AHLSTRÖM CAPITAL

ANNUAL REPORT 2022

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AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

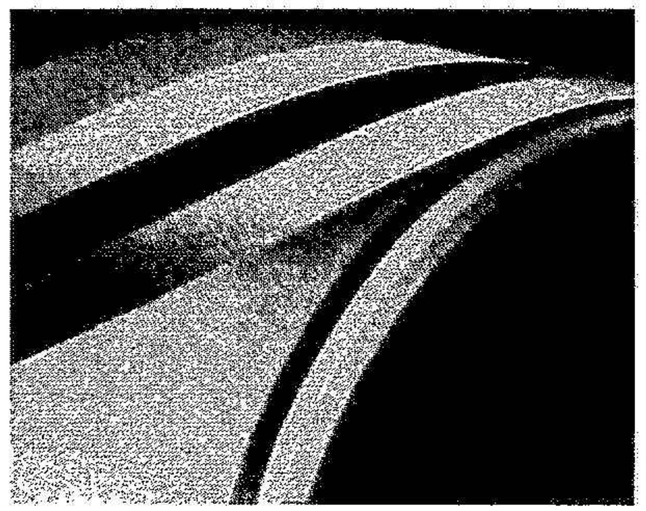
REAL ESTATE INVESTMENTS

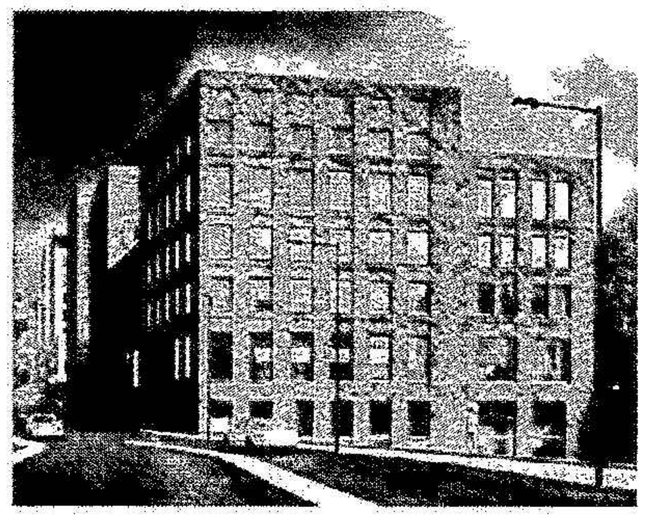
SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

CONTENTS





Year 2022 ..... **3**
- Ahlström Capital in brief 3
- Our portfolio 4
- Main events 2022 7
- CEO's review 12
- Financial performance 14
- Global footprint 16
- Our strategy 17

Industrial investments **19**
- Ahlström Invest 20
- Ahlstrom 21
- M&J Recycling 22
- Munksjö 24
- GPV 26
- Bast Fibre Technologies 28
- Detection Technology 30
- Glaston 32
- Suominen 34
- AC Cleantech Growth Fund 36

Real estate investments **37**
- Real estate 38
- Forests 40
- Heritage assets 42

Sustainability& History **43**
- Sustainability 44
- Ahlström Collective Impact 49
- History 50

Corporate governance **52**
- Risk management 53
- Corporate governance 54
- Board of Directors 56
- Personnel 58

Financial report 2022 ..... **59**
- Report of the Board of Directors 60
- Key figures 68
- Financial Statements 70
  - Consolidated Statement of Income 71
  - Consolidated Statement of Comprehensive Income 72
  - Consolidated Statement of Financial Position 73
  - Consolidated Statement of Changes in Equity 74
  - Consolidated Statement of Cash Flows 75
  - Notes to the Consolidated Financial Statements 76
  - Statement of Income, Parent Company (FAS) 123
  - Statement of Financial Position, Parent Company (FAS) 124
  - Statement of Cash Flows, Parent Company (FAS) 125
  - Notes to the Financial Statements, Parent Company 126
- Auditor's report 132
- Proposal for the Distribution of Profits 134
- Shares and shareholders 135
- Information for shareholders 136

AHLSTRÖM CAPITAL

YEAR 2022

- Ahlström Capital in brief
- Our portfolio
- Main events
- CEO's review
- Financial performance
- Global footprint
- Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

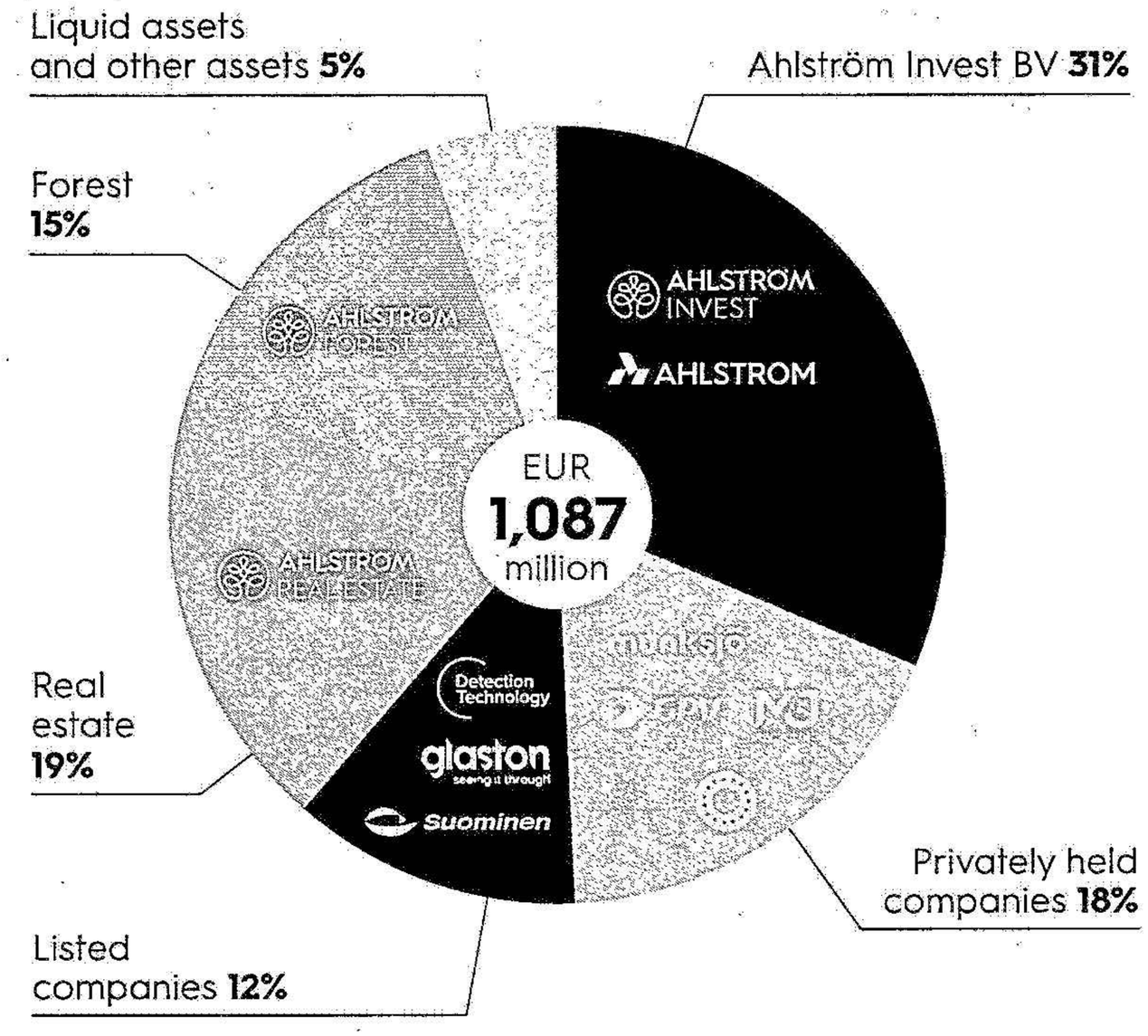
AHLSTRÖM CAPITAL IN BRIEF
(AS OF 1 MARCH, 2023, A. AHLSTRÖM OY)

Ahlström Capital (as of 1 March, 2023, A. Ahlström) is one of Finland's largest investment companies with a long history of more than 170 years. We are a family-owned investment company that creates value for our owners by investing in industrial companies, real estate and forest.

We create long-term shareholder value by actively developing our portfolio. The current portfolio includes M&J Recycling A/S, Munksjö Paper AB, Bast Fibre Technologies Inc, GPV Group A/S and Ahlström Invest B.V. (including a significant ownership in Ahlstrom Oyj). In addition, the portfolio includes significant holdings in Detection Technology Plc, Glaston Corporation and Suominen Corporation. Our portfolio also includes major real estate and forest holdings. The real estate and forest holdings are managed by our fully owned subsidiary, A. Ahlström Real Estate Ltd.

Ahlström Capital Oy and Antti Ahlström Perilliset Oy have on 1 March, 2023, merged to form A. Ahlström Oy.

EXTERNAL FAIR VALUE (EFV): 31 DECEMBER, 2022



THE SCOPE OF OUR PORTFOLIO COMPANIES

~5.7 billion EUR
revenue of portfolio companies, total

32
operating countries

~18,500
employees in portfolio companies

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AHLSTRÖM CAPITAL

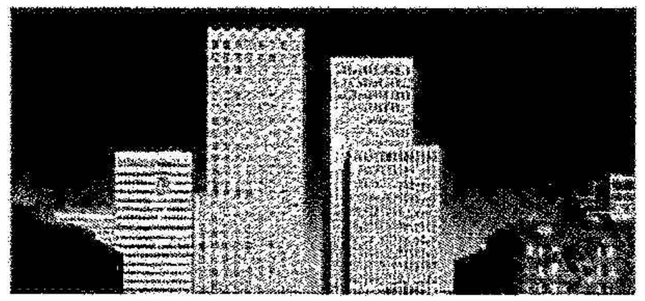
Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy

INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

OUR PORTFOLIO

AHLSTRÖM INVEST

A family investment company that actively manages its holding in Ahlstrom together with the Ahlström Capital team. The company also manages a considerable liquid asset portfolio.



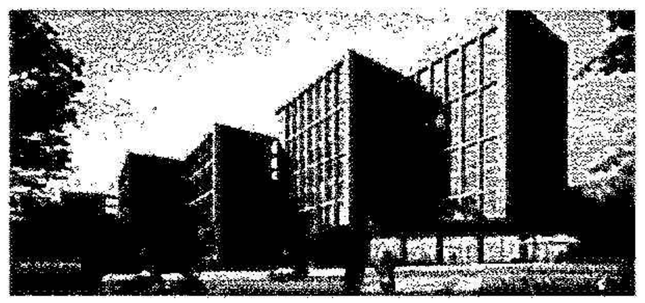
AHLSTROM

Ahlstrom is the global leader in fiber-based materials supplying innovative and sustainable solutions to its customers. The company's purpose is to Purify and Protect with Every Fiber, for a Sustainable World.

Total portfolio, MEUR	Ahlström Capital's shareholding (end of 2022)
1,271	24.1%
Revenue, MEUR	**Ahlström Invest's shareholding (end of 2022)**
3,349	36.4%

Real estate and forest

		External fair value, MEUR
AHLSTRÖM REAL ESTATE	Ahlström Capital's real estate portfolio includes quality real estate assets in growing metropolitan areas in Southern Finland. The portfolio also includes heritage assets in Noormarkku.	233
AHLSTRÖM FOREST	Ahlström Capital's forest assets are mainly located in Western Finland in the Satakunta region, and in Central and Eastern Finland. Ahlström Capital is one of Finland's largest private forest owners.	182



Real estate area in total
64,000 m²

Forests in total
35,000 ha

AHLSTROM CAPITAL

YEAR 2022
- Ahlström Capital in brief
- Our portfolio
- Main events
- CEO's review
- Financial performance
- Global footprint
- Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

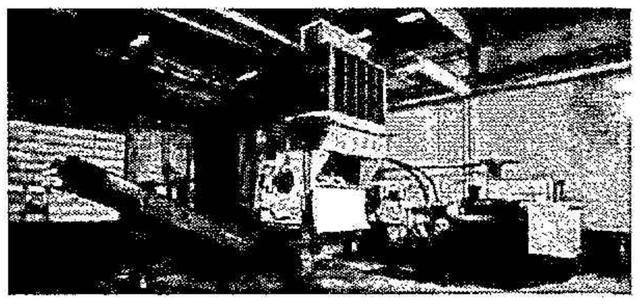
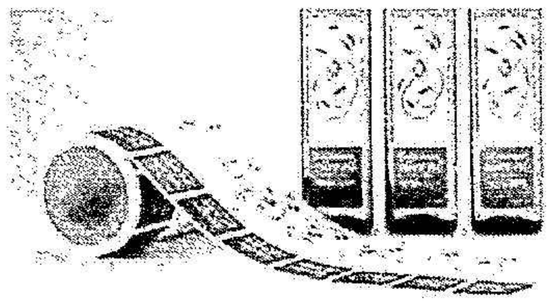
SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

OUR PORTFOLIO

Privately held companies

			Revenue, MEUR	Ahlström Capital's shareholding (end of 2022)
M&J RECYCLING	M&J Recycling specialises in the design and manufacture of industrial waste shredders to reduce the size of waste materials effectively and reliably.		66	100%
munksjö	Munksjö is the first international manufacturer solely dedicated to décor paper. Munksjö offers a wide product portfolio, including white or solid coloured décor papers, as well as print base papers and pre-impregnated papers.		503	60.0%
GPV	GPV, the new electronics group, is the second largest European headquartered EMS company. The company has a strong focus on industrial electronics, box-build mechatronics products and turnkey products.		797	20.0%
BAST FIBRE TECH	Bast Fibre Technologies is a manufacturer of 100% plant-based, intact natural fibers with the technical and performance requirements for a wide variety of nonwoven applications. BFT transforms raw fibers from cotton, hemp, and flax plants.		14	20.0%

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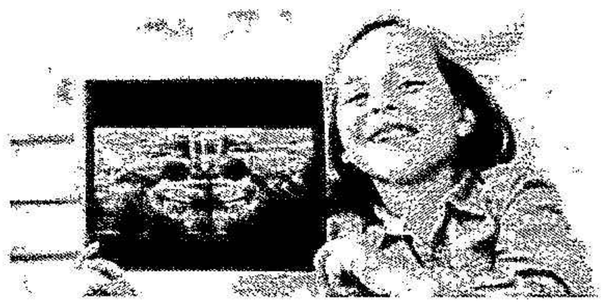
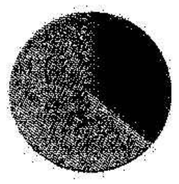
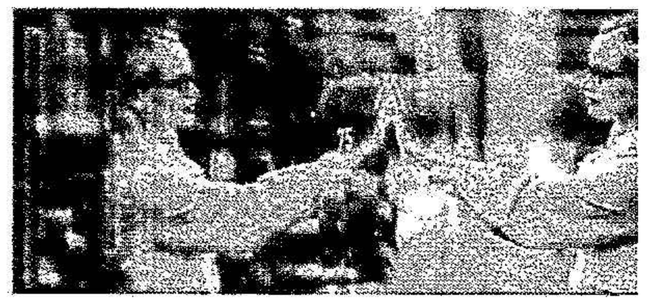
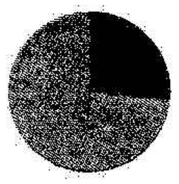
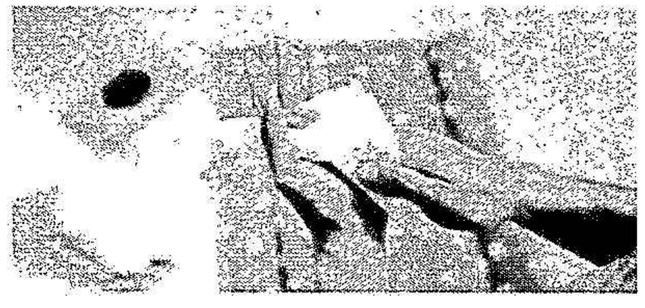
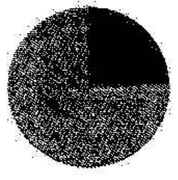
AHLSTRÖM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy
INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

OUR PORTFOLIO

Listed companies

			Revenue, MEUR	Ahlström Capital's shareholding (end of 2022)
Detection Technology	Detection Technology is a global provider of X-ray detector solutions for medical, security and industrial applications. The company's solutions range from sensor components to optimised detector subsystems with ASICs, electronics, mechanics, software, and algorithms.		99	 36.0%
glaston seeing it through	Glaston is the glass processing industry's innovative technology leader supplying equipment, services and solutions to the architectural, automotive, solar and display industries. The company also supports the development of new technologies integrating intelligence to glass.		214	 26.4%
Suominen	Suominen manufactures nonwovens as roll goods for wipes and other applications. The company's vision is to be the frontrunner for nonwovens innovation and sustainability. The end products made of Suominen's nonwovens are present in people's daily life worldwide.		493	 24.0%

