inclusion index (previously known as the Diversity & Inclusion Index) improved 1 point from Oct 2022. In Q2 2023, we continued the Diversity, Equity & Inclusion program and related activities, e.g. launching eLearning course Diversity Equity & Inclusion to all employees. We also implemented gender pay equity gap remediation for affected employees. The remediation followed a pay equity analysis, where the baseline situation was found to be good. Therefore, we will start the second half of 2023 without unjustified gender pay equity differences. Based on MyVoice pulse survey May 2023, our Employee Engagement score was 79, which is 5 points above the manufacturing benchmark of 74.

CIRCULARITY

During Q2 2023, work to reduce waste continued with the identification of new opportunities including improving the efficiency of raw material use at Kemira's coagulant sites.

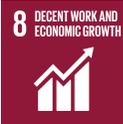
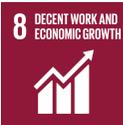
WATER

Kemira's water risk assessment was updated during Q2 2023. Based on the assessment, no material short-term site-specific water-related risks were identified. Also the number of sites

located in water stress areas remained the same (2023: 9 out of 61 sites; 2040 business as usual scenario (steadily rising carbon emissions): 14 of 61 sites).

CLIMATE

The Q2 2023 data for Kemira's Scope 1 and Scope 2 emissions will be available on Kemira's website kemira.com/investors in August. Kemira signed a new wind Power Purchase Agreement (PPA) in Finland, which will further support Kemira's Scope 1&2 emissions reduction commitment. With this PPA and other national decarbonization actions, Kemira's electricity footprint in Finland will be decarbonized in 2025. Kemira also received its CDP Climate Change supplier engagement rating for 2022 (A-, which is in the Leadership band).

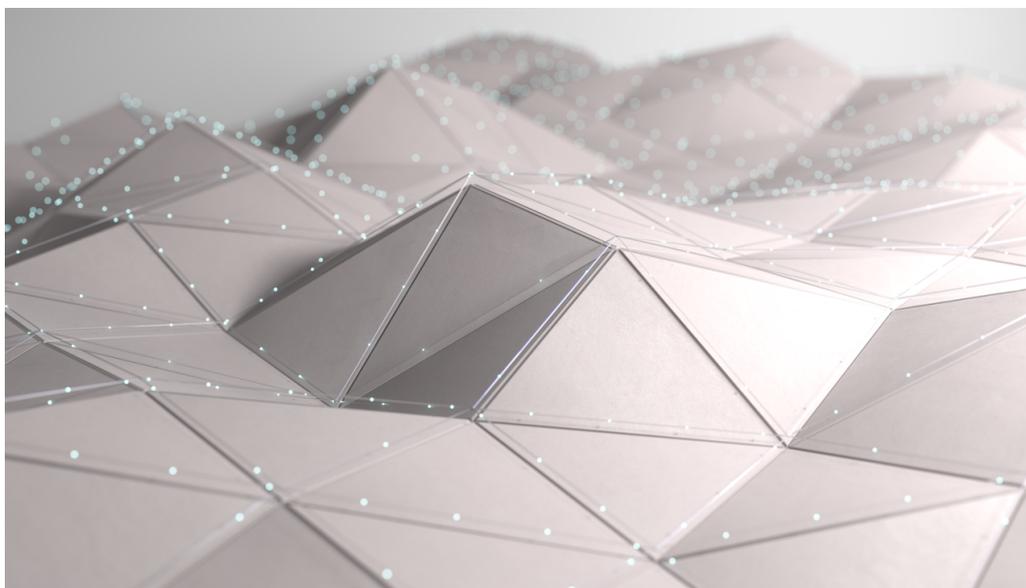
SDG	KPI	UNIT	2022	2021
	SAFETY TRIF* 1.5 by the end of 2025 and 1.1 by the end of 2030		2.6	2.7
	*TRIF = total recordable injury frequency per million			
	PEOPLE Reach top 10% cross industry norm for Diversity & Inclusion by the end of 2025		Slightly below top 25%	Slightly below top 25%
	CIRCULARITY Reduce waste intensity** by 15% by the end of 2030 from a 2019 baseline of 4.6	kg/tonnes of production	4.4	4.3
	**kilograms of disposed production waste per metric tonnes of production			
	Biobased products > EUR 500 million revenue by the end of 2030	EUR million	~250	~200
	WATER Reach the Leadership level (A-/A) in water management by the end of 2025 measured by CDP Water Security scoring methodology.	Rate scale A-D	B	B
	CLIMATE Scopes 1 & 2*** emissions -50% by the end of 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 needs 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.



	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
EUR million	2023	2022	2023	2022	2022
Revenue	421.2	487.6	925.8	934.1	2,027.7
Operative EBITDA	65.2	73.6	174.6	144.8	348.0
Operative EBITDA, %	15.5	15.1	18.9	15.5	17.2
EBITDA	63.9	74.9	164.8	141.3	336.6
EBITDA, %	15.2	15.4	17.8	15.1	16.6
Operative EBIT	37.6	42.8	117.9	83.5	225.7
Operative EBIT, %	8.9	8.8	12.7	8.9	11.1
EBIT	36.3	42.3	108.1	78.0	213.1
EBIT, %	8.6	8.7	11.7	8.4	10.5
Capital employed*	1,310.2	1,284.6	1,310.2	1,284.6	1,337.7
Operative ROCE*, %	19.9	11.4	19.9	11.4	16.9
ROCE*, %	18.6	8.6	18.6	8.6	15.9
Capital expenditure excl. M&A	31.3	24.7	50.7	42.6	122.5
Capital expenditure incl. M&A	31.3	24.7	52.5	42.6	122.5
Cash flow after investing activities	62.1	49.3	115.8	25.6	207.2

*12-month rolling average

Second quarter:

The segment's **revenue** decreased by 14%. Revenue in local currencies, excluding acquisitions and divestments, decreased by 10% as sales volumes declined in line with weak market demand following inventory destocking in the customer value chain. Sales volumes declined in all product groups, particularly in pulp and bleaching chemicals. Sales prices increased. Currencies had a negative impact. Sequentially sales prices and sales volumes declined, particularly in energy-intensive pulp and bleaching chemicals. Market prices of caustic soda moderated during Q2 2023.

In **EMEA**, revenue decreased by 18% as sales volumes declined in all product groups due to weak market demand. Sales prices increased. The market prices of caustic soda moderated during Q2 2023. In **the Americas**, revenue decreased by 7%.