AHLSTRÖM CAPITAL

YEAR 2022

Ahlström Capital in brief

Our portfolio

• Main events

CEO's review

Financial performance

Global footprint

Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

MAIN EVENTS 2022

munksjö

Acquisition of the Munksjö Décor business from Ahlstrom

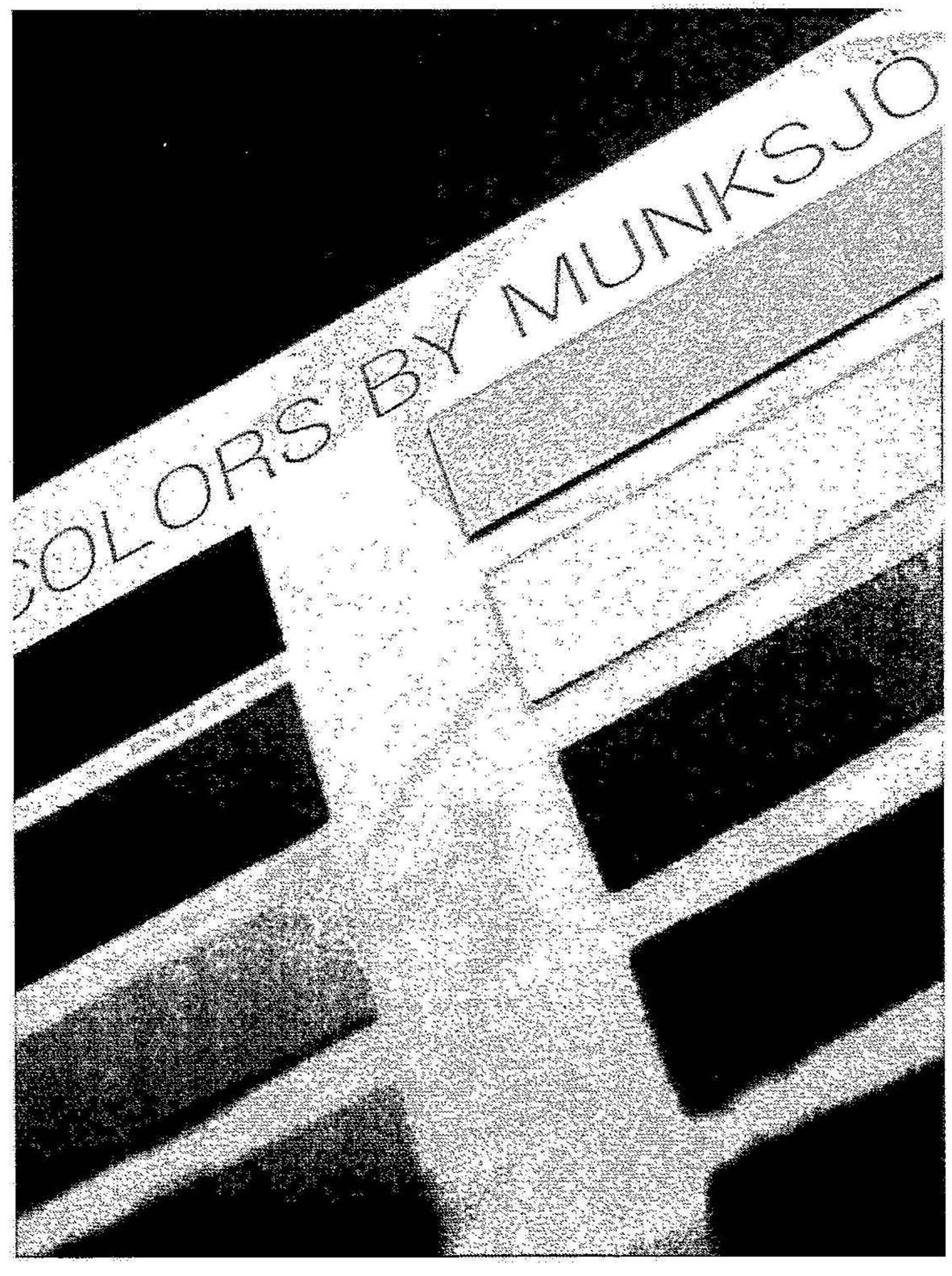
In October, the Ahlström Capital Group completed the acquisition, by which it bought 60% of Ahlstrom's (former Ahlstrom-Munksjö) Décor business. For Ahlström Capital, this is an important long-term investment in the Forest & Fiber focus area and it offers long-term value creation opportunities. A new company, Munksjö AB, was formed for the Décor business, with Ahlström Capital as the largest owner. Ahlstrom remains a minority owner of the company together with Nidoco AB.

At Ahlström Capital, we see that the Munksjö business is already the leader in higher value market segments and has also strengthened the competitiveness in standard décor papers with the footprint in China. As an independent company, the Décor business is able to accelerate its growth and strengthen its competitiveness and global innovation leadership. Munksjö is the first international operator that specialises in décor paper.

Munksjö has an internationally leading position and a wide product portfolio in the décor paper business. The company has been active in the décor business under the Munksjö brand for over 25 years, and the brand is known for its excellent quality and service throughout the décor paper industry.

Ahlström Capital has been the long-term owner of Munksjö since 2013, when the former Munksjö AB and Ahlstrom's Label and Processing business merged. Since 2017, Ahlstrom-Munksjö has developed the décor business from a European player to a leading international company that is able to serve its customers worldwide.

By buying Caieiras' specialty paper mill in Brazil, Munksjö got the opportunity to expand operations in South America, and it entered China's fastest growing décor paper market with the purchase of Xingtai-based décor paper manufacturer Minglian New Materials Technology.



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AHLSTRÖM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy
INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

GPV

Merger between Enics and GPV

The merger of two strong European electronics manufacturing services (EMS) providers, Enics and GPV, was completed in October. The merger created a strong industrial electronics group with 8,000 employees, a turnover of almost one billion euros and 19 factories worldwide in Denmark, Switzerland, Finland, Slovakia, Estonia, Sweden, Austria, Germany, Thailand, China, Sri Lanka, Malaysia and Mexico. The new company is an attractive partner in a rapidly changing market for customers, suppliers and other stakeholders.

Owners of Enics and GPV continue as owners in the new company. The Danish industrial conglomerate Schouw & Co. holds 80% of the merged entity, and Ahlström Capital holds 20%. As part of the deal, Ahlström Capital also received more than EUR 70 million in cash. The name of the merged company is GPV Group A/S, and Bo Lybæk is the CEO of the industrial group. Former Enics CEO, Elke Eckstein, supported the transition until the end of January 2023.

Ahlström Capital has been an anchor owner of Enics for more than 15 years, teaming up with the management to develop a high-quality EMS provider. We trust this merger creates a more competitive group with a broad service offering and strong global presence. The merger will benefit the customers, employees and shareholders of both companies.

The companies complement each other both in terms of business and geographic scope. The merged company is the market leader within industrial EMS. It has strong and recognised operational capabilities, as well as advanced design and engineering capabilities. In addition, the company is engaged in test systems, mechanics assembly and cable-harness manufacturing. Ahlström Capital is committed to supporting the future value creation of the merged company.

BAST FIBRE TECH

Strategic investment in Bast Fibre Technologies

In October, Ahlström Capital Group signed an agreement to acquire 20% of Bast Fibre Technologies Inc. (BFT). This supports Ahlström Capital's strategy of investing in companies focused on solutions that drive sustainable development and the new acquisition fits well into the Forest & Fiber focus area. At Ahlström Capital we see that BFT is well in position to become a global leader in the production of sustainable bast fibers.

BFT manufactures 100% plant-based intact natural fibers, which due to their technical properties and performance, are suitable for many products made from nonwoven fabrics. BFT utilises advanced technology in fiber processing to transform cotton, hemp and flax raw fiber into a material that meets the exact requirements of the nonwoven industry. The natural fibers market sees a lot of growth opportunities as the nonwoven industry is transitioning away the use of plastics.

The company has the potential to become the world's leading producer of sustainable hemp fibers. BFT begins preparations for the expansion of its US flagship facility in Lumberton and its European facility near Düsseldorf in order to create the world's largest specialty bast fiber processing and purification company.

The financing negotiated with Ahlström Capital enables investment of the production capacity up to 10,000 metric tonnes of seroTM hemp fibre per year by the end of 2023, and up to 50,000 tonnes by 2026. The natural fiber market is at the point of strong growth, and this highly strategic investment will help BFT consolidate its position and expand more strongly to meet the growing demand for wood-free and plastic-free fiber.

20230629570 29

AHLSTRÖM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy
INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

A. Ahlström Real Estate won the competition to develop Kumpulanmäki in Helsinki

Senate Properties and Helsinki University Properties Ltd. organised a partnership and bidding competition in the spring of 2022 for the northernmost block complex in the Kumpulanmäki, Helsinki. Avain Yhtiöt and A. Ahlström Real Estate won the competition with a proposal called "Kustaanportti" prepared by architecture firm Arkkitehtitoimisto HMV Oy. The block is located at the intersection of the newly planned public transport rail connections Viikki-Malmi and Kalasatama-Pasila, alongside Lahdenväylä, which ties the future area closely to the inner city.

As a result of the partnership planning, a joint solution for the block responds to the housing demand in Helsinki and enables the building of versatile premises in the immediate vicinity of the university. At the same time, it acts as an element that refreshes the cityscape and Kumpula campus area, a gate to the inner city.

The plan proposal includes a wide range of different forms of housing and office premises. These areas that were previously dedicated for governmental and university use and had remained undeveloped for a long period of time, are now planned for housing, services and businesses. The right-of-occupancy apartments, long-term interest subsidy rental apartments and non-subsidised housing will be built on the property.

The versatile distribution of apartments and housing ownership allows students with families to find a spacious and reasonably priced home in the planned block. The proximity to the university campus and adaptable spaces make the premises an attractive destination for private or public operators. The planning brings needed services to the area; cafés and restaurants and a grocery store.

A. Ahlström Real Estate invests in high-quality premises in the metropolitan area and in other growth centres. Avain Yhtiöt and A. Ahlström Real Estate both have a long history in urban development as well as management of housing and premises. Both parties are involved in the project as long-term owners.

AHLSTRÖM REAL ESTATE

Avain

AHLSTRÖM CAPITAL

YEAR 2022

Ahlström Capital in brief

Our portfolio

• Main events

CEO's review

Financial performance

Global footprint

Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

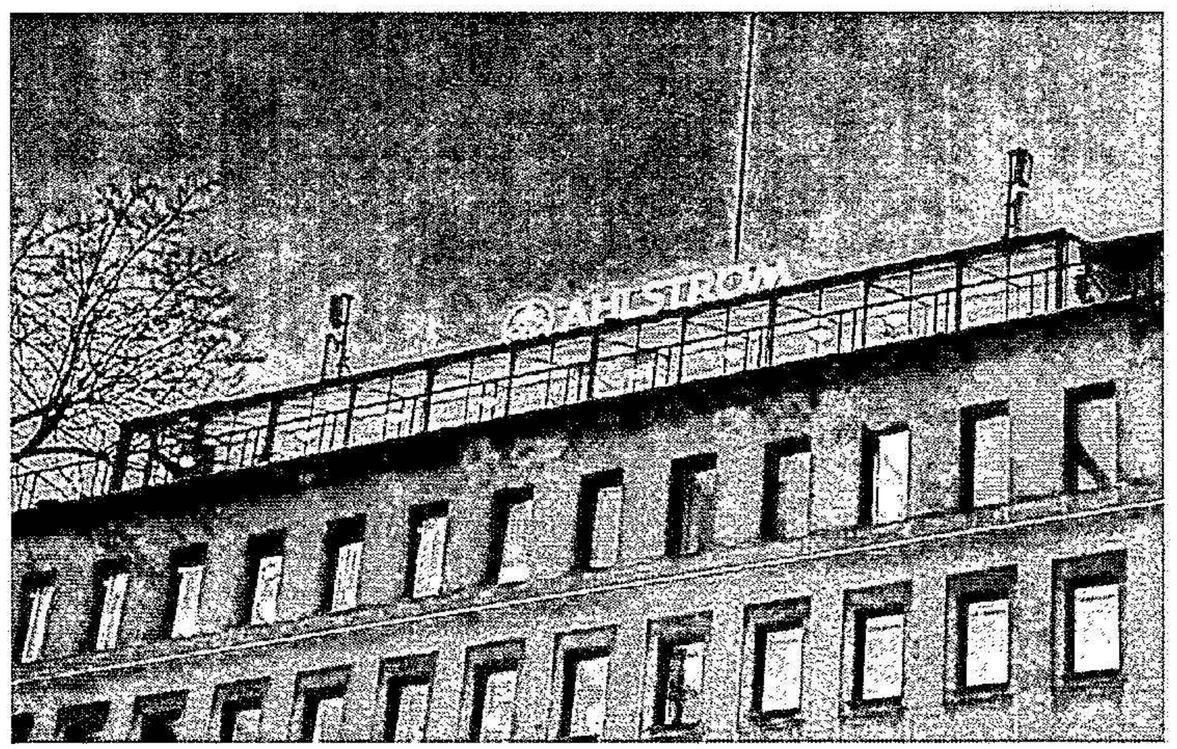
A. Ahlström Oy – the new family company

Ahlström Capital Oy's Extraordinary General Meeting (EGM), which was held on 25 November, 2022, resolved on the approval of the merger of Antti Ahlström Perilliset Oy into Ahlström Capital Oy, establishing a strong Ahlström family company - A. Ahlström Oy. The merger was implemented and registered with the Finnish Trade Register on 1 March, 2023.

The merger brought the financial, intellectual and social capital of the Ahlström family into one company. A. Ahlström Oy is a strategic industrial owner with core investments in the global space of forest and fiber. The company will also continue active business development in the domains of circular economy, real estate and financial investments – with a clear aim to drive a better world for future generations through sustainable value creation.

The EGM elected Peter Seligson, Marcus Ahlström, Sebastian Bondestam and Klaus Cawén as new members of the Board. Kari Kauniskangas, Casper von Koskull, Nelli Paasikivi-Ahlström and Fredrik Persson were re-elected. At its organising meeting the Board elected Peter Seligson as Chair of the Board and Kari Kauniskangas as Vice Chair of the Board.

In the merged company, the governance model also includes a Supervisory Board. The Supervisory Board consists of Marion Björkstén, Johannes Gullichsen, Axel Ahlström, Walter Ahlström, Maria Ahlström-Bondestam, Philip Aminoff, Vera Backström, Christina Dahlblom and Mats Danielsson. Marion Björkstén acts as the Chair and Johannes Gullichsen as the Vice Chair of the Supervisory Board.



AHLSTRÖM

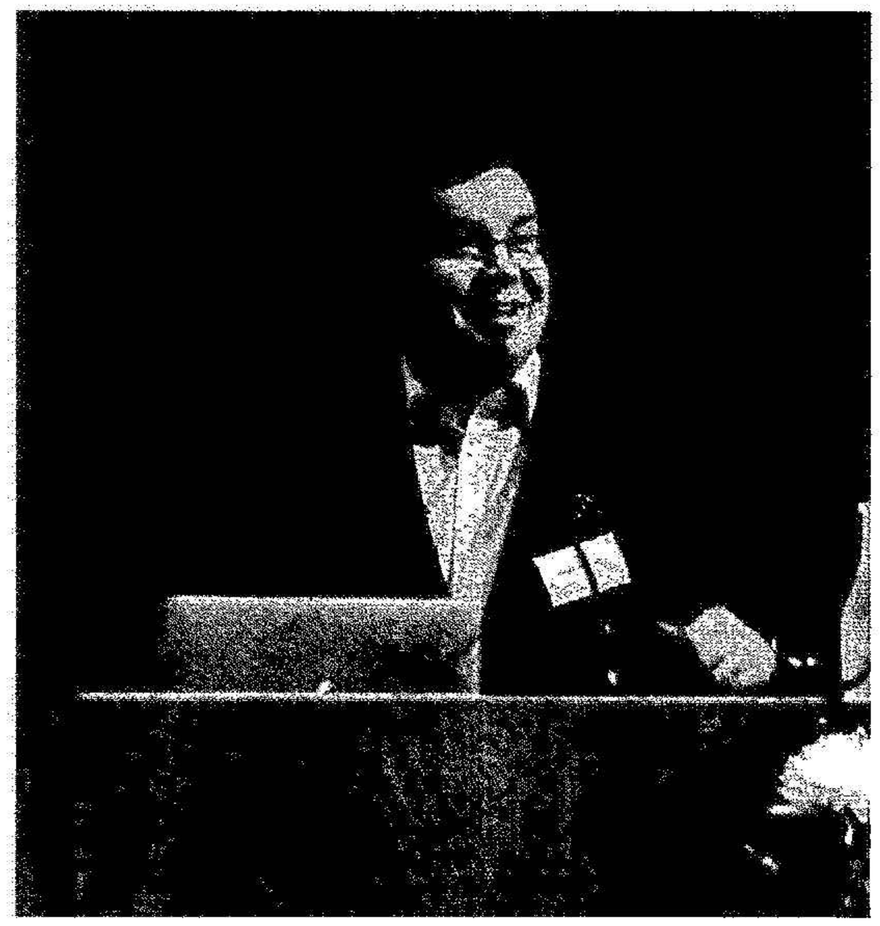
20230629570 30

AHLSTRÖM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy
INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

CEO's review

NEW INVESTMENTS IN THE FOREST & FIBER SECTOR



During 2022, we continued the sustainable development of our portfolio and increased focus on the Forest & Fiber sector. Munksjö was acquired and we made a strategic investment in Bast Fibre Technologies. Enics was merged with GPV to create a more competitive European electronics giant. In the real estate portfolio, a new development project in Kumpula, Helsinki, was announced.

Transformation of the portfolio

We acquired 60% of Ahlstrom-Munksjö's Décor business with Ahlstrom and Nidoco as the minority owners. The standalone business continues under the Munksjö brand, and the remaining Ahlstrom-Munksjö businesses continues under the Ahlstrom brand. The Munksjö business is a leading global player with an extensive range of décor paper solutions and is a key investment in our Forest & Fiber focus area. We see good long-term value creation opportunities in the business, while the short-term performance is being negatively impacted by the weaker economic cycle.

The merger of two strong Europe-based electronics manufacturing service providers, Enics and GPV, was made. We believe this merger creates a more competitive business with a broad service offering and a strong global presence. Ahlström Capital holds 20% of the new company, which continues under the GPV brand. The cash proceeds of Enics exit financed the Munksjö investment.

We invested in 20% of Bast Fibre Technologies, a manufacturer of 100% plant based, intact natural fibers. We seek to invest in companies focused on solutions that help drive sustainable development.

Resilient EFV performance

The year-to-date development of the adjusted EFV was -2.2%, ending up at EUR 1,087 million. The turbulent market had a negative impact on the investment portfolio of Ahlström Invest B.V. and the share prices of our listed companies, while Ahlstrom, the forest business and Enics transaction value impacted EFV positively.

At Ahlström Invest B.V., the investment portfolio value has deteriorated with the market. Ahlstrom has performed strongly throughout the year, while there are signs of weakening demand in some of the businesses.

M&J Recycling had a strong performance during its first year as a standalone company. Orders received were up 33% with an all-time highest single order from a new customer in India. The company is performing well according to our value plan.

AHLSTROM CAPITAL

YEAR 2022

Ahlström Capital in brief

Our portfolio

Main events

• CEO's review

Financial performance

Global footprint

Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

At Munksjö, the demand situation was challenging towards the end of the year. Building up capabilities as a stand-alone business is ongoing. We have brought in external and internal resources to support carve out, financing and business development.

At GPV, demand was strong throughout the year, but profitability was negatively impacted by the availability of components.

At Detection Technology, the financial performance improved towards the end of the year. New investments for the Oulu factory were announced.

Glaston had a successful year. Demand was strong, both sales and profitability improved, and strategy implementation is progressing well.

Suominen had a difficult year due to raw material inflation, higher energy costs and US demand challenges. Several actions to improve profitability, based on a full potential study, are ongoing.

The real estate and forest businesses performed well. A new real estate development project in the Helsinki University area in Helsinki was announced and the real estate projects in Tampere and Espoo are proceeding well.

Sustainable value development

Our Sustainability Policy was updated with Biodiversity and Diversity & Inclusion as new focus areas. Other focus areas are Business ethics & Nordic governance model, Climate & Resource efficiency and Employee well-being. Our focus area KPIs measure the development in each portfolio company.

Our corporate social responsibility initiative, Ahlström Collective Impact (ACI), now includes all our portfolio companies. ACI made investments, totalling EUR 1.1 million, in UNICEF's Global Education Program and to support children in Ukraine.

A new family company - A. Ahlström Oy

The Extraordinary General Meeting on 25 November decided on the merger of Antti Ahlström Perilliset into Ahlström Capital. The role of A. Ahlström Oy is to grow the financial, intellectual and social capital of the Ahlström family and sphere. The merger was completed on 1 March, 2023.

Our financial position is solid, while there are short-term headwinds in parts of the Forest & Fiber sector. Also, availability and the increased price of financing is impacting our portfolio and new investment opportunities.

I would like to thank all Ahlström colleagues for the hard work done and the shareholders and the Board for the continued trust and support during the year.

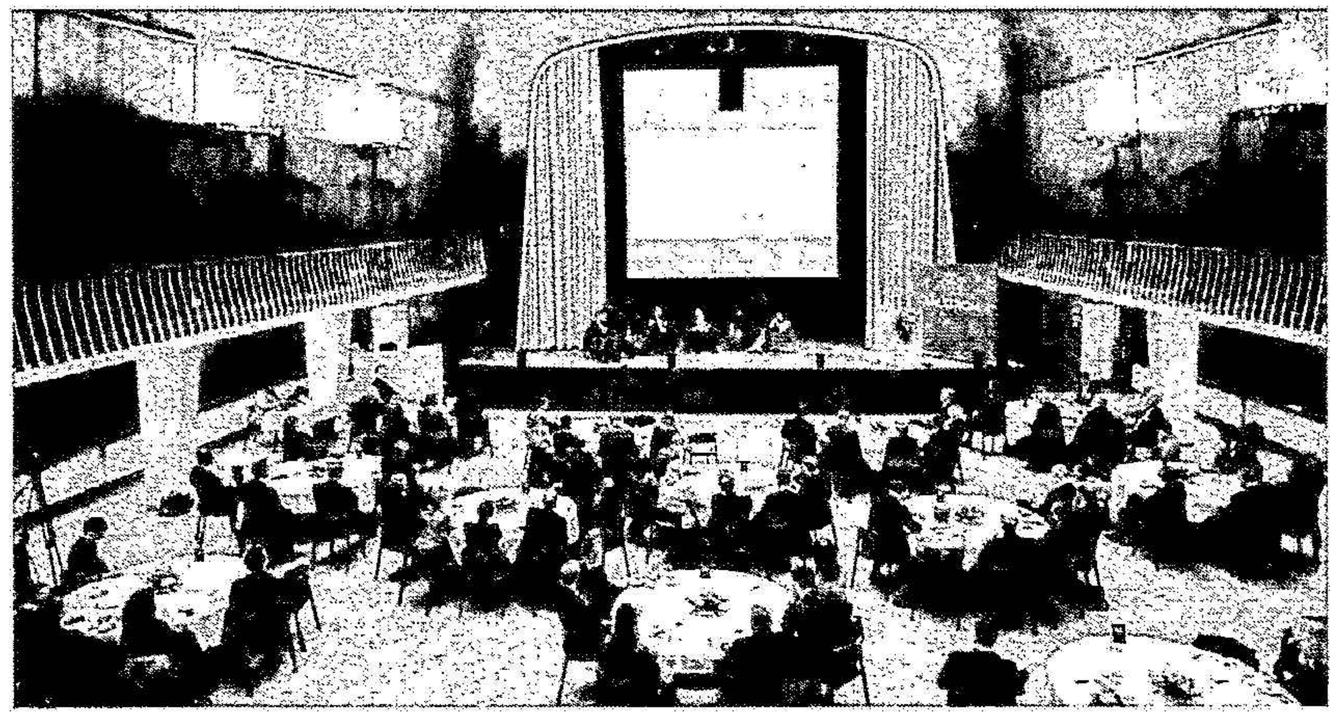
Lasse Heinonen
President and CEO

AC NETWORK DAY 2023

Our annual AC Network Day gathers the boards and management of Ahlström Capital and its portfolio companies. This time, the theme was "The global disorder and implications for your business".

David Bach, Professor of Strategy and Political Economy at IMD, gave a keynote "Four scenarios for a world in disorder" followed by a workshop.

The panel discussion about the future of global supply chains was moderated by Board Professional Kaisa Hietala with Juha Räisänen, Managing Partner at Valuenode, Wilderich Heising, Partner and Associated Director at BCG, and Kari Kauniskangas, Board Professional.



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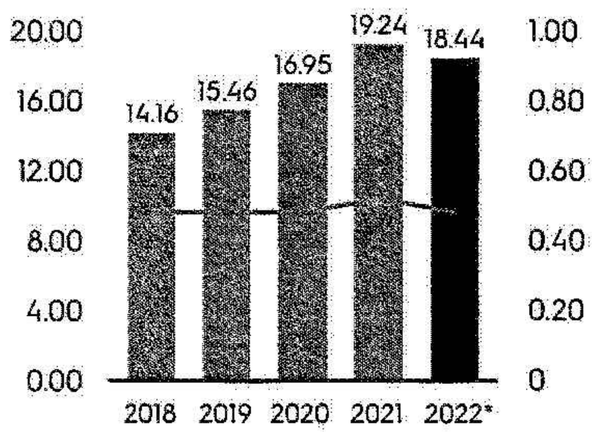
AHLSTRÖM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy
INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

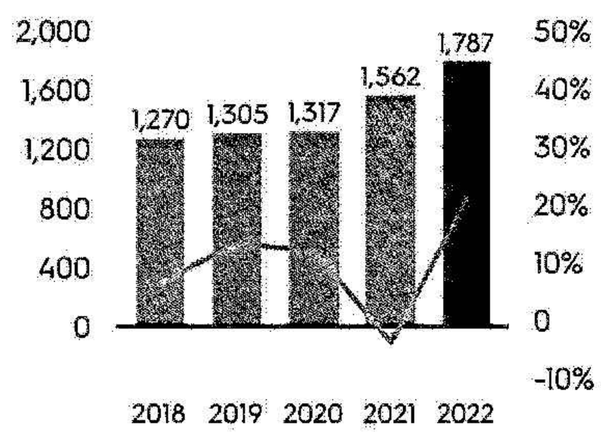
FINANCIAL PERFORMANCE

In 2022, the development of dividend and share repurchase adjusted EFV was negative -2.2% totaling at EUR 1,087 million. The turbulent markets had an effect to the value of the listed companies. During the year changes in the portfolio continued impacting the composition of group's financial statements. The value gain related to the divestment of Enics had a significant impact on the profit for the period.

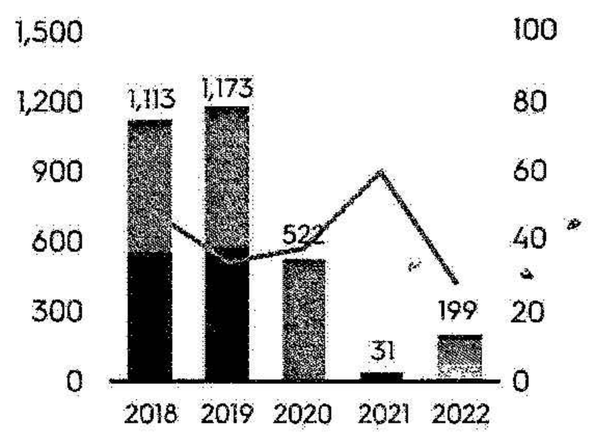
EXTERNAL FAIR VALUE (EFV) PER SHARE AND DIVIDEND PER SHARE, EUR



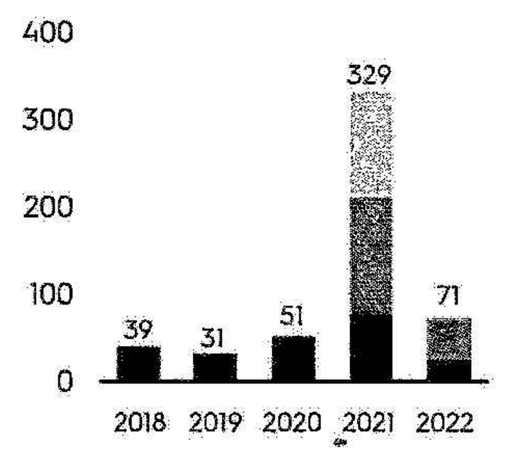
BALANCE SHEET TOTAL, MEUR AND NET GEARING, EFV-ADJUSTED, %



REVENUE AND COMPREHENSIVE OPERATING PROFIT, MEUR



PROFIT FOR THE PERIOD, MEUR



* Board's dividend proposal. A dividend of EUR 0.48 per share will be paid in two equal instalments. The first instalment of EUR 0.24 per share will be paid in April 2023 and the second instalment of EUR 0.24 per share to be paid in October 2023
** Adjusted

AHLSTRÖM CAPITAL

YEAR 2022

Ahlström Capital in brief

Our portfolio

Main events

CEO's review

• Financial performance

Global footprint

Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Profit for the period and comprehensive operating profit

MEUR (pro forma 2021 figures)	2022	2021
Comparable Operating Profit	0.4	-1.6
Items affecting comparability	-10.2	139.5
Operating profit	**-9.8**	**137.9**
Share of profit or loss of associated companies	3.5	26.6
Share of profit or loss of Ahlström Invest	23.7	34.8
Operating profit including associated companies	**17.5**	**199.3**
Financial items and taxes	-2.3	12.3
Profit for the period from continuing operations	**15.2**	**211.6**
Profit for the period from discontinued operations	**55.4**	**117.3**
Profit for the period	**70.6**	**328.9**
Comprehensive operating profit (COP)		
Comparable Operating Profit	0.4	-1.6
Share of profit or loss of associated companies	3.5	26.6
Share of profit or loss of Ahlström Invest	23.7	34.8
Comprehensive operating profit	**27.7**	**59.8**

Holding companies cash flow and financing position

MEUR	2022	2021
Recurring cash in-flow	28.6	51.1
Recurring cash out-flow	-24.2	-14.2
Dividends and share repurchase	-84.4	-32.4
Net recurring cash flow	**-80.2**	**4.6**
Divestments and exit proceeds	136.7	203.0
New investments	-126.8	-97.2
Financing items	21.4	37.4
Net non-recurring cash flow	**31.4**	**143.2**
Total net cash flow	**-48.8**	**147.8**
Cash and cash equivalents end of period	**59.0**	**169.1**
of which cash in bank	59.0	109.1
of which cash equivalents		60.0

Profit for the period

Ahlström Capital's 2022 profit for the period was solid and it was impacted by significant changes in portfolio.

From the beginning of October Munksjö Group is consolidated as a subsidiary in Ahlström Capital Group's financial statements.

Due to Enics divestment and merger to GPV, Enics' profit for the period until end of September and the sales gain from the divestment are reported as profit for the period from the discontinued operations. The comparison period was impacted by two major events: gain in carrying value of Ahlstrom-Munksjö shares held by Ahlström Capital and traded as part of the share exchange and the exit gain from Destia divestment.

Further details on profit for the period are reported in financial statements under Consolidated Statement of Income.

Comprehensive operating profit

Ahlström Capital uses Comprehensive operating profit (COP) as measurement of operational profitability for the group. It includes both the comparable operating profit from the consolidated subsidiaries of the group and the share of profit of associated companies and joint ventures where Ahlström Capital's ownership is 50% or less.

Holding companies cash flow and financing position

Cash flow in AC Investment entity is the indicator of portfolio business performance and Ahlström Capital's capability for further investments and future dividend distribution to its owners. AC Investment entity is consisting of the parent company, the investment companies Ahlstrom Capital B.V. and A. Ahlström Kiinteistöt Oy and certain other subsidiaries.

In 2022, the changes in Ahlström Capital's portfolio, new investments and share repurchases impacted the cash flow considerably. Shares held by several non-family shareholders were purchased during the year in addition to company's share repurchase program. At the year-end the company's liquidity position is solid.

Further information on cash flow is reported in financial statements under Consolidated Statement of Cash Flows.

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AHLSTROM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

THE GLOBAL FOOTPRINT OF OUR PORTFOLIO COMPANIES

Ahlström Capital and its portfolio companies have altogether approximately 18,500 employees and operates in 32 countries.

- Ahlström Invest
- Ahlstrom
- Munksjö
- Suominen
- Detection Technology
- Glaston
- GPV
- Bast Fibre Technologies
- M&J Recycling

The dots represent both factories and sales offices.

AHLSTRÖM CAPITAL

YEAR 2022

Ahlström Capital in brief

Our portfolio

Main events

CEO's review

Financial performance

Global footprint

- Strategy

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

OUR STRATEGY*

WAY OF WORKING

- Active ownership approach
- Strategic direction with long-term mindset
- Asset-specific value creation plans driving our efforts
- Driving ESG impact
- Support for structural initiatives & financing
- Active use of network & connections
- Proactive proprietary deal generation

DIRECT INDUSTRIAL HOLDINGS

Lead investor in industrial companies with international presence

- Focus area: Forest & Fiber
- Listed and privately held
- Attractive business characteristics
- Solutions that drive sustainable development

REAL ESTATE

Quality real estate assets in growing metropolitan areas

- Prime office, industrial, logistics and residential properties
- Long relationships with high-quality tenants
- Active asset management

MISSION

A better world for future generations through sustainable value creation

VALUES

Ambition and Responsibility

AHLSTRÖM INVEST (~25% ownership)

Managing the holding in Ahlstrom and an investment portfolio

- Partnerships and asset management

FORESTS

Forests in Finland

- Sustainable forestry

FINANCIAL TARGETS

- Annual EFV growth 6–10% and an increasing base dividend
- Steady and sustainable improvement in portfolio company performance metrics

FAMILY FUNCTIONS

- Family cohesion and succession planning
- Identity, culture, and heritage

FOUNDATION — Reputable owner with Nordic governance approach | Industrial traditions & experience | Family investment company and custodian of family heritage assets | Committed and driving people

* A. Ahlström Oy strategy update process ongoing during spring and summer 2023

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AHLSTRÖM CAPITAL

Ahlström Capital in brief
Our portfolio
Main events
CEO's review
Financial performance
Global footprint
Strategy
INDUSTRIAL INVESTMENTS
REAL ESTATE INVESTMENTS
SUSTAINABILITY AND HISTORY
CORPORATE GOVERNANCE
FINANCIAL REPORT

WE INVEST IN A SUSTAINABLE FUTURE

Ahlström Capital (from 1 March, 2023; A. Ahlström Oy) invests assets which have been accumulated by the Ahlström family during more than 170 years. As one of the largest investment companies in Finland, we hold significant financial resources, and combine the best features of an industrial company, an investor, and a family business. We are on a mission to create a better world for future generations through sustainable value creation, and our goal is to increase the company value while preserving the remarkable legacy. The Ahlström family values – ambition and responsibility – guide everything we do.

Our way of working

We are an active owner with a strategic, long-term mindset. Asset-specific value creation plans create a basis for our efforts, and we contribute to our portfolio companies' development primarily via board work and specific functional support (e.g., M&A, treasury) either by Ahlström Capital's own team or by utilising trusted resources in our network. Mergers and acquisitions as well as transformational investments to improve business profile are an integral part of our way of working.

During the investment process, we conduct a comprehensive analysis of the target company. To maximise value, it is crucial to understand the markets, competitive advantage and landscape, leadership and organisation, as well as historic performance, current momentum, and any possible limitations.

As a responsible investor, we are taking more and more concrete actions to impact the environmental, social and governance (ESG) performance of our portfolio companies. Our Sustainability Policy defines the ESG framework and KPIs, set to track our companies' sustainability development. In our annual sustainability reviews with the management of each portfolio company, we agree on the ESG targets and specific action plans for the future development of the companies.

We are an active owner with a strategic, long-term mindset.

We believe in collaboration and see the AC Network - which brings together our owners and the boards and management of Ahlström Capital and its portfolio companies - as one of our key strengths.

Investing in industrial holdings

Thanks to our long history and legacy, we have substantial experience of investing in industrial companies. Our aim is to be the anchor investor in our industrial holdings, and we typically invest between EUR 50–150 million in a single portfolio company. We seek both local and international companies that are fundamentally in good shape and produce solutions that drive sustainable development. Our portfolio includes listed and privately held companies.

Over recent years, we have shifted our focus more towards a sector-specific approach. We see especially good growth potential in the Forest & Fiber sector and are constantly looking to increase our presence in other attractive areas, such as in circular economy.

Investing in real estate and forest holdings

Our real estate portfolio consists of quality assets in prime locations. The asset size range is EUR 10–75 million. We invest in office, industrial, logistics and residential properties located in the Helsinki metropolitan area, Tampere, Turku, and potentially other growing cities.

We create value through active ownership and make the most of our development and conversion expertise. We seek to find high-quality tenants with whom to conclude long-term lease agreements.

As one of Finland's largest private forest owners we have long traditions in the sustainable forest business. Our 35,000 hectares of forests are in Western Finland in the Satakunta region, and in Central and Eastern Finland. All our forests are PEFC certified and managed in an ecologically, economically and socially sustainable manner.

The real estate and forest holdings are managed by our fully owned subsidiary, A. Ahlström Real Estate Ltd. We also own and develop culturally and historically significant Noormarkku Works.

YEAR 2022

INDUSTRIAL INVESTMENTS

- Ahlström Invest
- Ahlstrom
- M&J Recycling
- Munksjö
- GPV
- Bast Fibre Technologies
- Detection Technology
- Glaston
- Suominen
- AC Cleantech Growth Fund

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

INDUSTRIAL INVESTMENTS

We are an active owner with a strategic, long-term mindset. Our aim is to be an anchor investor in industrial holdings. We seek both local and international companies that are fundamentally in good shape and produce solutions that drive sustainable development. Our main claim to fame is the Forest and Fiber sector, where Ahlström has a long successful history and a valuable global network. Our portfolio includes both listed and privately held companies.