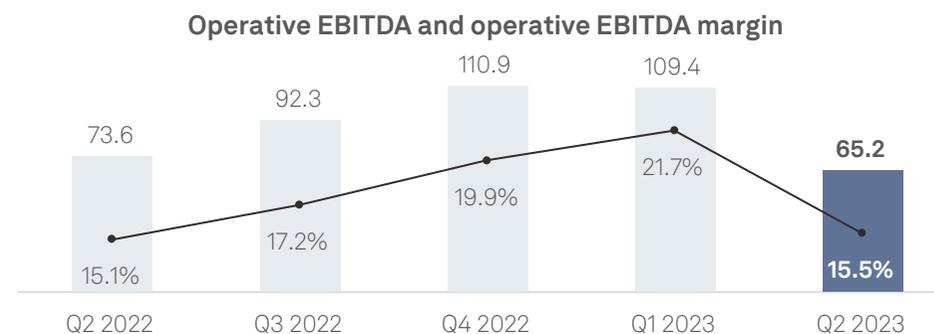
Revenue in local currencies, excluding acquisitions and divestments, decreased by 2% as higher sales prices were more than offset by lower sales volumes. In **APAC**, revenue decreased by 9%. Revenue in local currencies, excluding acquisitions and divestments, decreased by 4% due to lower sales prices. Sales volumes increased slightly.

Operative EBITDA decreased by 11% as the impact of higher sales prices and lower variable costs were more than offset by lower sales volumes. The impact of caustic soda on operative EBITDA normalized during the quarter. The operative EBITDA margin increased to 15.5%, but declined sequentially from an exceptionally strong Q1 2023. **EBITDA** decreased by 15%. The difference between it and operative EBITDA is explained by items affecting comparability, which were related to a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period mainly related to a gain on sale of land in Finland.

January-June:

The segment's **revenue** decreased by 1%. Revenue in local currencies (excluding divestments and acquisitions) remained stable. The impact of higher sales prices was offset by lower sales volumes. Sales prices increased in all product groups. Market prices of caustic soda were on a high level during Q1 2023, but moderated during Q2 2023. Sales volumes declined in all product groups.

Operative EBITDA increased by 21% following higher sales prices, which were partly offset by lower sales volumes and higher variable costs year-on-year. The high market prices of caustic soda had an exceptionally positive impact on the operative EBITDA in Q1 2023. The operative EBITDA margin increased to 18.9% due to higher sales prices. **EBITDA** increased by 17%. The difference between it and operative EBITDA is explained by items affecting comparability, which were mainly related to a loss from the divestment of most of our colorants business. Items affecting comparability in the comparison period were mainly related to Kemira's exit from Russia and a gain on sale of land in Finland.



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 the efficiency of oil sands tailings treatment.



	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
EUR million					
Revenue	418.9	373.8	820.3	695.3	1,541.9
Operative EBITDA	85.8	48.5	169.1	97.3	223.7
Operative EBITDA, %	20.5	13.0	20.6	14.0	14.5
EBITDA	83.5	48.4	166.7	95.4	222.2
EBITDA, %	19.9	12.9	20.3	13.7	14.4
Operative EBIT	63.3	26.9	124.8	55.1	135.9
Operative EBIT, %	15.1	7.2	15.2	7.9	8.8
EBIT	61.0	26.8	122.5	53.3	134.5
EBIT, %	14.6	7.2	14.9	7.7	8.7
Capital employed*	911.3	828.7	911.3	828.7	900.3
Operative ROCE*, %	22.6	12.5	22.6	12.5	15.1
ROCE*, %	22.4	11.4	22.4	11.4	14.9
Capital expenditure excl. M&A	17.4	13.8	27.2	22.0	75.4
Capital expenditure incl. M&A	17.4	13.8	27.2	22.0	75.4
Cash flow after investing activities	65.8	-13.4	124.9	-6.4	100.9

*12-month rolling average

Second quarter:

The segment's **revenue** increased by 12%. Revenue in local currencies, excluding acquisitions and divestments, increased by 14% due to higher sales prices in water treatment. Sales volumes as a whole increased. Currencies had a negative impact. Sequentially sales volumes increased, while sales prices decreased slightly.

In the water treatment business, revenue increased by 4% due to higher sales prices. Sales volumes declined following softer demand in industrial water treatment. The revenue of the Oil & Gas business increased by 37% to EUR 122.3 million (89.5) following higher sales volumes, particularly in shale. Sales prices decreased slightly.

In **EMEA**, revenue increased by 1% due to higher sales prices in water treatment. Sales volumes declined. In **the Americas**, revenue increased by 24%. Revenue in local currencies, excluding acquisitions and divestments, increased by 28% as both sales volumes and sales prices increased. In water treatment, revenue growth was driven by higher sales prices, while sales volumes declined. In the Oil & Gas business, revenue growth was driven by higher sales volumes, particularly in shale. Sales prices decreased slightly. In **APAC**, revenue decreased by 26% albeit from a low base.

Operative EBITDA increased by 77% following higher sales prices, particularly in water treatment. The operative EBITDA margin increased to 20.5% following strong performance in water treatment. In addition, the Oil & Gas business saw operative EBITDA margin improvement compared to Q2 2022. **EBITDA** increased by 73%, and the difference from operative EBITDA is explained by items affecting comparability, which were mainly related to portfolio actions.

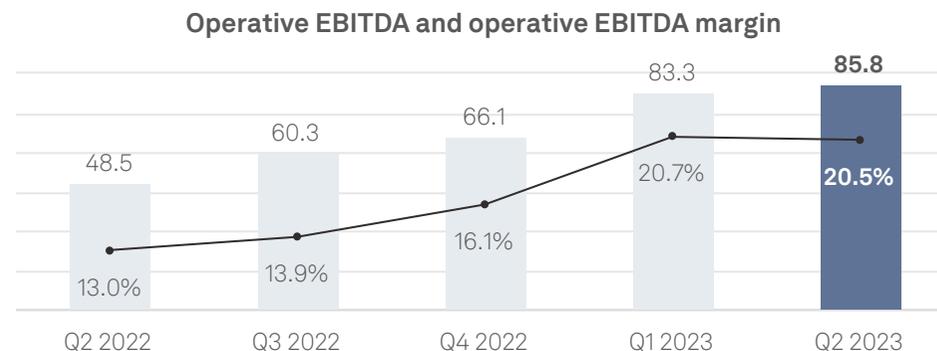


January-June:

The segment's **revenue** increased by 18%. Revenue in local currencies, excluding acquisitions and divestments, increased by 19%. The increase was driven by higher sales prices. Sales volumes were stable. Currencies had a negative impact.

In the water treatment business, revenue increased by 11% due to higher sales prices. Sales volumes declined due to softer demand in industrial water treatment. Revenue in the Oil & Gas business increased by 40% to EUR 222.7 million (158.6) due to higher sales volumes, particularly in shale. Sales prices decreased slightly.

Operative EBITDA increased by 74% following higher sales prices. The operative EBITDA margin increased to 20.6% due to strong performance in water treatment and operative EBITDA margin improvement in the Oil & Gas business. **EBITDA** increased by 75% and the difference from operative EBITDA is explained by items affecting comparability, which were mainly related to portfolio actions.



KEMIRA OYJ'S SHARES AND SHAREHOLDERS

On June 30, 2023, Kemira Oyj's share capital amounted to EUR 221.8 million and the number of shares was 155,342,557. Each share entitles the holder to one vote at the Annual General Meeting.

At the end of June 2023, Kemira Oyj had 49,397 registered shareholders (48,403 on December 31, 2022). Non-Finnish shareholders held 34.7% of the shares (31.5% on December 31, 2022), including nominee-registered holdings. Households owned 19.1% of the shares (19.3% on December 31, 2022). Kemira held 1,722,725 treasury shares (2,215,073 on December 31, 2022), representing 1.1% (1.3% on December 31, 2022) of all company shares.

Kemira Oyj's share price increased by 2% during the reporting period and closed at EUR 14.59 on the Nasdaq Helsinki at the end of June 2023 (14.33 on December 31, 2022). The shares registered a high of EUR 18.22 and a low of EUR 14.22 in January-June 2023, and the average share price was EUR 14.37. The company's market capitalization, excluding treasury shares, was EUR 2,241 million at the end of June 2023 (2,194 December 31, 2022).

In January-June 2023, Kemira Oyj's share trading turnover on the Nasdaq Helsinki was EUR 471 million (EUR 281 million in January-June 2022). The average daily trading volume was 237,136 shares (184,964 in January-June 2022). The total volume of Kemira Oyj's share trading in January-June 2023 was 37 million shares (31 million shares in January-June 2022), 20% (26% in January-June 2022) of which was executed on other trading platforms (e.g. Turquoise, CBOE DXE). Source: Nasdaq and Kemira.com.

Flagging notifications

March 1, 2023: The shareholding of Solidium Oy in Kemira decreased to 5.01 per cent.

January 17, 2023: The shareholding of Impax Asset Management Group plc in Kemira decreased to 4.99 per cent.

AUTHORIZATIONS

The Annual General Meeting 2023 authorized the Board of Directors to decide upon the repurchase of a maximum of 6,000,000 of the company's own shares ("share repurchase authorization"). The share repurchase authorization is valid until the end of the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide to issue a maximum of 15,600,000 new shares and/or transfer a maximum of 7,800,000 company's own shares held by the company ("share issue authorization"). The share issue authorization is valid until May 31, 2024.

DIVIDEND

The Annual General Meeting 2023 approved the Board of Directors' proposal of EUR 0.62 per share for the financial year 2022. The dividend will be paid in two installments. The first installment of EUR 0.31 per share was paid to a shareholder who was registered in the company's shareholder register maintained by Euroclear Finland Ltd on the record date for the dividend payment, March 24, 2023. The first installment of the dividend was paid on April 5, 2023.

The Board of Directors will decide on the record date and the payment date for the second dividend installment of EUR 0.31 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 will announce the resolution of the Board of Directors with a separate stock exchange release and confirm the record and payment dates.

SHORT-TERM RISKS AND UNCERTAINTIES

There have been changes to Kemira's short-term risks and uncertainties compared to the situation on December 31, 2022. The pulp and paper market weakened clearly during Q2 2023 due to larger and longer-than-expected inventory destocking in the customer value chain. Also Kemira's sales volumes in the Pulp & Paper segment declined during Q2 2023. Kemira's expects demand in the pulp and paper market to be weak in 2023.

A detailed description of Kemira's risk management principles is available on the company's website at kemira.com > investors > [risks and uncertainties](#). Financial risks are described in the Notes to the [Financial Statements for the year 2022](#).

Risks and impacts of the war in Ukraine

The risks and impacts of the war in Ukraine have been described in more detail in Kemira's [Financial Statements for the year 2022](#). There have been no material changes to the situation compared to the situation on December 31, 2022.

At the end of June 2023, net assets in Russia amounted to around EUR 6 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is working to repatriate funds from Russia.

For Kemira's 2023 outlook, including assumptions behind the outlook, please refer to the section "Outlook" on page [19](#).

CHANGES IN KEMIRA'S MANAGEMENT BOARD

On [March 21, 2023](#), Kemira announced that Tuija Pohjolainen-Hiltunen was appointed as President, Industry & Water segment as of May 1, 2023.

On [February 1, 2023](#), Kemira announced that Linus Hildebrandt was appointed as Executive Vice President, Strategy. He started on June 1, 2023.

OTHER EVENTS DURING THE REVIEW PERIOD

On [June 9, 2023](#), Kemira announced the Members of the Nomination Board. The Nomination Board consists of representatives of the four largest shareholders of Kemira Oyj as of May 31 preceding the Annual General Meeting.

Strategic review of the Oil & Gas business

On [March 29, 2023](#), Kemira announced a strategic review of its Oil & Gas business. Kemira will evaluate the strategic options for its Oil & Gas business, including a potential sale of the business. Kemira will provide updates on the progress of the strategic review in due course.

The announced strategic review will have no impact on Kemira's operational activities. Kemira's outlook for 2023 is based on Kemira's existing portfolio, including the Oil & Gas business.

ACQUISITIONS AND DIVESTMENTS

On [May 5, 2023](#), Kemira announced closing of the divestment of most of its colorants business to ChromaScape.

On [January 25, 2023](#), Kemira announced that it had acquired SimAnalytics, a Finnish process optimization start-up. Kemira invested in SimAnalytics in August 2021 and now acquired the remainder of the business. The acquisition will support Kemira's ambition to grow in services with data-driven predictive services and machine learning solutions.

EVENTS AFTER THE REVIEW PERIOD

On [July 11, 2023](#), Kemira announced that President & CEO Jari Rosendal will be on sick leave for the time being. During his absence, Kemira Oyj Group General Counsel, Deputy CEO Jukka Hakkila will assume the duties of the CEO for the time being.

On July 18, 2023, Kemira announced that Kemira's Board of Directors and President & CEO Jari Rosendal have agreed that Jari Rosendal will leave his position as the President & CEO latest during 2024. Kemira's Board of Directors has decided to initiate the search for his successor.

On July 18, 2023, Kemira announced that CFO Petri Castrén has been appointed Interim President & CEO as of July 18, 2023. Petri Castrén will act as the Interim President & CEO until Jari Rosendal returns from sick leave or the new President & CEO starts in his position.