Our investment and value creation plans are the basis for our portfolio companies' development. We drive performance primarily via board work and specific functional support either by Ahlström Capital's own team or by utilizing trusted resources in our network. Mergers and acquisitions, as well as transformational investments to improve the business profile, are an integral part of our way of working. Furthermore, we drive the environmental, social and governance (ESG) impact and performance of our investments.

We develop leading businesses.

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Ahlström Invest

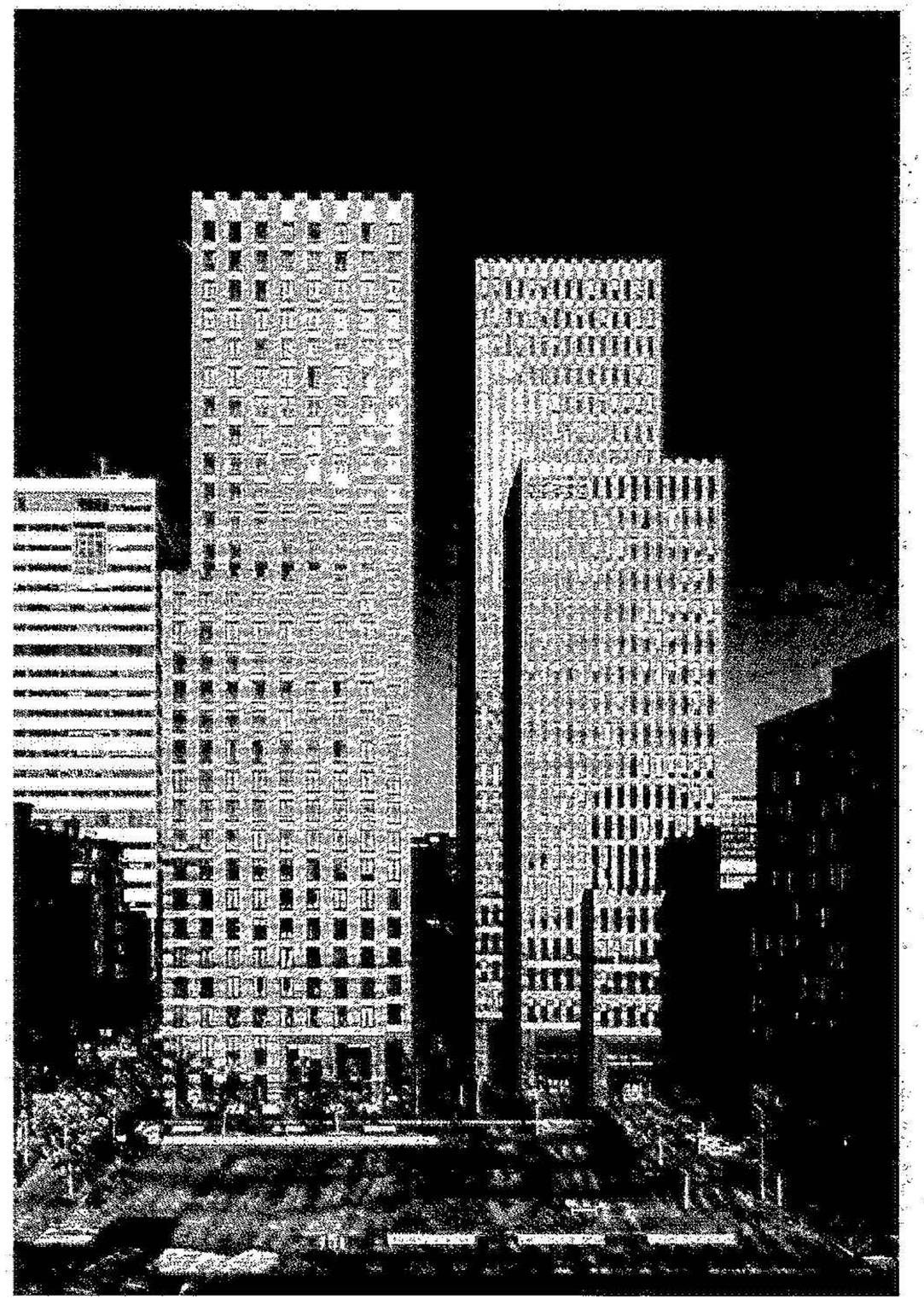
MANAGING THE HOLDING IN AHLSTROM AND AN INVESTMENT PORTFOLIO

Ahlström Invest develops the investment in Ahlstrom Oyj together with Bain Capital and Viknum to generate long-term value for the company's shareholders. The company also holds and manages a significant investment portfolio. At the end of December, the total portfolio managed amounted to EUR 1,271.3 million, of which EUR 832.9 million is attributable to Ahlstrom and EUR 438.5 million to the investment portfolio, including cash. The External Fair Value of the shares and equity on a fully diluted basis was EUR 1,186.0 million and the External Fair Value per share (EFV) was EUR 21.28. The total return on the investment portfolio for 2022 was EUR -52.1 million or -9.5%.

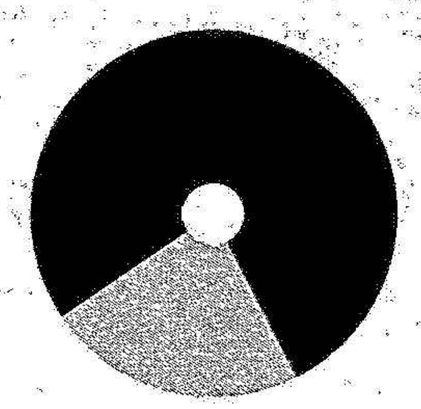
In 2022, Ahlstrom Invest incorporated ESG principles into its investment process and the investment selection criteria. The company continued screening and scoring the thematic investments. The thematic investments can generate positive and measurable sustainable as well as financial performance. So far, Ahlström Invest has invested in healthcare diagnostics, e-Education, sustainable food production and green technology spaces.

In December, Peter Seligson stepped down as CEO of Ahlström Invest and was subsequently elected Chair of the Supervisory Board.

www.ahlstrominvest.com



AHLSTROM INVEST



- Ahlstrom-Munksjö Common equity 540 MEUR
- Ahlstrom-Munksjö Preferred equity 293 MEUR
- Investment portfolio 438 MEUR

AHLSTROM

Founded: Ahlström 1851 (by Antti Ahlström)

Domicile: Helsinki, Finland

Industry: Fiber-based speciality materials

Operating countries: 14 countries in Europe, the Americas and Asia-Pacific

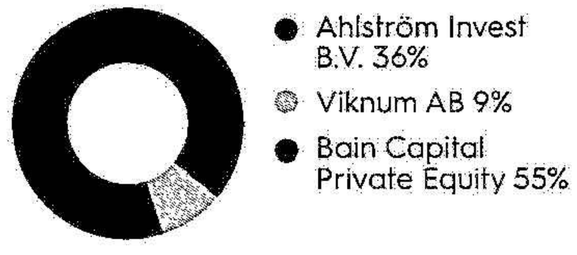
Products: Filter materials, release liners, food and beverage packaging and processing materials, abrasive and tape backings, electrotechnical paper, glass fiber tissue, medical fabrics, applications for diagnostics and life science, as well as a range of specialty papers

EMPLOYEES IN 2022

7,099

OWNERSHIP, %

December 31, 2022



Financial performance continued to improve

2022 was the second year for Ahlstrom as a private company owned by Bain Capital, Ahlström Invest and Viknum. The transformation of the company during its second year resulted in a strong performance improvement, driven by successful commercial and operational excellence initiatives. In 2022, Ahlstrom's net sales increased by 26.9% to EUR 3,348.7 million. Higher selling prices more than offset slightly lower deliveries. Customer demand declined as consumer confidence weakened, which was affected by rapidly rising cost inflation and higher interest rates, as well as the worsening geopolitical situation.

Comparable EBITDA increased to EUR 440.2 million, representing 13.1% of net sales. The margin on variable costs improved in absolute terms as higher selling prices and measures that have improved variable cost efficiency more than offset the negative impact of higher input costs.

Reorganisation and change of company name

Ahlstrom completed the ownership arrangement of its Décor business as Ahlström Capital acquired 60% of the Décor business together with Ahlstrom and Nidoco as minority owners. Following the transaction, former Ahlstrom-Munksjö started operating under the business name Ahlstrom. The divested Décor business continues as an independent company under the Munksjö Paper name.

High ambitions for sustainability and innovation

Innovation and product development are the core of Ahlstrom's long-term value creation. To track its progress the company has set a target for sales of new products launched in the last three years to reach 25% by 2025. In 2022, sales of new products launched in the last three years amounted to 22%. Expenditure on R&D was approximately EUR 35.4 million.

Ahlstrom announced its newly defined purpose and vision, as well as strategic ambition for 2025 and new sustainability targets. Through a clearly defined purpose and a sharper strategic focus, the company is accelerating its strategy execution with the vision to become the Preferred Sustainable Specialty Materials Company.

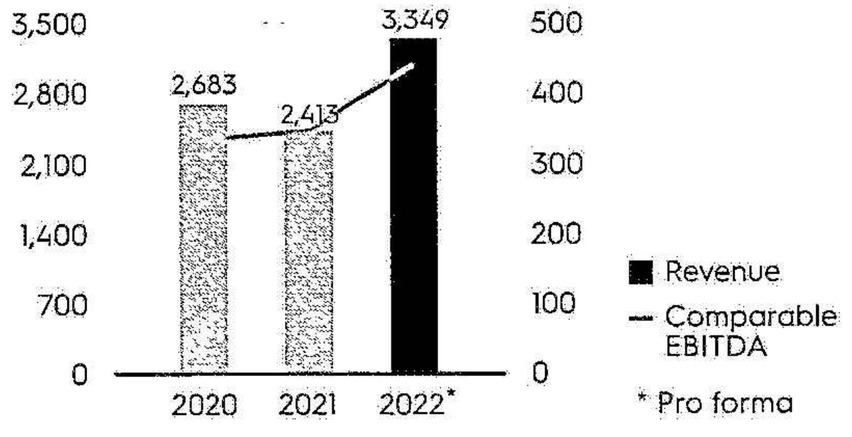
Ahlstrom's strategic ambition for 2025 is to become the leader in combining fibers into performance materials that serve its newly defined purpose to Purify and Protect, with Every Fiber, for a Sustainable World. Ahlstrom implemented a new operating model and reporting structure to effectively carry out the work and build a stronger company for a sustainable future and capture the significant opportunities both to grow and improve profitability.

Ahlstrom was awarded with EcoVadis' highest recognition level, Platinum, for the company's sustainability performance. This places Ahlstrom among the top 1% of companies assessed by EcoVadis. The rating is an improvement on the previous Gold level, held since 2019. The company's score increased especially in Environmental performance and Labour & Human rights.

Ahlstrom appointed Helen Mets as the new President and CEO, effective 1 January, 2023.

www.ahlstrom.com

REVENUE AND COMPARABLE EBITDA, MEUR



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M&J Recycling

IMPRESSIVE FIRST YEAR AS A STANDALONE COMPANY

M&J Recycling Group was established on 1 December, 2021, as Ahlström Capital acquired the waste recycling business from Metso Outotec. 2022 was M&J's first year as a standalone company. Originally, M&J was founded in 1857 as an iron foundry named Moeller & Jochumsen A/S. The company focuses on industrial waste shredders for the recycling industry and is one of the leading global companies in the field.

Strong growth in 2022

The increased global attention on sustainability and recycling continued to fuel M&J's international business opportunities throughout 2022. The company experienced growth in all its three markets: EMEA, AMERICAS and APAC. In AMERICAS and APAC, growth was mainly driven by the project business, and in EMEA by the service business.

The order intake grew by 34% compared to 2021 including an all-time high single order from a new customer in India. Net sales increased to EUR 65 million, representing a strong growth of 23% compared to 2021. Increased net sales, strong cost control and pricing actions, resulted in adjusted EBITDA of EUR 8.9 million, an increase of EUR 1.0 million from the previous year.

Organisational and process development

In 2022, global supply chains faced major disruptions due to the geopolitical situation. M&J improved and further developed its

M&J RECYCLING

Founded: 1857

Domicile: Horsens, Denmark

Industry: Recycling

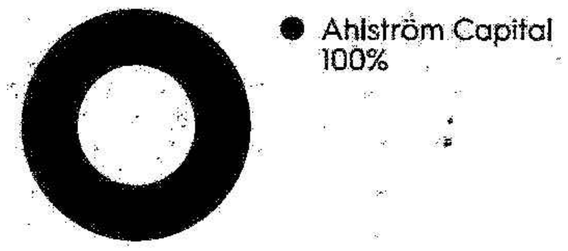
Operating countries: Denmark, China, Germany, Poland, Sweden, Thailand, UK, USA, South Korea

Products: Pre- and fineshredders for size reduction of solid waste, and aftermarket services

In Ahlström Capital's portfolio: Since 2021

OWNERSHIP, %

December 31, 2022



All-time high single order from a new customer in India

supply chain throughout 2022 and managed to increase the resilience despite challenging market conditions.

The company continued to build its standalone organisation and operations by establishing its own IT, Marketing and HR functions and implementing a new ERP system. In addition, M&J strengthened its Supply Chain, Project Management, Finance, R&D, Service and Production capabilities. Since the beginning of 2022, the number of M&J employees has grown from 127 to 160, including new talent onboarding from all around the world.

M&J's first year was successful in terms of launching a new company identity and brand with a distinct legacy and a clear purpose. In 2023, the company will continue to build the brand and create awareness globally focusing on its purpose to help solve the world's waste challenge.

New flagship product launch and focus on ESG

Delivering industrial waste-shredders that make the recycling industry competitive and efficient is at the core of M&J. The company launched a next-generation pre-shredder – the M&J P250 – at the IFAT 2022 exhibition, an international trade fair for environmental technologies organised in Munich. In addition to the hydraulic drive, the M&J P250 is available with a brand-new electric drive technology, that can reduce the energy consumption by 50%.

ESG and especially the focus on carbon footprint reductions were an important focal point during the year. M&J managed to reduce its carbon emissions per machine by 16% and expects further reductions going forward.

Global strategy with a local footprint

M&J's marketplace is global - both when it comes to sales and after-sales service. The company's philosophy is "profitable growth on local terms". M&J believes that the company can only become a global champion by being local and close to its customers. In addition to its headquarters in Horsens, Denmark, the company has several global branch offices and a large international network of dedicated partners. Due to the challenging market conditions, M&J decided to outsource the commercial activities in China.

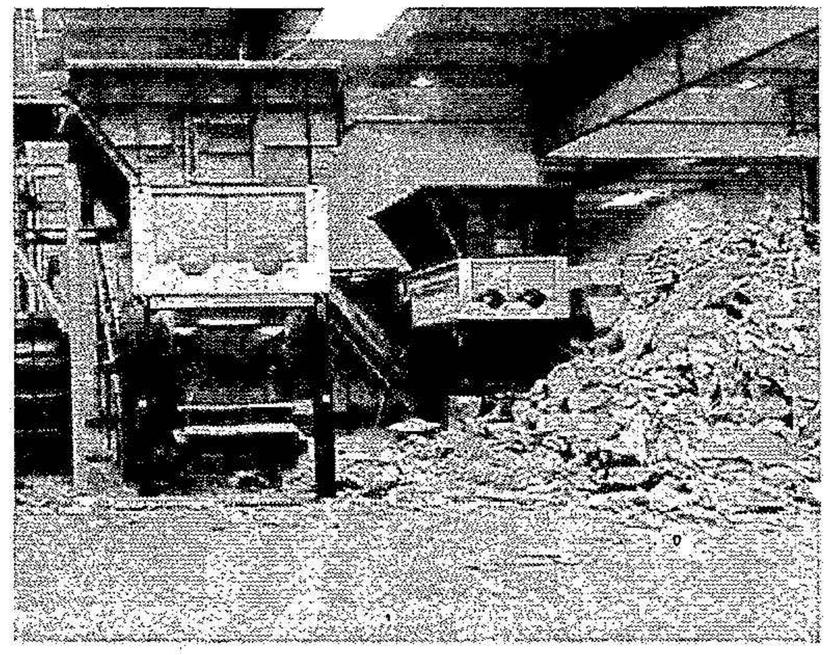
Outlook 2023

The global need for recycling is increasing, which brings substantial business opportunities for M&J. Looking into 2023, the company remains carefully optimistic due to this underlying macroeconomic trend.

M&J is planning to continue new product launches in 2023. In the pipeline, there are new and innovative pre- and fine-shredders, many of which will be equipped with the brand-new electric drive technology. In accordance with M&J's growth expectations, a new state-of-the-art welding robot production line will be installed in the factory in Horsens during the first half of the year. The new robot will increase production capacity substantially and enable further growth.

Further profitable growth is expected especially in AMERICAS and APAC regions. M&J considers India as a potential growth market and is planning to open a new branch office and to grow the global partner network in the area.