OUTLOOK FOR 2023 (unchanged)

Revenue

Kemira's revenue is expected to be between EUR 3,200 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 550 and EUR 650 million in 2023 (2022: EUR 571.6 million).

Assumptions behind outlook (specified)

Kemira's end-market demand (in volumes) is expected to decline. Demand is expected to be resilient in water treatment, while demand in the pulp and paper market is expected to be weak following economic slowdown and continued destocking in the customer value chain. Demand in the oil & gas market is expected to grow. Variable costs overall are expected to decline, while electricity prices are expected to remain above long-term average in Europe. Market prices for caustic soda are expected to moderate during 2023. 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. The outlook is based on Kemira's current portfolio, including the Oil & Gas business.

FINANCIAL TARGETS

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

Helsinki, July 17, 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 AND 2024

Interim report January-September 2023	October 24, 2023
Financial Statements Bulletin for the year 2023	February 9, 2024
Annual Report 2023 will be published the week starting February 12, 2024.	
Interim report January-March 2024	April 26, 2024
Half-year financial report January-June 2024	July 17, 2024
Interim report January-September 2024	October 25, 2024

The Annual General Meeting is scheduled for Wednesday, March 20, 2024.

WEBCAST AND CONFERENCE CALL FOR PRESS AND ANALYSTS

Kemira will arrange a webcast for analysts, investors, and the media on Tuesday, July 18, 2023, starting at 10.30 am EEST (8.30 am UK time). During the webcast, Kemira's Interim President & CEO 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 following link:

<http://palvelu.flik.fi/teleconference/?id=1008734>

After the registration you will be provided with phone numbers and a conference ID to access the conference. If you wish to ask a question please, dial *5 on your telephone keypad to enter the queue.

KEMIRA GROUP - FINANCIALS OF HALF-YEAR FINANCIAL REPORT 2023

CONSOLIDATED INCOME STATEMENT

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Revenue	840.1	861.4	1,746.1	1,629.4	3,569.6
Other operating income	2.1	3.0	4.5	3.8	18.2
Operating expenses	-694.8	-741.1	-1,418.8	-1,396.6	-3,029.3
Share of profit or loss of associates	0.0	0.0	-0.3	0.0	0.3
EBITDA	147.4	123.2	331.5	236.7	558.8
Depreciation, amortization and impairments	-50.1	-54.2	-100.9	-105.5	-211.2
Operating profit (EBIT)	97.2	69.1	230.6	131.3	347.6
Finance costs, net	-12.1	-8.9	-22.9	-16.7	-39.4
Profit before taxes	85.1	60.2	207.8	114.5	308.2
Income taxes	-17.4	-13.3	-44.6	-25.4	-68.5
Net profit for the period	67.7	46.9	163.2	89.1	239.7
Net profit attributable to					
Equity owners of the parent company	64.7	45.0	157.6	85.5	231.7
Non-controlling interests	3.0	2.0	5.5	3.6	8.0
Net profit for the period	67.7	46.9	163.2	89.1	239.7
Earnings per share, basic, EUR	0.42	0.29	1.03	0.56	1.51
Earnings per share, diluted, EUR	0.42	0.29	1.02	0.56	1.50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Net profit for the period	67.7	46.9	163.2	89.1	239.7
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	0.2	25.7	-11.2	43.6	17.5
Cash flow hedges	-5.5	58.4	-51.2	63.8	39.2
Items that will not be reclassified subsequently to profit or loss					
Other shares	13.0	112.9	-56.7	112.9	98.6
Remeasurements of defined benefit plans	—	—	—	—	31.8
Other comprehensive income for the period, net of tax	7.8	196.9	-119.0	220.2	187.1
Total comprehensive income for the period	75.5	243.8	44.1	309.3	426.7
Total comprehensive income attributable to					
Equity owners of the parent company	71.8	241.8	37.8	305.9	418.9
Non-controlling interests	3.7	1.9	6.3	3.4	7.8
Total comprehensive income for the period	75.5	243.8	44.1	309.3	426.7

CONSOLIDATED BALANCE SHEET

EUR million	6/30/2023	6/30/2022	12/31/2022
ASSETS			
Non-current assets			
Goodwill	509.7	526.2	510.5
Other intangible assets	56.4	65.2	61.2
Property, plant and equipment	1,064.9	1,070.2	1,080.2
Right-of-use assets	145.6	150.5	146.0
Investments in associates	4.5	4.8	5.1
Other shares	311.1	401.2	383.3
Deferred tax assets	25.8	29.9	27.1
Other financial assets	13.5	49.9	31.0
Receivables of defined benefit plans	79.7	63.3	78.4
Total non-current assets	2,211.1	2,361.3	2,322.8
Current assets			
Inventories	383.9	490.6	433.7
Interest-bearing receivables	0.3	0.3	0.3
Trade receivables and other receivables	494.4	620.4	603.7
Current income tax assets	21.3	18.6	18.7
Cash and cash equivalents	299.5	147.3	250.6
Total current assets	1,199.5	1,277.3	1,307.0
Assets classified as held-for-sale	—	—	21.3
Total assets	3,410.5	3,638.6	3,651.1

EUR million	6/30/2023	6/30/2022	12/31/2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity owners of the parent company	1,614.7	1,547.9	1,669.9
Non-controlling interests	20.7	17.3	14.7
Total equity	1,635.4	1,565.1	1,684.6
Non-current liabilities			
Interest-bearing liabilities	639.6	811.2	838.1
Other financial liabilities	9.8	9.6	9.4
Deferred tax liabilities	91.0	117.9	118.2
Liabilities of defined benefit plans	64.6	91.8	66.9
Provisions	37.8	46.9	38.4
Total non-current liabilities	842.8	1,077.5	1,070.9
Current liabilities			
Interest-bearing liabilities	325.5	295.1	183.7
Trade payables and other liabilities	552.6	647.5	635.2
Current income tax liabilities	40.0	35.5	57.2
Provisions	14.3	17.9	18.8
Total current liabilities	932.3	996.0	894.9
Total liabilities	1,775.1	2,073.5	1,965.8
Liabilities classified as held-for-sale	—	—	0.7
Total equity and liabilities	3,410.5	3,638.6	3,651.1

CONSOLIDATED CASH FLOW STATEMENT

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Cash flow from operating activities					
Net profit for the period	67.7	46.9	163.2	89.1	239.7
Total adjustments	74.7	75.8	173.2	156.8	348.1
Cash flow before change in net working capital	142.4	122.7	336.3	246.0	587.8
Change in net working capital	25.0	-52.0	-25.8	-166.2	-101.8
Cash generated from operations before financing items and taxes	167.5	70.7	310.6	79.7	486.0
Finance expenses, net and dividends received	-11.3	-20.2	-8.9	-30.9	-52.2
Income taxes paid	-13.2	-8.9	-62.0	-18.2	-33.5
Net cash generated from operating activities	142.9	41.6	239.6	30.6	400.3
Cash flow from investing activities					
Purchases of subsidiaries and business acquisitions, net of cash acquired	—	—	-1.9	—	—
Other capital expenditure	-48.8	-38.5	-77.9	-64.7	-197.9
Proceeds from sale of assets and capital repayments	9.0	3.5	9.5	3.7	19.1
Decrease (+) / increase (-) in loan receivables	0.2	0.2	0.4	0.4	0.8
Net cash used in investing activities	-39.6	-34.9	-69.8	-60.5	-178.0

EUR million	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities	—	—	0.1	15.9	195.9
Repayments of non-current liabilities	—	-52.8	—	-52.8	-202.8
Short-term financing, net increase (+) / decrease (-)	-18.9	86.4	-51.4	126.0	21.4
Repayments of lease liabilities	-9.1	-8.7	-18.3	-17.2	-35.1
Dividends paid	-48.6	-44.5	-48.6	-44.5	-95.9
Net cash used in financing activities	-76.6	-19.4	-118.2	27.5	-116.4
Net decrease (-) / increase (+) in cash and cash equivalents	26.7	-12.7	51.6	-2.5	105.9
Cash and cash equivalents at end of period	299.5	147.3	299.5	147.3	250.6
Exchange gains (+) / losses (-) on cash and cash equivalents	-0.5	5.6	-2.7	7.4	2.3
Cash and cash equivalents at beginning of period	273.2	154.5	250.6	142.4	142.4
Net decrease (-) / increase (+) in cash and cash equivalents	26.7	-12.7	51.6	-2.5	105.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity owners of the parent company							Total	Non-controlling interests	Total Equity
	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings			
Equity on January 1, 2023	221.8	257.9	278.8	196.3	-36.0	-13.4	764.5	1,669.9	14.7	1,684.6
Net profit for the period	—	—	—	—	—	—	157.6	157.6	5.5	163.2
Other comprehensive income, net of tax	—	—	-107.9	—	-12.0	—	0.1	-119.8	0.8	-119.0
Total comprehensive income	—	—	-107.9	—	-12.0	—	157.7	37.8	6.3	44.1
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-95.2 ¹⁾	-95.2	-0.3	-95.5
Treasury shares issued to the target group of a share-based incentive plan	—	—	—	—	—	1.7	—	1.7	—	1.7
Treasury shares issued to the Board of Directors	—	—	—	—	—	0.1	—	0.1	—	0.1
Share-based payments	—	—	—	—	—	—	0.2	0.2	—	0.2
Transfers in equity	—	—	0.1	—	—	—	-0.1	0.0	—	0.0
Other items	—	—	—	—	—	—	0.2	0.2	—	0.2
Total transactions with owners	—	—	0.1	—	—	1.8	-94.9	-93.0	-0.3	-93.3
Equity on June 30, 2023	221.8	257.9	170.9	196.3	-48.0	-11.6	827.4	1,614.7	20.7	1,635.4

1) On March 24, 2023, the Annual General Meeting approved a dividend of EUR 0.62 per share. The dividend will be paid in two installments. The first installment of EUR 0.31 dividend per share was paid out on April 5, 2023. The second installment of EUR 0.31 dividend per share will be paid out on November 2, 2023, at the earliest.

Kemira had in its possession 1,722,725 treasury shares on June 30, 2023. The average share price of treasury shares was EUR 6.73, and they represented 1.1% of the share capital and the aggregate number of votes conferred by all shares. The aggregate par value of the treasury shares is EUR 2.5 million.

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

Equity attributable to equity owners of the parent company

EUR million	Share capital	Share premium	Fair value and other reserves	Unrestricted equity reserve	Exchange differences	Treasury shares	Retained earnings	Total	Non-controlling interests	Total Equity
Equity on January 1, 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	—	—	—	—	—	—	85.5	85.5	3.6	89.1
Other comprehensive income, net of tax	—	—	176.7	—	43.8	—	—	220.5	-0.2	220.2
Total comprehensive income	—	—	176.7	—	43.8	—	85.5	305.9	3.4	309.3
Transactions with owners										
Dividends paid	—	—	—	—	—	—	-88.9 ²⁾	-88.9	—	-88.9
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	—	—	—	—	—	—	0.3	0.3	—	0.3
Transfers in equity	—	—	0.1	—	—	—	-0.1	—	—	—
Total transactions with owners	—	—	0.1	—	—	1.6	-88.7	-86.9	—	-86.9
Equity on June 30, 2022	221.8	257.9	317.7	196.3	-9.9	-13.3	577.3	1,547.9	17.3	1,565.1

2) 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.

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.

	2023	2023	2022	2022	2022	2022	2023	2022	2022
	4-6	1-3	10-12	7-9	4-6	1-3	1-6	1-6	1-12
Income statement and profitability									
Revenue, EUR million	840.1	906.0	968.2	971.9	861.4	768.1	1,746.1	1,629.4	3,569.6
Operative EBITDA, EUR million	151.0	192.6	177.0	152.5	122.1	120.0	343.7	242.1	571.6
Operative EBITDA, %	18.0	21.3	18.3	15.7	14.2	15.6	19.7	14.9	16.0
EBITDA, EUR million	147.4	184.1	184.8	137.3	123.2	113.5	331.5	236.7	558.8
EBITDA, %	17.5	20.3	19.1	14.1	14.3	14.8	19.0	14.5	15.7
Items affecting comparability in EBITDA, EUR million	-3.7	-8.5	7.8	-15.3	1.2	-6.5	-12.1	-5.4	-12.8
Operative EBIT, EUR million	100.9	141.9	123.4	99.5	69.7	68.9	242.8	138.6	361.6
Operative EBIT, %	12.0	15.7	12.7	10.2	8.1	9.0	13.9	8.5	10.1
Operating profit (EBIT), EUR million	97.2	133.4	131.8	84.5	69.1	62.2	230.6	131.3	347.6
Operating profit (EBIT), %	11.6	14.7	13.6	8.7	8.0	8.1	13.2	8.1	9.7
Items affecting comparability in EBIT, EUR million	-3.7	-8.5	8.4	-15.0	-0.7	-6.7	-12.1	-7.3	-14.0
Amortization and impairments of Intangible assets	-4.7	-4.8	-4.8	-5.0	-5.4	-5.8	-9.6	-11.2	-21.0
Of which purchase price allocation (PPA) related	-1.8	-1.9	-1.8	-2.0	-2.4	-3.1	-3.7	-5.5	-9.4
Depreciations and impairments of Property, plant and equipment	-35.7	-36.7	-38.8	-38.8	-39.4	-36.5	-72.4	-76.0	-153.6
Depreciations of right-of-use assets	-9.7	-9.2	-9.5	-8.9	-9.3	-8.9	-18.9	-18.2	-36.7
Return on investment (ROI), %	13.6	18.9	18.8	12.2	9.9	9.4	16.1	9.4	12.7
Capital employed, EUR million ¹⁾	2,221.5	2,244.5	2,238.0	2,194.9	2,113.6	2,045.4	2,221.5	2,113.6	2,238.0
Operative ROCE, %	21.0	19.4	16.2	13.0	11.8	11.7	21.0	11.8	16.2
ROCE, %	20.1	18.7	15.5	10.6	9.7	8.7	20.1	9.7	15.5