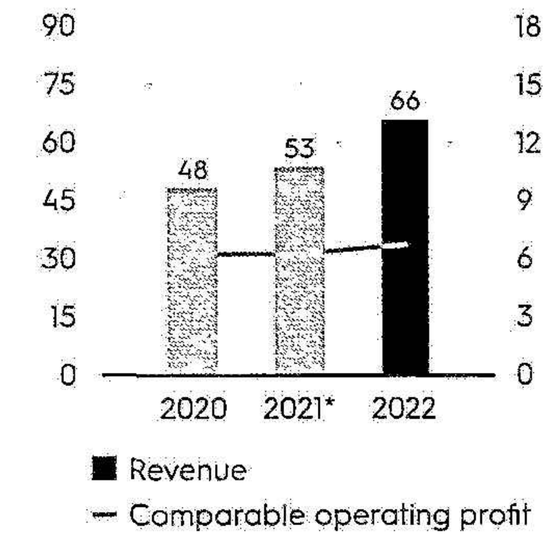
www.mjrecycling.com



EMPLOYEES IN 2022

160

REVENUE AND COMPARABLE OPERATING PROFIT, MEUR



* Acquired on December 1, 2021, only the December financials are consolidated to Ahlström Capital Group

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Munksjö

100% DEDICATED TO THE DÉCOR PAPER MARKET

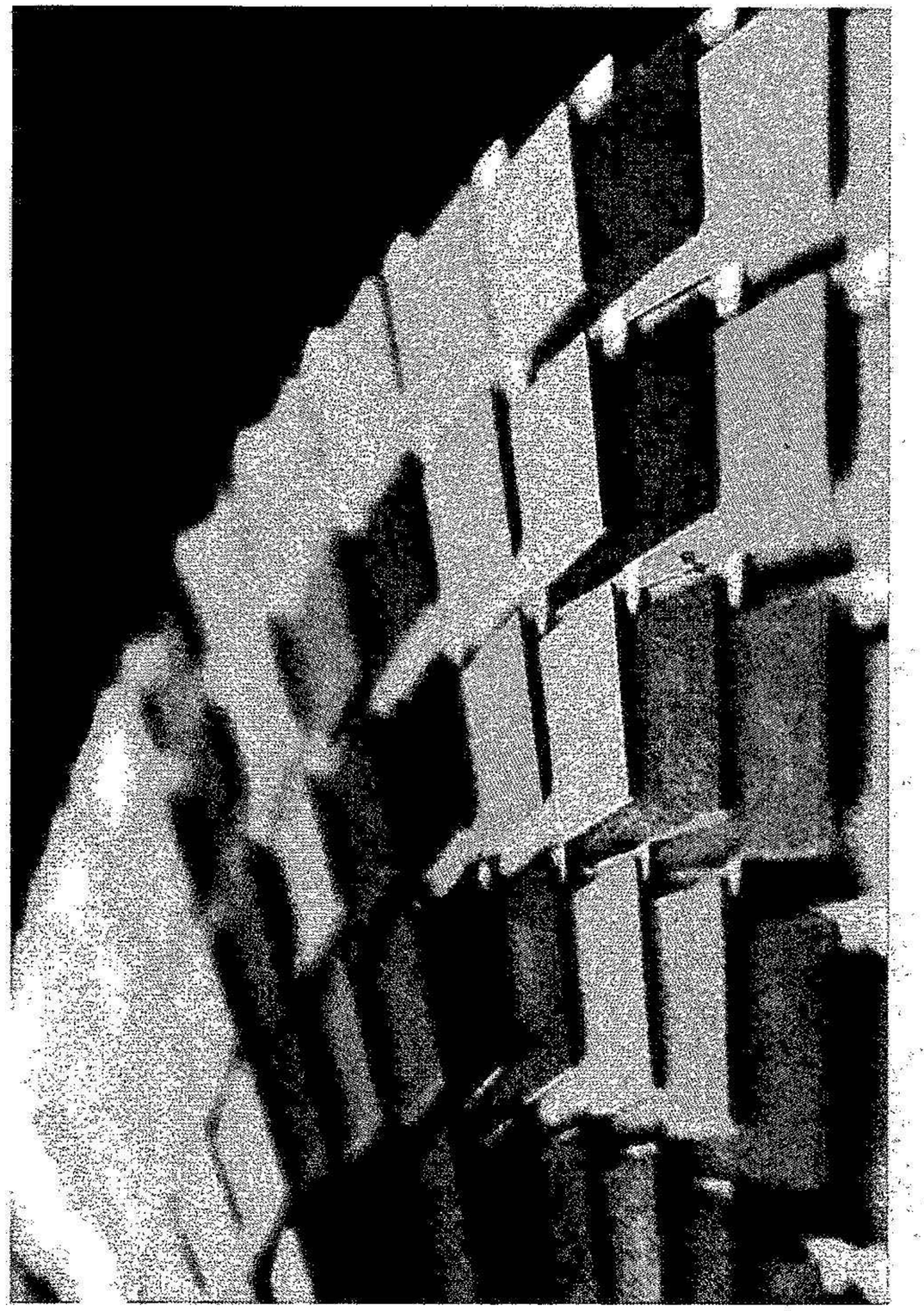
Munksjö AB was established 1 October, 2022, as Ahlström Capital acquired 60% of Ahlstrom-Munksjö's Décor business. Munksjö is a leading global player in the décor paper business. It is also the first international manufacturer solely dedicated to décor paper. The Décor business has operated under the Munksjö brand for more than 25 years. The brand is recognised for outstanding quality and service across the industry.

Pioneering innovation with a focus on the most complex and attractive segments

Munksjö offers the broadest and most differentiated range of high-quality décor paper solutions in the industry, including the widest portfolio of pre-impregnated décor papers and a library including some 6,000 different colours. Through its unique partnership with an internationally acclaimed design studio, Munksjö also provides valuable advice on colour trends to its High- and Low-Pressure Laminate customers.

Munksjö has been a pioneer in the décor paper industry since the 1930's and is the only décor paper manufacturer with a dedicated R&D team with access to pilot paper and coating machines and a fully equipped paper laboratory in Munksjö's R&D centre outside Lyon.

Being the innovation leader helps the company to lead in the most technically advanced and attractive market segments and strengthen key customer relations. It also allows Munksjö to spearhead the sustainability development in the industry. Currently, Munksjö has 14 NDAs signed with different customers related to innovation projects and 12% of the company's current sales are generated from new products introduced during the last three years.



munksjö

Founded: 1862

Domicile: Stockholm, Sweden

Industry: Décor paper

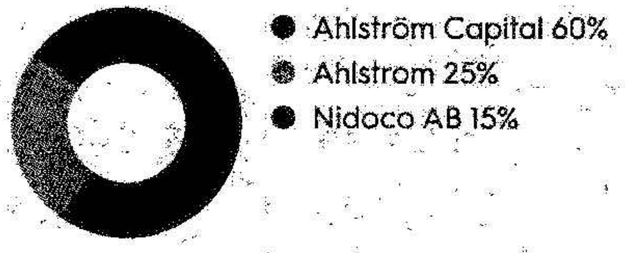
Operating countries: Germany, France, Spain, Brazil, China, Sweden, Italy, Türkiye and USA

Products: White and solid color décor papers, pre impregnated foil base papers, and print base papers for laminate surface materials

In Ahlström Capital's portfolio: Since 2013

OWNERSHIP, %

December 31, 2022



12% of current sales generated from new products

An intensive and challenging start

In the carve-out process, a new Munksjö organisation has been built, including new tools and processes in Finance, Legal, HR and Communication. In IT, preparations to create a separate IT Infrastructure and ERP environment have been initiated. The work to build a standalone organisation will continue in 2023, supported by new recruitments and further IT investments.

Following two years of good demand, the décor paper market cooled off last summer and turned exceptionally weak in the autumn, leading to significant capacity curtailments across the décor paper industry. After using its full capacity until August, Munksjö's capacity utilisation dropped to around 50% in the last quarter of 2022. The revenue was EUR 503 million in 2022. High raw material and energy prices and the war in Ukraine also impacted sales, operational costs and profitability. The pro forma EBITDA was EUR 38 million, representing 7% of net sales.

A clear strategy going forward

In October 2022, Munksjö presented a new brand identity. As part of its new positioning, Munksjö presented itself to the market with the clear purpose of contributing to making sustainable living spaces accessible to everyone. For that, the company focuses on its mission of leading décor paper innovations for a sustainable everyday life.

Munksjö has defined a strategy with clear objectives for the next five years: increase its #1–2 positions in solid colour, pre-impregnated paper and embossed-in-register Print Base Paper qualities in Europe and North America; add new capacity to enable growth and leverage its unique position as the only regional supplier in Latin America and build a strong foothold in China and adjacent export markets in Asia Pacific.

Investments in Latin American & China markets

In 2022, Munksjö announced project ExpanDécor, a EUR 20 million investment program that will modernise and optimise the Caieiras plant in Brazil. The main element is converting and upgrading one of its four existing paper machines to a state-of-the-art décor paper machine. The investment will double Caieiras décor capacity and improve quality and cost competitiveness, allowing Munksjö to serve all quality segments and grow with the Latin American market.

At the beginning of 2022, Munksjö acquired a 60% share in Minglian – a high-quality décor paper manufacturer in Xingtai, China. The Joint Venture in China combines a high-quality asset in a low-cost environment with Munksjö's strong brand and technical know-how. China is the world's largest market for décor paper and this is an important strategic pillar as Munksjö is developing its position as a global leader in the industry.

Setting the sustainability agenda

70% of Munksjö's décor papers are made from renewable natural fibers. Munksjö plans to carry out investments to continuously reduce the environmental impacts of its production processes and product solutions focused on two main areas: carbon neutrality and water footprint reduction. The company is committed to reducing its CO_2 emissions by 25% per ton of paper by 2030 and achieving net zero emissions by 2050.

A Sustainability Committee, including the company CEO, leads the sustainability work. In December, Munksjö joined the "Modellfabrik Papier" initiative, an association of 21 companies that aims to make the entire papermaking industry in Germany - where two of Munksjö's six production plants are located - climate-neutral and fit for the future by 2045.

Outlook

Munksjö is preparing for a challenging 2023. De-stocking across the value chain is expected to hold back European sales also in Q1. An expected 10–20% drop in demand in the European woodworking industry will likely preempt a full recovery in Q2-Q4. In Europe and Latin America, competition from the leading Chinese suppliers is increasing. Chinese suppliers are currently supported by an all-time high price gap between Chinese and Western titanium dioxide, the main raw material used in the production of décor paper. In China, demand is forecasted to remain weak in the first half of the year, but the market is expected to recover gradually.

www.munksjo.com

EMPLOYEES IN 2022
1,200

REVENUE IN 2022 (PRO FORMA), MEUR
503

COMPARABLE EBITDA 2022 (PRO FORMA), MEUR
38

20230629570317

GPV

A NEW, STRONG EUROPEAN ELECTRONICS MANUFACTURING SERVICE PROVIDER

The merger of two strong European electronics manufacturing services (EMS) providers, Enics and GPV, was completed in October 2022. The new company operates under the GPV brand with its head office in Vejle, Denmark. Ahlström Capital has been an anchor owner of Enics for more than 15 years and holds 20% of the new merged entity. Bo Lybæk continued as the CEO of the new GPV.

Strong finish to the year 2022

Despite component availability and production planning challenges, GPV exceeded its expectations for 2022 and generated record-high revenue of almost DKK 6 billion. The high revenue was due to demand-driven activities in Q4 and higher component and material prices. In the same quarter, the merger between GPV and Enics also had a big impact. The merger was closed on 3 October, 2022. The strategic ambition is profitable growth towards a revenue of DKK 10 billion by 2026.

The profitability increased by 36% reflecting increased business activity, successful cost management, and efficient capacity utilisation across factories despite the challenges with material decommits. During the autumn, the company increased its output and capacity. GPV has 19 production sites in 13 countries on three continents. After the combination, GPV is the second-largest European-headquartered EMS company with more than 300 blue chip customers, where many produce products which support decarbonisation.

GPV

Founded: 1961

Domicile: Vejle, Denmark

Industry: Electronics Manufacturing Services

Operating countries: Austria, Denmark, China, Estonia, Finland, Germany, Malaysia, Mexico, Slovakia, Sri Lanka, Sweden, Switzerland, Thailand

Products: Complex electronics, in-house mechanics and cable-harness, mechatronics, and box-build solutions including ODM design & engineering as well as test development services

In Ahlström Capital's portfolio: Since 2022 (Enics since 2004)

OWNERSHIP, %

December 31, 2022

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

- Ahlström Invest
- Ahlstrom
- M&J Recycling
- Munksjö
- GPV
- Bast Fibre Technologies
- Detection Technology
- Glaston
- Suominen
- AC Cleantech Growth Fund

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Electronics play a critical role in the green transition

Capacity expansion

Capacity expansions have been ongoing at the sites in Thailand and Sri Lanka, where the production is expected to start in Q2 and Q3 2023, respectively. Following the combination with Enics, GPV has launched several other initiatives to meet customer demand, including a long-term investment programme in Europe and America. In the short term, GPV has initiated a capacity programme in three European sites, responding to the increased demand of key customers.

Sustainability plays an increasing role

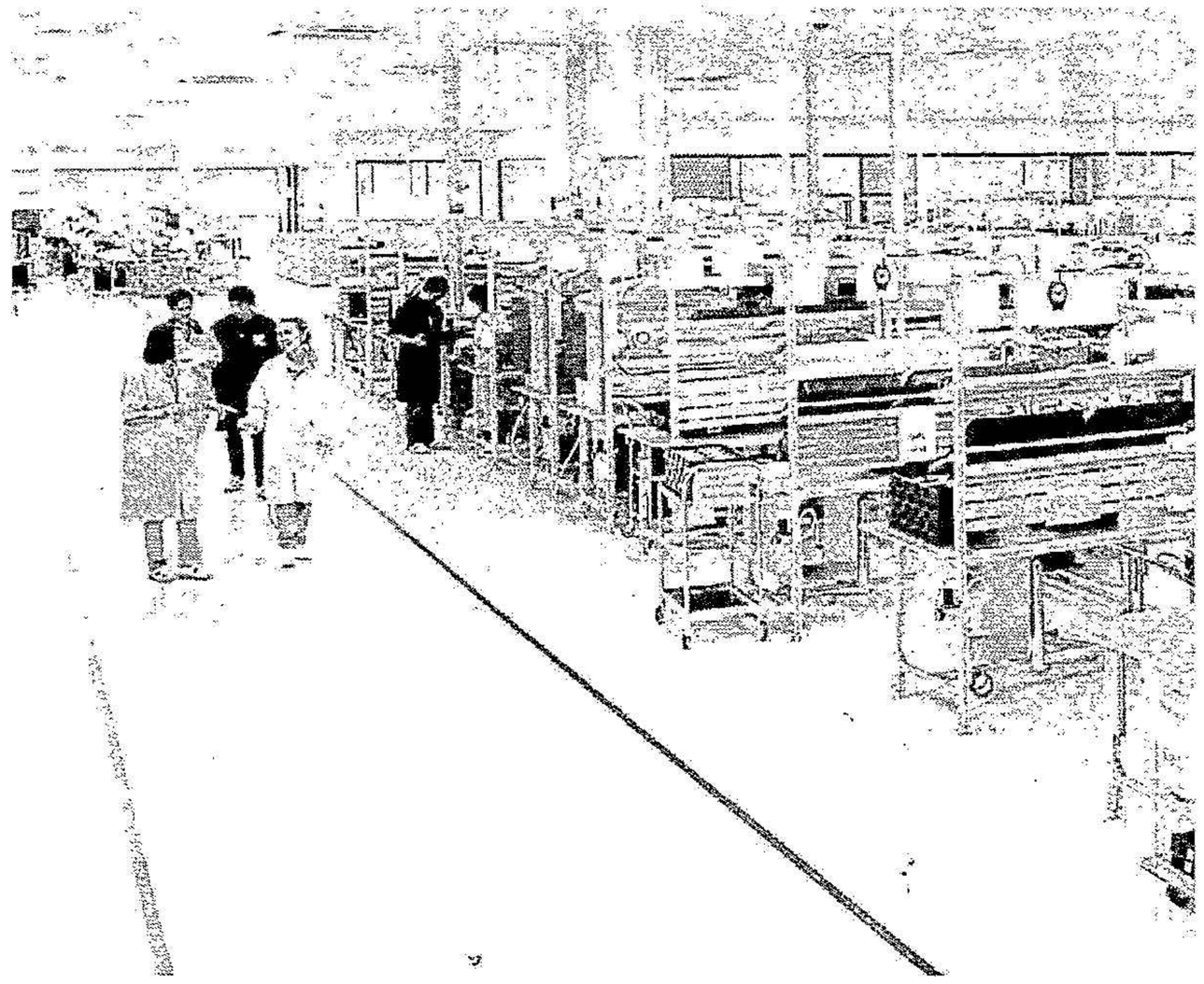
Market demand for increased sustainability or de-carbonisation products drives much of the growth the customers expect. It's becoming increasingly clear how the electronics industry supports the green transition. Electronics play a critical role in societies and businesses' eagerness to achieve ambitious sustainability goals. For example, advanced electronic solutions are crucial to companies launching new product lines with a significantly lower CO_2 footprint over the product life. GPV has launched an ESG roadmap. This roadmap will, among other things, help to phase in greener energy sources as well as reducing energy consumption.

Expecting increased activity level in 2023

GPV prioritises a transparent and trustful dialogue with customers and suppliers. The challenges caused by material shortages and logistics diminished towards the end of 2022 and the company expects this situation to further improve throughout 2023. However, the global supply chain challenges are not yet resolved.

The full-year effect of the Enics combination will significantly impact 2023. On this basis, GPV expects to report revenue in the DKK 8.4–8.8 billion range in 2023, with EBITDA in the DKK 590–640 million range

gpv-group.com



EMPLOYEES IN 2022

8,000

REVENUE IN 2022, MEUR

797

COMPARABLE OPERATING PROFIT 2022, MEUR

39

20230629570338

Bast Fibre Technologies Inc

SCALING UP PRODUCTION IN US AND GERMANY

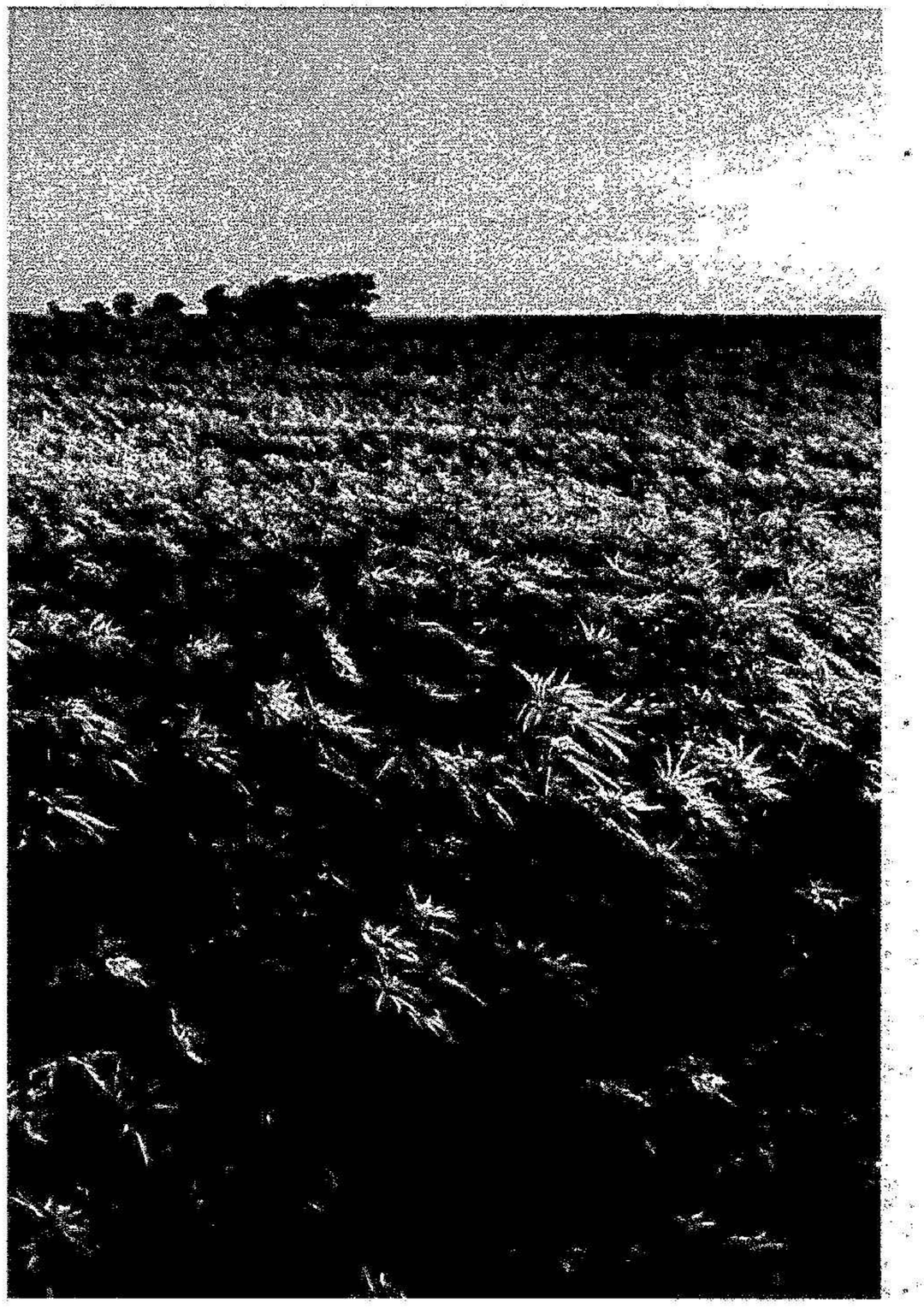
Ahlström Capital acquired 20% of Bast Fibre Technologies Inc. (BFT) in October, 2022. BFT was established in 2016 as a fiber engineering company with a focus on developing technical natural fibers for the nonwoven and textile industries. The mission of BFT is to act as upstream innovators that facilitate the creation of natural, zero-plastic consumer fabrics. Sustainability is at the core of BFT's business and is why it produces fiber from annually renewable plants that capture carbon, rebuild soil, and grow with minimal inputs. The adoption of natural fiber solutions allows for BFT's downstream partners to create next-generation compostable products.

Natural innovation

In early 2020, BFT entered into a global licensing agreement with Georgia-Pacific for key patents related to bast fibers in nonwoven fabrics. Innovation is a key aspect of BFT's business model, and it continues to build upon its intellectual property suite in natural fiber processing and fabric production.

Growth through brownfield acquisition

BFT's growth strategy is to build manufacturing capacity through brownfield acquisitions of existing fiber-processing facilities with established equipment, operations, and infrastructure. Following that model, BFT acquired its first facility



BAST FIBRE TECH

Founded 2016

Domicile British Columbia, Canada

Industry Natural fibers

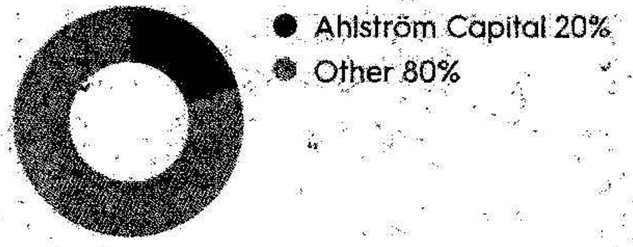
Operating countries Canada, United States and Germany

Products Technical natural fibers produced from bast plants including hemp and flax

In Ahlström Capital's portfolio: Since 2022

OWNERSHIP, %

December 31, 2022



AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

- Ahlström Invest
- Ahlstrom
- M&J Recycling
- Munksjö
- GPV
- Bast Fibre Technologies
- Detection Technology
- Glaston
- Suominen
- AC Cleantech Growth Fund

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

BFT´s sero™ fibers developed for zero-plastic products

in 2021 in Tönisvorst, Germany followed by the acquisition of North Carolina based Lumberton Cellulose LLC from Georgia-Pacific in 2022. Together, these facilities provide BFT total current global natural fiber production capacity of approximately 12,000 metric tonnes per year. Both sites are located in regions with strong raw material supply – mature agricultural industry coupled with environmental conditions well suited for sustainable bast fiber cultivation. Capital investment is currently underway in both the German and US facilities to increase BFT's natural fiber production capacity by over 40%.

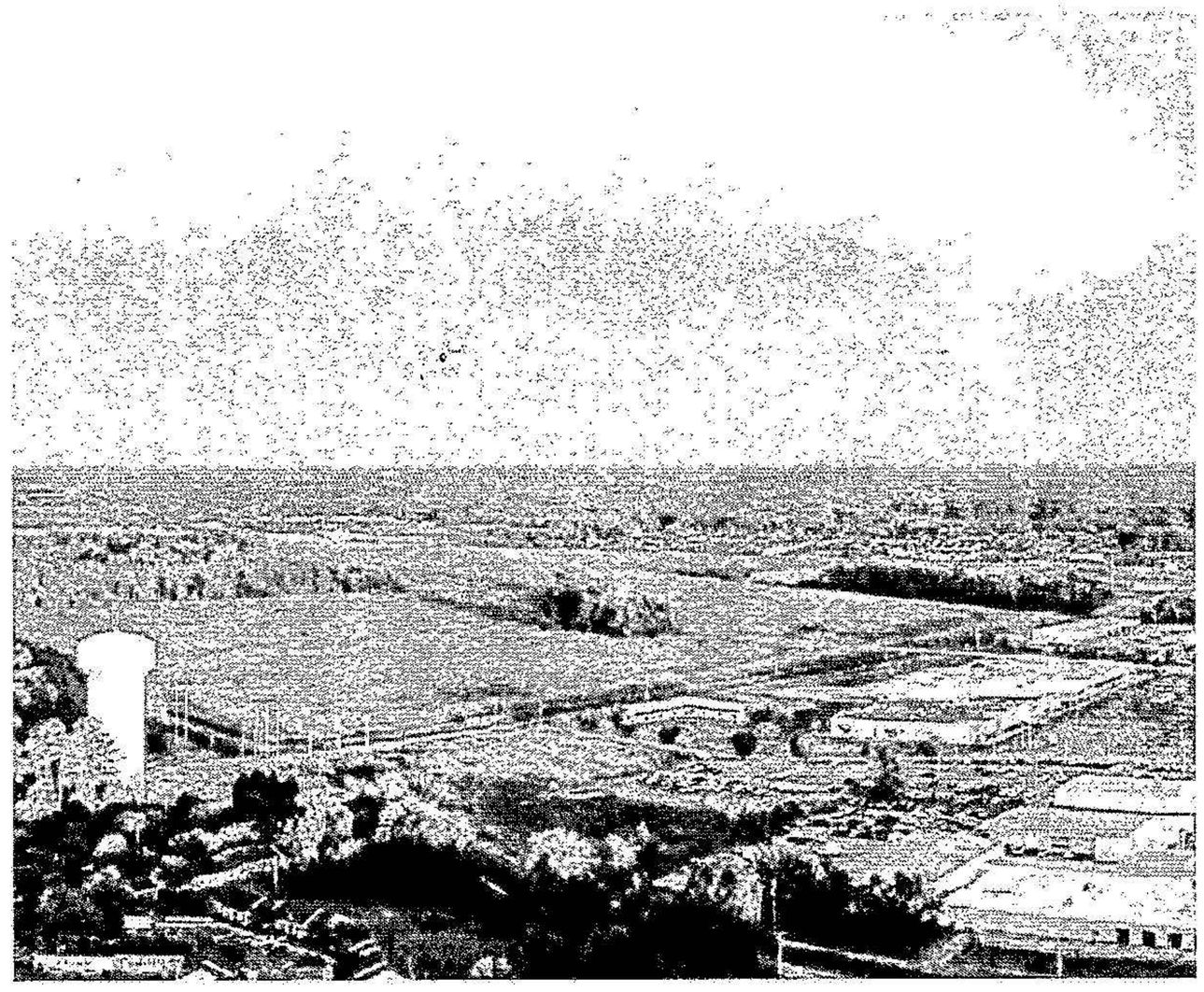
Natural product portfolio

BFT's current natural fiber product suite includes sero™ natural hemp fiber, sero™ natural linen fiber, and specialty purified cotton. BFT's sero™ fibers have been developed specifically for nonwoven applications to facilitate the development of zero-plastic consumer products. Several of BFT's nonwovens customers are either in late-stage commercial validation trials or have launched commercial fabrics with sero™ natural fibers. BFT expects that the demand for natural, sustainable nonwoven products will continue to grow through 2023. In 2022, BFT had total natural fiber sales of USD 14.6 million.

Outlook

During its early stage, BFT focused its efforts on market development and capacity expansion by acquiring brownfield production platforms in Germany and in the US through acquisition. With the successful integration of the German and US production sites complete, and the additional production capacity coming online in 2023, operations are expected to stabilise in late 2023. Revenue and EBITDA are expected to increase in 2023 and beyond. As the demand for technical natural fibers increases, BFT is well positioned to continue its expansion program to keep pace with the opportunity.

www.bastfibretech.com



EMPLOYEES IN 2022

63

REVENUE IN 2022, MEUR

14

COMPARABLE OPERATING PROFIT 2022, MEUR

-7

20230629570 39

AHLSTRÖM CAPITAL

YEAR 2022

Ahlström Invest
Ahlstrom
M&J Recycling
Munksjö
GPV
Bast Fibre Technologies
Detection Technology
Glaston
Suominen
AC Cleantech Growth Fund

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Detection Technology

A POSITIVE END TO AN EXCEPTIONAL YEAR

Detection Technology's (DT) business environment faced significant challenges during 2022 as the world was in turmoil and COVID-19 restrictions tightened in the important Chinese market. The unusual year had a positive ending when the COVID-19 restrictions were lifted, and component availability improved.

Strong sales growth

DT's net sales increased by 10% to EUR 99 million. Demand continued at a good level in industrial and security applications but weakened in medical X-ray imaging. To meet the demand and secure deliveries despite the component shortages, DT completed several product modifications containing substitutive components. DT was able to successfully complete all deliveries from all production units by the end of the year.

Sales of the Industrial Solutions Business Unit grew by 26%, an all-time record when measured in euros. In the security market, demand also continued to recover in aviation, and the net sales of the Security Business Unit increased by 23%. Net sales in the Medical Business Unit decreased by 2% due to the direct and indirect impacts of the pandemic.

The profitability was dented temporarily due to the impact of spot purchases, credit loss provision, increased logistics costs and product modification projects. Nonetheless, profitability improved towards the end of the year, and DT expects the positive trend to gain speed now that the barriers to growth have been revoked.

DT strove to improve customer experience and maintain its existing customer base despite component shortages. The company succeeded in winning almost twenty new customers and now has 390 active customers in over 40 countries.

Detection Technology

Founded: 1991

Domicile: Oulu, Finland

Industry: X-ray imaging solutions

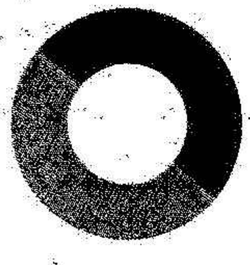
Operating countries: Finland, France, China and USA

Products: X-ray imaging solutions for medical, security and industrial applications and solutions from photodiodes to optimised detector subsystems with ASICs, electronics, mechanics, software and algorithms

In Ahlström Capital's portfolio: Since 2017

OWNERSHIP, %

December 31, 2022



AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

Ahlström Invest

Ahlstrom

M&J Recycling

Munksjö

GPV

Bast Fibre Technologies

• Detection Technology

Glaston

Suominen

AC Cleantech Growth Fund

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Oulu manufacturing expansion for EU origin products

Strategy implementation

DT launched the myDT+ service portfolio. myDT+ aims to improve customer experience and sustainable development by ensuring the long life cycle and reusability of detector solutions. As part of myDT+, the Customer Experience Centre (CEC) concept was launched, and the first CEC opened at Wuxi site in China. DT strengthened its standard product portfolio in medical computer tomography imaging and launched X-ACE 16 HD, a high-definition detector solution.

DT is planning to expand its manufacturing in Oulu, Finland, to be able to offer a wider range of EU Origin products, faster service and delivery for customers outside Asia and cost savings on US tariffs. Production in Oulu will be modular and easily scalable based on demand, and the goal is to generate about 10% of annual net sales in Oulu after the completion of the expansion.

A global R&D competence centre to strengthen the global operating model and to enhance competence development was established. In addition, operations at the new Nanjing talent hub were launched. DT's research and development expenses were 13% of net sales.

Strengthening sustainable operations

DT continued to advance and measure its sustainability agenda and developed a values-based company culture and incentive plans. DT complies with the Code of Conduct of the Responsible Business Alliance and has set metrics for each area in the framework– quality, environment, business ethics, people, and health and safety.

The company achieved all of its sustainability development KPIs set for 2022. DT revisited the KPI for CO_2 intensity (Scope 2) and aims to achieve a 50% reduction by 2025. The company took several measures to reduce its environmental impacts, such as energy-efficiency improvements at the Wuxi production site.

DT continued to develop its Design for Environment (DfE) processes and tools to further improve their ability to support the consideration of environmental aspects in design.

The company continued its Supplier Sustainability Evaluation Program. The program includes the themes covered in the Code of Conduct: quality, environment, business ethics, people, and occupational health and safety.

DT participated in a nationwide China Work Safety Month to enhance safety knowledge and awareness at its China sites. The employee turnover was moderate, and the Group level voluntary turnover decreased to 13%. The company measures the employee experience using its recently launched DT Heartbeat pulse survey and implemented the Whistleblowing channel.

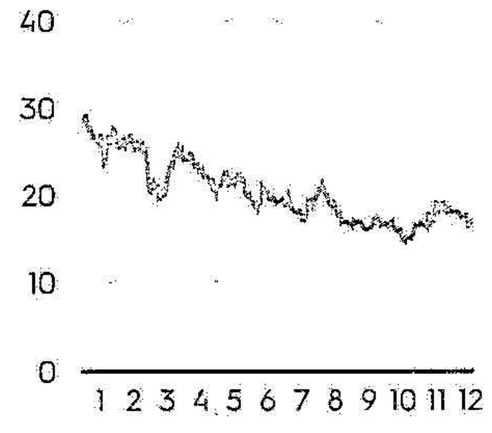
The company sees the circular economy as a business opportunity. X-ray imaging will be used increasingly in recycling and sorting, optimising the manufacturing processes, and the quality assurance of components.

Outlook

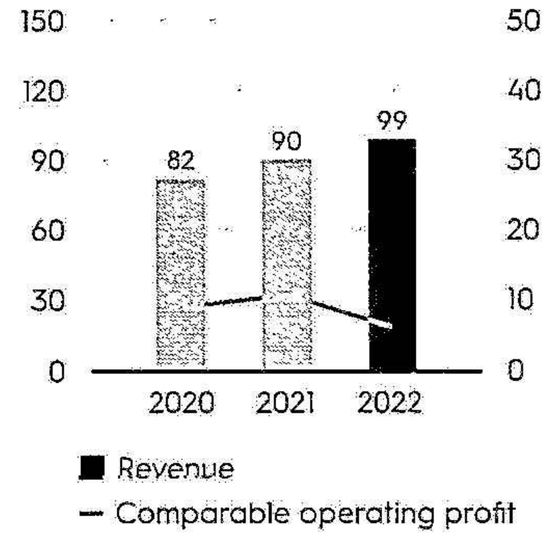
DT enters 2023 from a strong position with growth drivers in the right place, material shortages easing off and COVID-19 restrictions revoked. DT estimates that demand will continue to be strong in security and industrial X-ray imaging solutions and good in medical. DT expects double-digit growth in total net sales in Q1 and H1 2023. The company aims to increase sales by at least 10% per annum and to achieve a 15% operating margin in the medium term.

www.deetee.com

SHARE PRICE IN 2022, EUR



REVENUE AND COMPARABLE OPERATING PROFIT, MEUR



MARKET CAPITALISATION DEC. 31, 2022

248

million EUR

EMPLOYEES IN 2022

469

20230629570 40

Glaston

STRONG DEMAND IMPROVED PROFITABILITY

Demand for Glaston's products and services was strong in 2022 and customer activity remained at a high level, despite the increasing uncertainty in the business environment. Full year new orders were up 17% and net sales growth of 17% was recorded with all segments contributing to the outcome. The Services business grew its net sales by 14%. Cross-selling (between Heat Treatment and Insulating Glass segments) strongly supported order intake development and also resulted in the biggest ever order in the Insulating Glass segment. The sales growth had a positive impact on the Group's profitability.