	2023	2023	2022	2022	2022	2022	2023	2022	2022
	4-6	1-3	10-12	7-9	4-6	1-3	1-6	1-6	1-12
Cash flow									
Net cash generated from operating activities, EUR million	142.9	96.7	254.9	114.8	41.6	-10.9	239.6	30.6	400.3
Capital expenditure, EUR million	48.8	31.0	89.8	43.5	38.5	26.1	79.7	64.7	197.9
Capital expenditure excl. acquisitions, EUR million	48.8	29.1	89.8	43.5	38.5	26.1	77.9	64.7	197.9
Capital expenditure excl. acquisitions / revenue, %	5.8	3.2	9.3	4.5	4.5	3.4	4.5	4.0	5.5
Cash flow after investing activities, EUR million	103.3	66.5	180.0	72.3	6.7	-36.6	169.8	-29.9	222.3
Balance sheet and solvency									
Equity ratio, %	48.0	45.5	46.2	44.2	43.0	40.3	48.0	43.0	46.2
Gearing, %	40.7	45.4	45.8	54.5	61.3	68.2	40.7	61.3	45.8
Interest-bearing net liabilities, EUR million	665.5	708.2	771.2	906.4	959.0	899.8	665.5	959.0	771.2
Personnel									
Personnel at end of period	4,989	4,944	4,902	4,914	4,976	4,939	4,989	4,976	4,902
Personnel (average)	4,970	4,940	4,910	4,940	4,964	4,928	4,955	4,946	4,936
Key exchange rates at end of period									
USD	1.087	1.088	1.067	0.975	1.039	1.110	1.087	1.039	1.067
CAD	1.442	1.474	1.444	1.340	1.343	1.390	1.442	1.343	1.444
SEK	11.806	11.281	11.122	10.899	10.730	10.337	11.806	10.730	11.122
CNY	7.898	7.476	7.358	6.937	6.962	7.040	7.898	6.962	7.358
BRL	5.279	5.516	5.639	5.258	5.423	5.301	5.279	5.423	5.639
Per share figures, EUR									
Earnings per share (EPS), basic ²⁾	0.42	0.61	0.58	0.38	0.29	0.26	1.03	0.56	1.51
Earnings per share (EPS), diluted ²⁾	0.42	0.60	0.57	0.38	0.29	0.26	1.02	0.56	1.50
Net cash generated from operating activities per share ²⁾	0.93	0.63	1.66	0.75	0.27	-0.07	1.56	0.20	2.61
Equity per share ²⁾	10.51	10.05	10.89	10.77	10.09	8.50	10.51	10.09	10.89
Number of shares (1,000,000)									
Average number of shares, basic ²⁾	153.6	153.4	153.4	153.4	153.4	153.2	153.5	153.3	153.3
Average number of shares, diluted ²⁾	155.1	155.0	154.6	154.3	154.1	154.0	155.0	154.0	154.3
Number of shares at end of period, basic ²⁾	153.6	153.6	153.4	153.4	153.4	153.3	153.6	153.4	153.4
Number of shares at end of period, diluted ²⁾	155.1	155.1	154.9	154.5	154.2	154.0	155.1	154.2	154.9

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), %	= $\frac{\text{Profit before taxes + interest expenses + other financial expenses} \times 100}{\text{Total assets - non-interest-bearing liabilities}^2}$
Operative return on capital employed (Operative ROCE), %	= $\frac{\text{Operative EBIT} \times 100^3}{\text{Capital employed}^4}$
Return on capital employed (ROCE), %	= $\frac{\text{EBIT} \times 100^3}{\text{Capital employed}^4}$
Capital employed	= Property, plant and equipment + right-of-use assets + intangible assets + net working capital + investments in associates
Net working capital	= Inventories + trade receivables + other receivables, excluding derivatives, accrued + interest income and other financing items - trade payables - other liabilities, excluding derivatives, accrued - interest expenses and other financing items

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

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

2) Average

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

4) 12-month rolling average

RECONCILIATION TO IFRS FIGURES

EUR million	2023	2023	2022	2022	2022	2022	2023	2022	2022
	4-6	1-3	10-12	7-9	4-6	1-3	1-6	1-6	1-12
ITEMS AFFECTING COMPARABILITY IN EBITDA AND IN EBIT									
Operative EBITDA	151.0	192.6	177.0	152.5	122.1	120.0	343.7	242.1	571.6
Restructuring and streamlining programs	-1.0	0.0	-1.6	0.1	0.1	-3.1	-1.0	-3.0	-4.5
Transaction and integration expenses in acquisition	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Divestment of businesses and other disposals	-2.6	-8.9	8.9	-15.6	2.0	0.0	-11.5	2.0	-4.6
Other items	0.0	0.4	0.5	0.3	-0.9	-3.5	0.5	-4.4	-3.6
Total items affecting comparability	-3.7	-8.5	7.8	-15.3	1.2	-6.5	-12.1	-5.4	-12.8
EBITDA	147.4	184.1	184.8	137.3	123.2	113.5	331.5	236.7	558.8
Operative EBIT	100.9	141.9	123.4	99.5	69.7	68.9	242.8	138.6	361.6
Total items affecting comparability in EBITDA	-3.7	-8.5	7.8	-15.3	1.2	-6.5	-12.1	-5.4	-12.8
Items affecting comparability in depreciation, amortization and impairments	0.0	0.0	0.6	0.3	-1.9	-0.1	0.0	-2.0	-1.2
Operating profit (EBIT)	97.2	133.4	131.8	84.5	69.1	62.2	230.6	131.3	347.6
ROCE AND OPERATIVE ROCE									
Operative EBIT	100.9	141.9	123.4	99.5	69.7	68.9	242.8	138.6	361.6
Operating profit (EBIT)	97.2	133.4	131.8	84.5	69.1	62.2	230.6	131.3	347.6
Capital employed ¹⁾	2,221.5	2,244.5	2,238.0	2,194.9	2,113.6	2,045.4	2,221.5	2,113.6	2,238.0
Operative ROCE, %	21.0	19.4	16.2	13.0	11.8	11.7	21.0	11.8	16.2
ROCE, %	20.1	18.7	15.5	10.6	9.7	8.7	20.1	9.7	15.5
NET WORKING CAPITAL									
Inventories	383.9	421.5	433.7	474.1	490.6	408.0	383.9	490.6	433.7
Trade receivables and other receivables	494.4	517.6	603.7	701.4	620.4	530.5	494.4	620.4	603.7
Excluding financing items in other receivables	-21.9	-23.7	-71.1	-105.9	-78.6	-30.4	-21.9	-78.6	-71.1
Trade payables and other liabilities	552.6	633.2	635.2	684.8	647.5	624.5	552.6	647.5	635.2
Excluding dividend liability and financing items in other liabilities	-78.2	-127.7	-31.4	-82.1	-82.7	-123.1	-78.2	-82.7	-31.4
Net working capital	382.0	409.9	362.4	466.9	467.6	406.7	382.0	467.6	362.4

EUR million	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-6	2022 1-6	2022 1-12
INTEREST-BEARING NET LIABILITIES									
Non-current interest-bearing liabilities	639.6	832.6	838.1	814.3	811.2	795.5	639.6	811.2	838.1
Current interest-bearing liabilities	325.5	148.8	183.7	266.1	295.1	258.8	325.5	295.1	183.7
Interest-bearing liabilities	965.1	981.4	1,021.8	1,080.4	1,106.3	1,054.4	965.1	1,106.3	1,021.8
Cash and cash equivalents	299.5	273.2	250.6	173.9	147.3	154.5	299.5	147.3	250.6
Interest-bearing net liabilities	665.5	708.2	771.2	906.4	959.0	899.8	665.5	959.0	771.2

1) 12-month rolling average

NOTES OF HALF-YEAR FINANCIAL REPORT 2023

1. QUARTERLY SEGMENT INFORMATION

	2023	2023	2022	2022	2022	2022	2023	2022	2022
EUR million	4-6	1-3	10-12	7-9	4-6	1-3	1-6	1-6	1-12
Revenue									
Pulp & Paper	421.2	504.6	556.2	537.3	487.6	446.5	925.8	934.1	2,027.7
Industry & Water	418.9	401.5	412.0	434.6	373.8	321.5	820.3	695.3	1,541.9
Total	840.1	906.0	968.2	971.9	861.4	768.1	1,746.1	1,629.4	3,569.6
Operative EBITDA									
Pulp & Paper	65.2	109.4	110.9	92.3	73.6	71.3	174.6	144.8	348.0
Industry & Water	85.8	83.3	66.1	60.3	48.5	48.8	169.1	97.3	223.7
Total	151.0	192.6	177.0	152.5	122.1	120.0	343.7	242.1	571.6
Items affecting comparability in EBITDA									
Pulp & Paper	-1.3	-8.5	7.2	-15.1	1.3	-4.8	-9.8	-3.5	-11.4
Industry & Water	-2.4	0.0	0.6	-0.2	-0.1	-1.7	-2.4	-1.8	-1.4
Total	-3.7	-8.5	7.8	-15.3	1.2	-6.5	-12.1	-5.4	-12.8
EBITDA									
Pulp & Paper	63.9	100.9	118.1	77.2	74.9	66.4	164.8	141.3	336.6
Industry & Water	83.5	83.3	66.7	60.1	48.4	47.1	166.7	95.4	222.2
Total	147.4	184.1	184.8	137.3	123.2	113.5	331.5	236.7	558.8
Operative EBIT									
Pulp & Paper	37.6	80.4	80.3	61.8	42.8	40.7	117.9	83.5	225.7
Industry & Water	63.3	61.5	43.1	37.7	26.9	28.2	124.8	55.1	135.9
Total	100.9	141.9	123.4	99.5	69.7	68.9	242.8	138.6	361.6

EUR million	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3	2023 1-6	2022 1-6	2022 1-12
Items affecting comparability in EBIT									
Pulp & Paper	-1.3	-8.5	7.8	-14.9	-0.6	-4.9	-9.8	-5.5	-12.6
Industry & Water	-2.4	0.0	0.6	-0.2	-0.1	-1.7	-2.4	-1.8	-1.4
Total	-3.7	-8.5	8.4	-15.0	-0.7	-6.7	-12.1	-7.3	-14.0
Operating profit (EBIT)									
Pulp & Paper	36.3	71.9	88.1	47.0	42.3	35.7	108.1	78.0	213.1
Industry & Water	61.0	61.5	43.7	37.5	26.8	26.5	122.5	53.3	134.5
Total	97.2	133.4	131.8	84.5	69.1	62.2	230.6	131.3	347.6

2. CHANGES IN PROPERTY, PLANT, AND EQUIPMENT

EUR million	1-6/2023	1-6/2022	1-12/2022
Net book value at beginning of period	1,080.2	1,063.0	1,063.0
Purchases of subsidiaries and asset acquisitions	—	—	—
Increases	72.8	55.9	180.3
Decreases	—	-3.7	-11.5
Depreciation and impairments	-72.6	-76.0	-153.6
Transferred to assets classified as held-for-sale	—	—	-4.8
Exchange rate differences and other changes	-15.4	31.0	6.7
Net book value at end of period	1,064.9	1,070.2	1,080.2

3. CHANGES IN GOODWILL AND OTHER INTANGIBLE ASSETS

EUR million	1-6/2023	1-6/2022	1-12/2022
Net book value at beginning of period	571.7	580.7	580.7
Purchases of subsidiaries and asset acquisitions	3.5	—	—
Increases	5.1	8.7	17.6
Decreases	-0.3	—	—
Amortization and impairments	-9.5	-11.2	-21.0
Transferred to assets classified as held-for-sale	—	—	-13.0
Exchange rate differences and other changes	-4.6	13.2	7.5
Net book value at end of period	566.1	591.5	571.7

4. CHANGES IN RIGHT-OF-USE ASSETS

EUR million	1-6/2023	1-6/2022	1-12/2022
Net book value at beginning of period	146.0	135.8	135.8
Increases	21.0	26.5	45.6
Depreciation and impairments	-18.9	-18.3	-36.7
Transferred to assets classified as held-for-sale	—	—	-0.4
Exchange rate differences and other changes	-2.5	6.4	1.7
Net book value at end of period	145.6	150.5	146.0