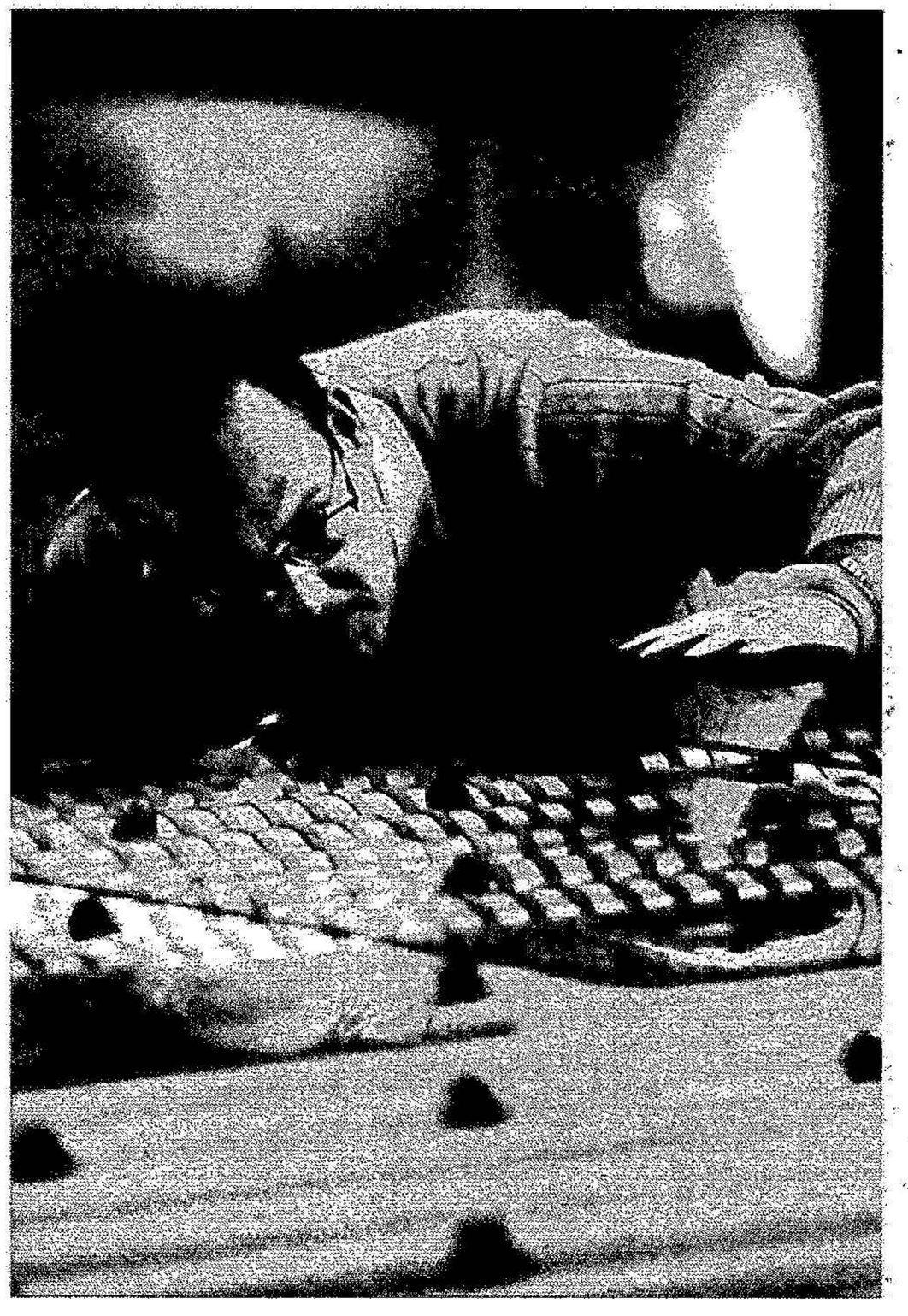
The Heat Treatment segment experienced healthy demand throughout the year with orders up by 7% and net sales up by 14%. Volume growth and margin improvement, both in machines & services, resulted in clear progress in profitability. The good development in the architectural business was the strongest driver for Heat Treatment.

The Insulating Glass segment saw a record order intake with 33% growth. Net sales increased 10% despite some impact from component shortages during the year. Segment's profit was slightly higher than previous year.

The Automotive & Display segment´s orders were slightly behind the previous year at -2%. Net sales increased by 46%, but profitability development was affected by sub-optimal business mix and increases in fixed costs mainly due to new production plans in China.

Geographically, EMEA remained the biggest market with net sales comprising 53% of the total, followed by the Americas at 29% and APAC at 19%. The net sales increased in all regions.

Due to supply chain shortages, especially for control components, and regional factors, such as Russia's invasion of Ukraine and the coronavirus-related restrictions in China,



glaston
seeing it through

Founded: 1970 (Tamglass)

Domicile: Helsinki, Finland

Industry: Glass processing

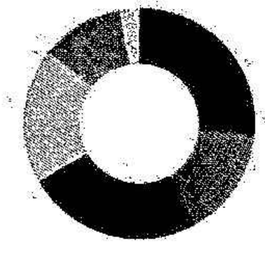
Operating countries: Finland, UK, Germany, Switzerland, China, Singapore, Australia, UAE, USA

Products: Glass processing services & technologies for architectural, automotive, solar energy equipment and appliance industries

In Ahlström Capital's portfolio: Since 2017

OWNERSHIP, %

December 31, 2022



Cross-selling strongly supported order intake development

automotive production continued to face challenges. Increased caution over new investments was visible, causing delays and a few postponements regarding some new machinery projects.

Strategy execution proceeded

In line with Glaston's strategic focus to grow its business in China and improve operational efficiency, the plan to establish production for Automotive pre-processing equipment in Tianjin was disclosed. The activities for ramping up the local automotive supply chain network and preparing Glaston's Chinese operations for automotive equipment production proceeded in line with the plans.

Manufacturing of the new flat tempering CHF Solar line proceeded according to plan at the factory in Tianjin, China. A total of five solar lines will be delivered in the first half of 2023.

During the year, Glaston introduced Net Promoter Score (NPS) as strategic Group-wide customer satisfaction target. Glaston's NPS rating for 2022 was 53, exceeding the target of 40. In 2023, the company will develop the scope and measurement further.

Good progress with sustainability

Glaston's first emission reduction target was achieved in 2022. The company was committed to reducing direct and indirect greenhouse gas emissions (Scope 1 & 2) in relation to net sales by 50% by 2025 from the baseline year 2020. Already in 2022, the company's greenhouse gas emissions in relation to net sales decreased by 57% and thus the strategic target was met. The result was mainly achieved by shifting to the use of renewable electricity at production facilities in Finland and Germany and by investing in a new heat distribution system in the production unit in Switzerland.

In 2022, Glaston calculated the climate impact the company creates in its downstream and upstream value chains (Scope 3). The calculation based on 2021 data showed that the majority, around 99%, of all emissions related to Glaston's activities are generated in the company's value chain. Glaston is working on setting new emissions targets, covering the upstream and downstream value chain.

Glaston's Group-wide safety target is zero accidents by 2025. In 2022, the company's lost-time accidents increased by one to a total of six and the Lost Time Injury Frequency Rate was 3.9.

The energy crisis of 2022 accelerated the overall need to become more energy efficient. All Glaston's Heat Treatment and Insulating Glass products are key enablers in producing modern insulating glass units and low-emission safety glass. These glass products in turn are instrumental in increasing the energy efficiency and safety of buildings and contributing towards the reaching of carbon neutrality in societies.

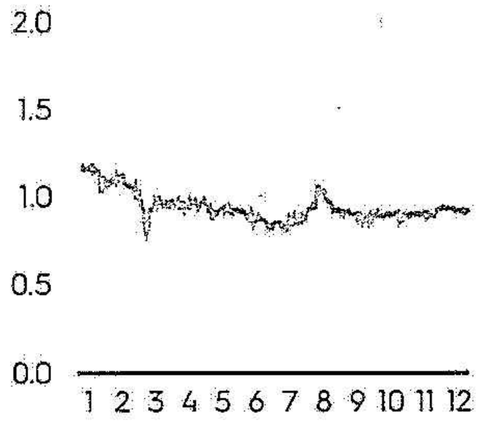
Outlook

In 2023, Glaston expects the overall market activity to remain at a good level despite some regional differences. Although the megatrends support the use of energy-efficient windows, demand in Europe could be affected by the slowdown in the architectural market. In the Americas, Glaston expects the demand to continue strong, whereas in China, the prospects of the architectural market are uncertain.

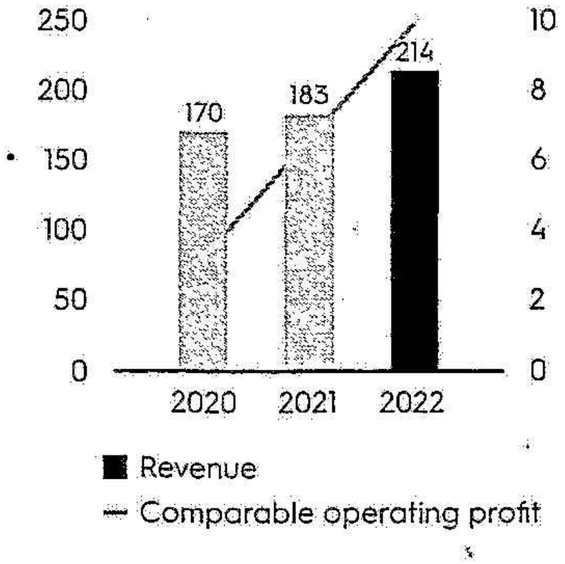
Glaston entered 2023 with an order backlog 46% higher than in the previous year. This provides a strong starting point for 2023 and supports the company's net sales and profitability development. Glaston estimates that its net sales and comparable EBITA will improve in 2023.

www.glaston.net

SHARE PRICE IN 2022, EUR



REVENUE AND COMPARABLE OPERATING PROFIT, MEUR



MARKET CAPITALISATION DEC. 31, 2022

76

million EUR

EMPLOYEES IN 2022

783

20230629570441

Suominen

SUSTAINABILITY AT THE CORE OF STRATEGY

Suominen's nonwovens are, for the most part, used in daily consumer goods such as wet wipes as well as in hygiene and medical products. North America and Europe are the company's largest market areas.

Performance improving towards the end of the year

2022 was a difficult year for Suominen. The unprecedented raw material inflation, which already had an impact in 2021, continued and energy costs increased after Russia's invasion of Ukraine. Suominen's US business in particular, suffered from the high inventory levels in the whole value chain, and the imbalance started to normalise only during the second half of the year.

Suominen's net sales increased by 11% from the comparison period to EUR 493.3 million. The increase in sales was driven by higher sales prices and the tailwind from currencies. Sales volumes decreased from 2021. Net sales in the Europe business area was EUR 205.5 million and net sales in the Americas business area was EUR 288.0 million. The share of new products exceeded 30% of net sales (new products are products launched less than three years ago).

The comparable EBITDA decreased significantly and was EUR 15.3 million. The higher sales prices could not fully compensate for the volume loss and for the higher raw material and energy costs. To improve its profitability, the company took several actions during the year such as implementing energy surcharges in Europe and a general cost surcharge in North America as well as widening its product portfolio in the US.

Suominen

Founded: 1898 (J.W. Suominen Ltd)

Domicile: Helsinki, Finland

Industry: Manufacturing of nonwovens

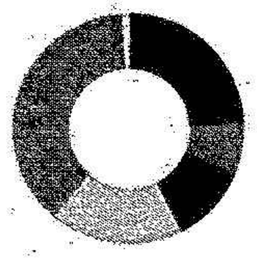
Operating countries: Finland, Italy, Spain, Brazil and USA

Products: Nonwovens as roll goods f or wipes and for hygiene products and medical applications

In Ahlström Capital's portfolio: Since 2014

OWNERSHIP, %

December 31, 2022



AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

- Ahlström Invest
- Ahlstrom
- M&J Recycling
- Munksjö
- GPV
- Bast Fibre Technologies
- Detection Technology
- Glaston
- • Suominen
- AC Cleantech Growth Fund

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

12 new sustainable products were launched

In January 2023, Suominen started a consultation procedure regarding a plan to permanently close manufacturing at the Mozzate plant in Italy. The difficult decision was made given the market situation in Europe and the ongoing transition to more sustainable nonwovens for wipes.

Sustainability at the core

The objective of Suominen's strategy is to achieve growth and improve profitability through sustainability, customer focus and efficiency. Suominen announced an investment to enhance and upgrade one of its lines in Nakkila, Finland. The investment strengthens its capabilities in sustainable products and is made in line with its strategy and vision to be the frontrunner in sustainable nonwovens. The investment project is expected to be completed in the second half of 2023.

Suominen is continuously developing its sustainable product offering and the target is to increase sales of sustainable products by 50% compared to the base year of 2019 and launch over 10 sustainable products per year. In 2022, the sales of sustainable products was 99% higher than in 2019 and during the year the company launched 12 sustainable products (e.g., the company's first carbon neutral product BIOLACE® Zero). The new nonwovens are made of biodegradable, compostable and renewable plant-based fibers. To support the product development in nonwovens biodegradability, a new compostability test centre Green Lab in Nakkila, Finland, was opened.

The EcoVadis sustainability assessment was completed for the first time and Suominen received a silver level rating. This result places it in the top 8% of companies in the manufacture of other textiles industry rated by EcoVadis.

Increasing employee engagement is one of Suominen's key people-related targets and in the global survey the employee engagement index was 65% (target is 73% by 2025). The company has a strong focus on safety and accident prevention, and its long-term target is to have zero lost-time accidents. In 2022, Suominen recorded two lost time accidents.

Suominen targets to use resources efficiently and operate with the smallest possible impact on the environment. The company has four environmental impact KPIs in its own operations: energy consumption, greenhouse gas emissions, water consumption and waste to landfill. The target in all these KPIs is to reduce by 20% per ton of product by 2025 compared to the base year of 2019. As examples of work to decrease its greenhouse gas emissions, the company moved entirely to fossil free electricity in all its European plants and installed solar panels to its Alicante plant in 2022.

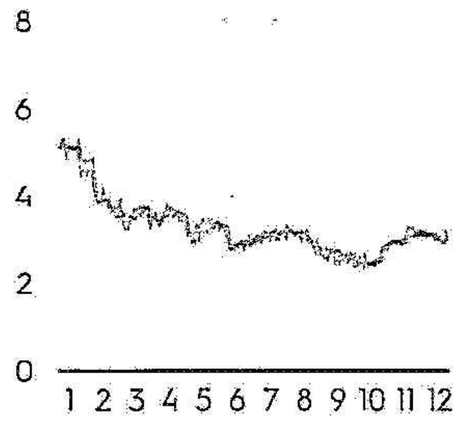
Outlook

Several market drivers have a positive impact on Suominen. The raw material cost inflation has finally turned, the energy markets are showing signs of price decline and in the US markets, the inventory levels have normalised. Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortisation) in 2023 will increase from 2022. In 2022, Suominen's comparable EBITDA was EUR 15.3 million.

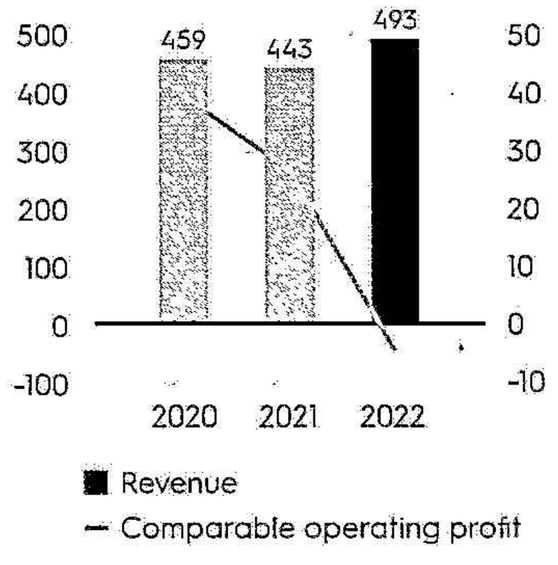
Tommi Björnman was appointed Suominen's new President and CEO in November 2022 and will join Suominen in May 2023 at the latest.

www.suominen.fi

SHARE PRICE IN 2022, EUR



REVENUE AND COMPARABLE OPERATING PROFIT, MEUR



MARKET CAPITALISATION DEC. 31, 2022

172

million EUR

EMPLOYEES IN 2022

717

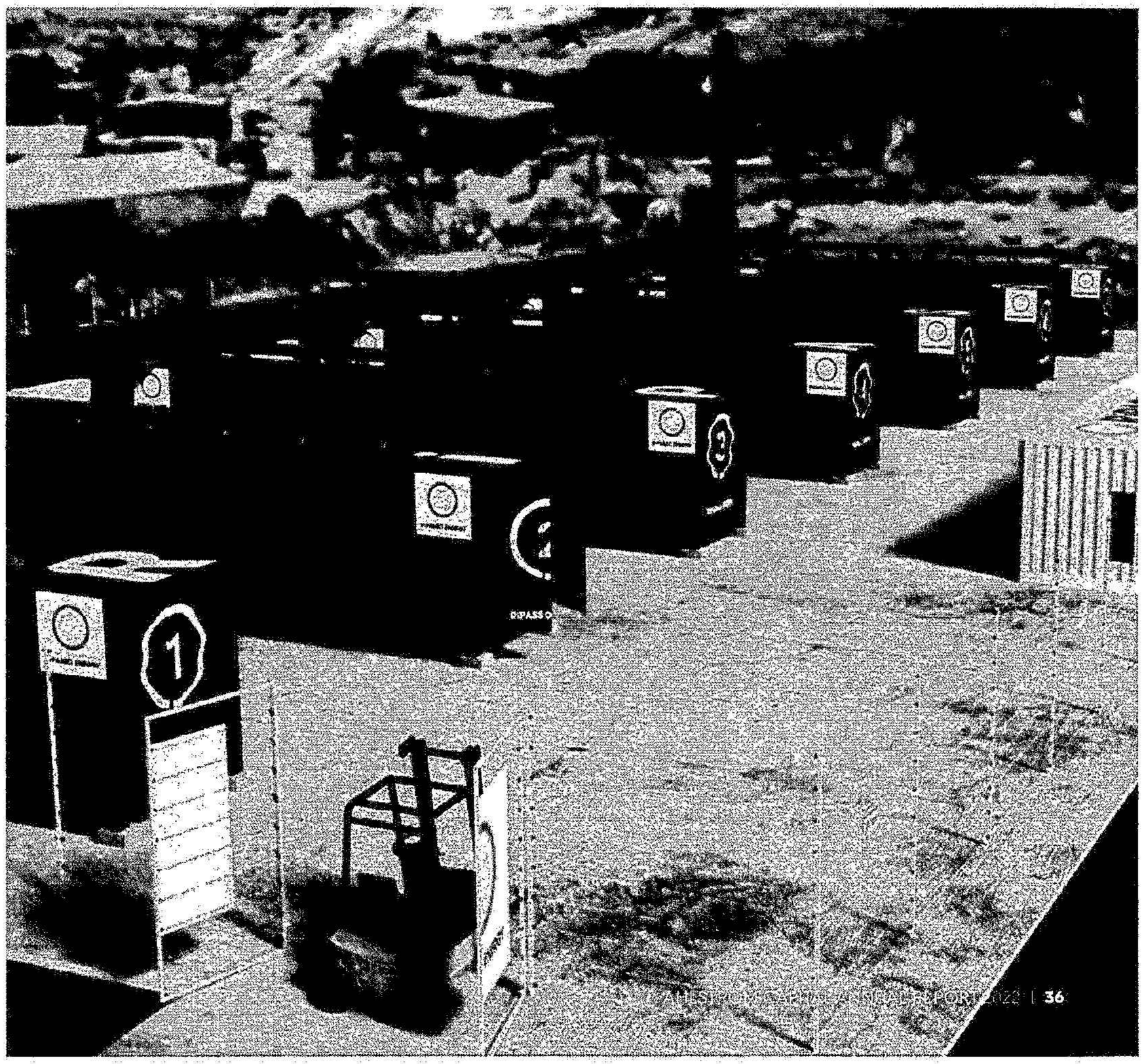
20230629570 42

AC Cleantech Growth Fund

The AC Cleantech Growth Fund was liquidated at the end of the year

The AC Cleantech Growth Fund I was established in 2010. The Fund invested in sustainable business, targeting companies in the cleantech industry. During 2022 the fund held interests in Swedish Stirling AB, Scandinavian Biogas Fuels International AB and Frangible Safety Post Ltd. Ahlström Capital Group's ownership in the fund was 30%.