5. DERIVATIVE INSTRUMENTS

EUR million	6/30/2023		12/31/2022	
	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives				
Forward contracts	573.0	3.3	619.9	11.3
of which cash flow hedge	72.7	-1.2	71.6	0.3
Other derivatives	GWh	Fair value	GWh	Fair value
Electricity forward contracts, bought	867.3	17.2	1,129.3	79.8
of which cash flow hedge	867.3	17.2	1,129.3	79.8

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

6. FAIR VALUE OF FINANCIAL ASSETS

EUR million	6/30/2023				12/31/2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fair value hierarchy								
Non-current assets								
Other shares	—	—	311.1	311.1	—	—	383.3	383.3
Other investments	—	6.3	—	6.3	—	6.6	—	6.6
Other derivatives, hedge accounting	—	7.2	—	7.2	—	24.4	—	24.4
Current assets								
Currency derivatives	—	8.8	—	8.8	—	13.3	—	13.3
Currency derivatives, hedge accounting	—	0.5	—	0.5	—	1.7	—	1.7
Other derivatives, hedge accounting	—	12.1	—	12.1	—	55.6	—	55.6
Other receivables	—	0.3	—	0.3	—	0.3	—	0.3
Trade receivables	—	406.6	—	406.6	—	449.6	—	449.6
Cash and cash equivalents	—	299.5	—	299.5	—	250.6	—	250.6
Total	—	741.3	311.1	1,052.3	—	802.2	383.3	1,185.5

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

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

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

Level 3 specification on assets:

EUR million	6/30/2023	12/31/2022
Carrying value at beginning of period	383.3	260.0
Effect on other comprehensive income	-71.0	123.2
Decreases	-0.3	—
Reclassifications	-1.0	—
Carrying value at end of period	311.1	383.3

The fair value of Pohjolan Voima and Teollisuuden Voima shares decreased during H1 2023 mainly due to lower electricity forward prices and long-term forecasts. Olkiluoto 3 started regular electricity production during Q2 2023 and Kemira's indirect ownership through PVO's B2 shares has now been valued with the discounted cash flow method for the first time. The value of PVO B2 share series increased to EUR 69 million at the end of June 2023. The shares have been recognized at fair value according to the valuation method described in the Note 3.5 Other Shares in Annual Financial Statement 2022.

7. FAIR VALUE OF FINANCIAL LIABILITIES

EUR million	6/30/2023				12/31/2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fair value hierarchy								
Non-current liabilities								
Interest-bearing liabilities	—	509.6	—	509.6	—	708.0	—	708.0
Current portion of interest-bearing liabilities	—	199.0	—	199.0	—	—	—	—
Other liabilities	—	8.7	—	8.7	—	9.3	—	9.3
Current portion of other liabilities	—	6.7	—	6.7	—	6.8	—	6.8
Lease liabilities	—	117.7	—	117.7	—	118.0	—	118.0
Current portion of lease liabilities	—	32.2	—	32.2	—	30.9	—	30.9
Other derivatives, hedge accounting	—	1.1	—	1.1	—	0.0	—	0.0
Current liabilities								
Interest-bearing loans	—	128.0	—	128.0	—	146.1	—	146.1
Other liabilities	—	29.2	—	29.2	—	45.5	—	45.5
Currency derivatives	—	4.3	—	4.3	—	2.3	—	2.3
Currency derivatives, hedge accounting	—	1.7	—	1.7	—	1.4	—	1.4
Other derivatives, hedge accounting	—	1.0	—	1.0	—	0.2	—	0.2
Trade payables	—	246.5	—	246.5	—	292.8	—	292.8
Total	—	1,285.7	—	1,285.7	—	1,361.1	—	1,361.1

8. BUSINESS COMBINATIONS

In Q3 2021, Kemira acquired a minority interest in the advanced process optimization start-up SimAnalytics Oy. In Q1 2023, Kemira acquired the rest of the business and now has a 100% interest in the acquired business. The acquisition was not material to Kemira's consolidated income statement and balance sheet. The acquisition calculation under IFRS 3 is provisional. The fair values of the net assets and goodwill may change during the 12-month period during which the acquisition calculation will be finalized. The purchase price of EUR 3 million was paid in cash, except for certain payments which will be paid later. The purchase price is divided into two installments of which EUR 2 million was paid in Q1 2023 and EUR 1 million was paid earlier in 2021. The rest of the payments after the acquisition date to the acquired company's employees are remunerations for services under IFRS 3 and these payments have no effect on goodwill.

Based on preliminary acquisition calculations, EUR 1 million was allocated to intangible assets as software. A provisional goodwill of EUR 2 million arises mainly from the expected synergies. The acquired business has been consolidated into the Pulp & Paper segment starting in Q1 2023.

9. ASSETS HELD FOR SALE

Assets classified as held for sale

EUR million	6/30/2023	6/30/2022	12/31/2022
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	6/30/2023	6/30/2022	12/31/2022
Liabilities of defined benefit plans	—	—	0.3
Liabilities related to right-of-use assets	—	—	0.4
Total	—	—	0.7

Kemira announced the closing of the divestment of most of its colorants business to ChromaScape, LLC on May 4, 2023. The loss from the sale of the colorants business was EUR 25 million, of which EUR 10 million was recognized during the 2023 reporting period. The colorants business was part of Kemira's Pulp & Paper segment.

Revenue from the business in 2022 was approximately EUR 50 million and 59 employees transferred to ChromaScape, LLC as part of the transaction. The sale included one manufacturing site at Goose Creek, Bushy Park in South Carolina, USA. Kemira kept its APAC related colorants business.

As of Q3 2022, the assets and liabilities related to the sale of the colorants business were 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 were presented in the consolidated balance sheet on separate lines.

10. CONTINGENT LIABILITIES

EUR million	6/30/2023	6/30/2022	12/31/2022
Guarantees			
On behalf of own commitments	110.4	107.3	108.4
On behalf of associates	11.7	12.3	12.5
On behalf of others	2.5	2.5	2.5
Other obligations			
On behalf of own commitments	0.6	0.7	0.7
On behalf of others	16.3	16.3	16.3

The most significant off-balance sheet investments commitments

Major amounts of contractual investment commitments for the acquisition of property, plant, and equipment on June 30, 2023 were about EUR 25 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.

11. RELATED PARTY

Transactions with related parties have not changed materially.

12. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited interim financial statements have 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 2022. The interim financial statements should be read in conjunction with the annual financial statements for 2022.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim financial statements require 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. The actual results may differ from these estimates.

EFFECTS OF THE UKRAINE WAR ON THE INTERIM REPORT

At the end of June 2023, net assets in Russia amounted to around EUR 6 million and consisted mainly of cash and cash equivalents denominated in Russian roubles. Kemira is working to repatriate funds from Russia.