The fund was consolidated as an associate in the Ahlström Capital Group. The fund was closed at the end of 2022. The last shares in Scandinavian Biogas and Frangible Safety Post were sold and the proceeds distributed as cash and the shares in Swedish Stirling distributed in kind. Ahlström Capital still holds 4.7% of shares in Swedish Stirling directly.



AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

- Real estate
- Forests
- Heritage assets

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

REAL ESTATE INVESTMENTS

We invest in office, logistics, light industrial and residential properties in the Helsinki metropolitan area, Tampere, Turku and potentially other growing cities. Our focus is on quality and active asset management. In addition to direct investments, we use joint ventures that provide us with new opportunities. Our real estate portfolio comprises a total of 64,000 m².

We are also one of Finland's largest private forest owners with 35,000 hectares of forest. Sustainable forest management is at the core of our forest business and the growth of trees exceeds our annual logging volume.

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Real estate

INVESTING IN HIGH-QUALITY AND SUSTAINABLE PROPERTIES

A year of changes in the real estate market

The changing economic and investment market environment challenged the real estate market in 2022. The transaction volume in real estate has increased in recent years and continued high in the first half of 2022. The number of transactions increased actively during the beginning of the year, after which trading slowed down during the summer and autumn. The rise in interest rates and inflation was partly reflected in the slowing real estate market in the latter half of the year. In addition, the rise in the price of financing, and the tightening of availability and terms, strongly impacted the number of transactions.

Quality at the core of our strategy

In 2022, A. Ahlström Real Estate Ltd. continued to grow its portfolio in accordance with its strategy and actively examined new potential investment opportunities. The company focuses on quality and active asset management, and this strategy has been proven to work, even in the changed market environment.

The company invests in commercial properties in the Helsinki metropolitan area, Tampere, Turku and other growth centres. The company has both direct and joint venture investments. Joint ventures give the opportunity to join more significant projects, are administratively efficient, and allow risk diversification across different projects.

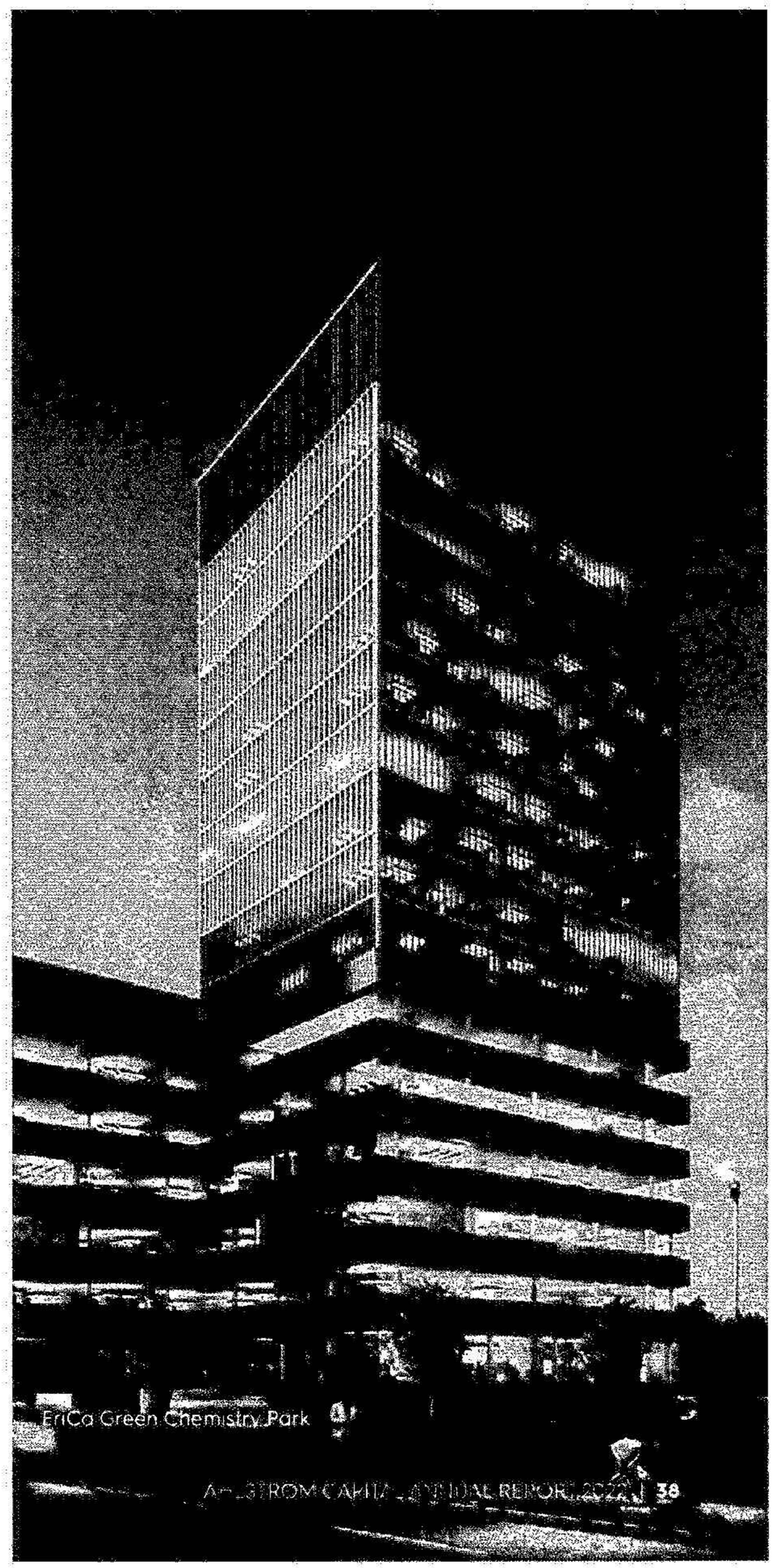
The uncertain market situation has challenged the real estate market, but the rental income of the commercial properties guarantees a stable cash flow, and rents were increased in line with the index. The occupancy rate of the commercial properties has been excellent and new tenants were obtained.

Our flagship property at Eteläesplanadi 14 has been an attractive location for new businesses and we acquired new tenants during the year. A new lease agreement was signed with the Financier Group to utilise the ground floor. After significant renovation work, Café Savoy opened in November. In addition, the kitchen accessories store Heirol opened on the premises.

Investment in EriCa Green Chemistry Park

In 2021, Kemira, Kemira's Pension Fund Neliapila, and the consortium consisting of Ahlström Capital's fully owned subsidiary A. Ahlström Real Estate, Kirkon Eläkerahasto and Aktia Life Insurance Ltd, signed a pre-agreement and a lease agreement to construct the first phase of the building, totalling 15,000 sqm, as part of the Green Chemistry Park concept EriCa.

EriCa consists of a total of 25,000 square metres building rights, which includes office spaces, shared laboratory spaces, a conference centre, and a restaurant and cafe. EriCa supports meetings and information sharing and connects researchers and commercialisers of green chemistry companies of different sizes. EriCa is designed and built responsibly and has already received the BREEAM (Building Research Establishment Environmental Assessment Method) certification as a sustainable built environment during the construction phase and its design is carried out according to the requirements. EriCa is scheduled to be completed in 2025.



EriCa Green Chemistry Park

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

- Real estate

Forests

Heritage assets

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

First investment in Tampere

The GO21 real estate project is an office block rising in the heart of Tampere and it will house new high-quality multi-purpose office premises. The construction work of GO21 started in autumn 2021 and the new office building is scheduled to be completed in October 2023. The office block has attracted significant interest, and the occupancy rate of the office premises was about 95% in February 2023.

Additional premises are located in the renovated freight station which opened its doors to the public in January 2023. The Jugend-style freight station from 1907 and the old railwaymen's house are located in the immediate vicinity of GO21 and contribute to the unique milieu of the office block. The renovated freight station now gets a new life as a concert and event hall with a capacity of more than one thousand people.

GO21 is one of the pioneers in the office space field. Already in the construction phase, GO21 is applying for the highest Platinum level certificate of the LEED (Leadership in Energy and Environmental Design) environmental certification system.

Investment in Kumpulanmäki

In the spring of 2022, Avain Yhtiöt and A. Ahlström Real Estate won the partnership and bidding competition organised by Senaatti kinteistöt and Helsingin Yliopistokiinteistöt Oy for the block complex in the Kumpulanmäki area with a proposal called "Kustaanportti" prepared by Arkkitehtoimisto HMV Oy.

The plan proposal contains a wide range of different forms of housing and office premises. This area that has been undeveloped for a long period of time is now reserved for housing, services, and businesses. Right-of-occupancy apartments, long-term interest subsidy rental apartments and free-financed housing production will be built on the site.

The proximity to the university campus and flexible spaces makes the premises an attractive destination for private or public operators. The plan proposal brings needed services to the area including restaurant operations and a grocery store. Avain Yhtiöt and A. Ahlström Real Estate will initiate the project as long-term owners.

Focusing on sustainability

As a long-term investor, we consider sustainability to be at the core of our operations. Responsibility is one of the key decision-making criteria when making new investments. In 2022, we continued working towards our sustainability ambitions and ESG roadmap.

Our objectives are increasing the eco- and energy efficiency of our properties, securing our healthy, safe, and comfortable premises, and elaborating on the responsibility principles of our contract procedures and acquisitions.

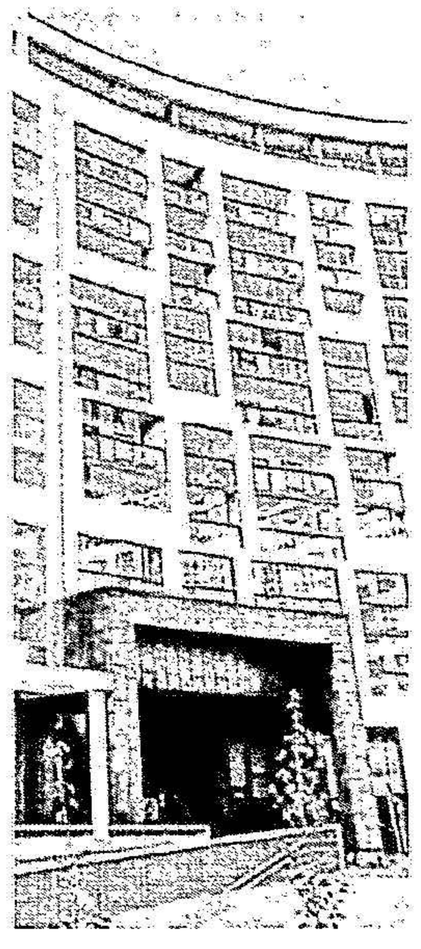
www.ericagcp.fi
www.go21.fi

Avain A. Ahlström Real Estate Ltd has been an anchor investor in Avain Yhtiöt since 2021, and currently holds a 30% stake in the company, as Ahlström's share grew by 5% at the turn of the year 2022. Avain Yhtiöt specialises in building and owning apartments, producing housing services, construction contracting, and construction. Avain Yhtiöt enables us to expand our real estate allocation in the residential sector.

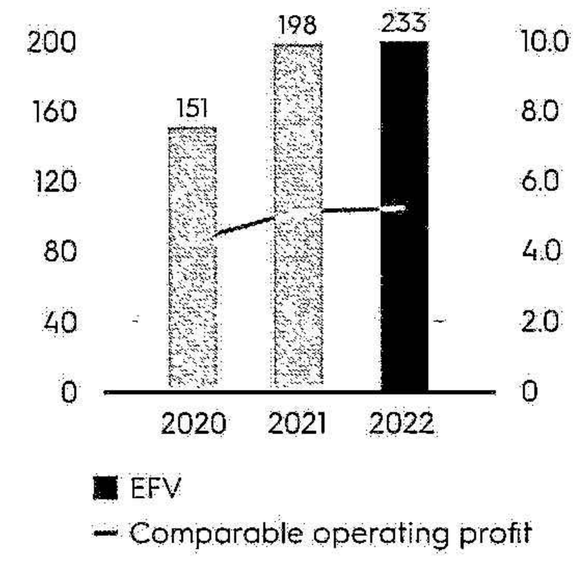
Avain Yhtiöt is a Finnish company established in 2010 and headquartered in Helsinki. The company aims at building and maintaining a functional, safe and environmentally friendly living environment and developing the overall quality of housing and construction.

Avain Yhtiöt builds approximately 1,000 apartments a year, focusing on growth centres in the Helsinki metropolitan area, Tampere and Turku. The company's property portfolio currently comprises more than 10,000 apartments. In 2022, Avain Yhtiöt had a revenue of EUR 103.3 million and an operating profit of EUR 42.8 million. The company has achieved a significant position as a domestic housing investor and has been part of new significant projects. Avain Yhtiöt's growth strategy continued as planned in 2022.

www.avainasunnot.fi/avain-yhtiot/



EFV AND COMPARABLE OPERATING PROFIT, MEUR



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Forests

SUSTAINABLE FORESTRY AS THE BASIS FOR OPERATIONS

In 2022, wood sales increased compared to the previous year. Industrial timber was sold as delivery sales of 137,300 m^3 and 24,600 m^3 as standing sales. The volume of energy wood was 27,200 m^3, consisting mostly of timber offcuts and stumps. The growth of tree trunks was 196,000 m^3 in our forests.

The year 2022 was good, both operationally and financially. Total revenue at EUR 11.7 million, and comparable operating profit at EUR 6.7 million, reached an excellent level. The increase in the price of wood continued to rise. Due to the war in Ukraine and the subsequent trade sanctions initiated against Russia, the importing of wood from Russia ceased. This resulted in an increase in demand for domestic pulpwood, which also increased in price. The possibility of an energy crisis began to rise after the summer, and this increased the demand and price of energy wood significantly.

We continued to increase our total forest area in accordance with our strategy and 623 hectares of new forest was acquired in 2022, exceeding our target.

We increased forest protection areas to foster biodiversity

Biodiversity is one of our focus areas

Ahlström Capital has owned forests for 170 years and currently has a total of 35,000 hectares of forest. Forests are managed in an economically and ecologically sustainable manner while respecting their social impact. Good forest management is one of the cornerstones of sustainable operations and an essential part of the protection of carbon sinks. Based on our strategy, the growth of trees exceeds the annual logging volume.

The protection of forests and the preservation and promotion of their diversity are important aspects of sustainable forest management. A three-year nature monitoring project was continued in 2022 and its purpose is to help identify important habitats in forests in terms of diversity. In 2022, we increased our forest protection areas by approximately 70 hectares. Around 50% of this total was implemented by exchanging areas with the state, and the other half by making a conservation agreement with the Forest Biodiversity Programme for Southern Finland (METSO Programme). There is now a total of 1,500 hectares of forest excluded from forestry operations.

Our aim is to promote diversity in forestry operations and logging areas by means of certification. In 2022, new PEFC certification (Programme for the Endorsement of Forest Certification) criteria were introduced. In the summer, personnel training was carried out for employees and contractors, with whom the new certificates and their requirements were reviewed. The criteria include increasing the number of trees and rotting wood remaining after logging and untreated areas as habitats for game and other wildlife. The measures also include wider protection zones near water areas and swamps.

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

Real estate

• Forests

Heritage assets

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Growth of trees exceeded our loggings

We are respecting forests' social impact

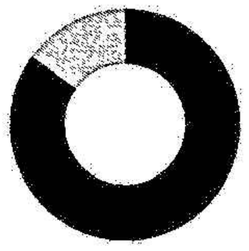
In addition to environmental responsibility, forests also have a significant role to play in social responsibility. In 2022, Noormarkku comprehensive school pupils' forest days were held for a number of 5th and 8th graders. The purpose was to acquaint pupils with the different species of forests, plants, and the treatment of forests. The 8th graders also had the opportunity to participate in reforestation and planting new seedlings. In this way, the pupils were able to concretely promote the renewal of forests and the protection of carbon sinks.

Forests as carbon sink

Large forest areas also represent a very significant carbon sink. In 2022, the amount of carbon dioxide bound by our forests was approximately 150,000 tons, corresponding to the annual carbon footprint of around 15,000 Finns. Planting new trees and maintaining seedling areas are important ways to promote and protect carbon sinks. In 2022, we planted about 420,000 new seedlings, which was the same amount compared to the previous year. The growth of trees exceeds the number of logged trees by 27,000 m³.

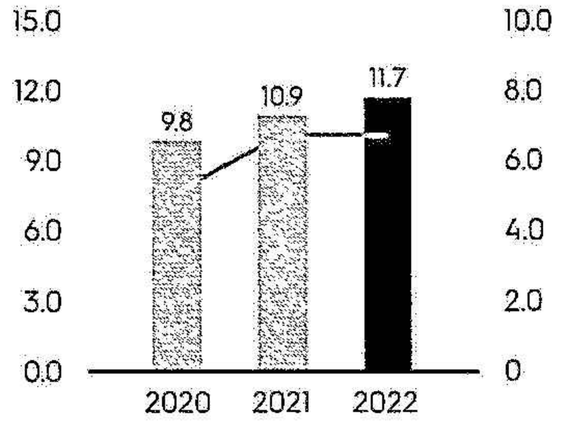
A wetland drained into a forest has a large impact on the annual growth of trees and therefore it increases carbon sequestration. Carbon sequestration in the soil can be increased through logging aimed at uneven-aged management. This evens out fluctuations in the groundwater level, which slows down the decomposition of the peat. In 2022, loggings aimed at uneven-aged management covered approximately 110 hectares. The objective is to increase logging aimed at uneven-aged management to 150 hectares per year by 2024.

INDUSTRIAL WOOD LOGGING IN TOTAL DECEMBER 31, 2022



● Delivery sales 85%
◌ Standing sales 15%

REVENUE AND COMPARABLE OPERATING PROFIT, MEUR



■ Revenue
— Comparable operating profit

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Heritage assets

SUSTAINABLE TRAVEL IN A UNIQUE ENVIRONMENT

The unique Noormarkku Works is located in Western Finland in the Satakunta region. The area has significant value from both an architectural and cultural point of view, and the Works plays a noted role as part of the history of Finnish industry. In Noormarkku, it is possible to enjoy culture, first-class food, and a unique milieu, in addition to which visitors can accommodate in the area and organise various events, from company meetings to family celebrations.

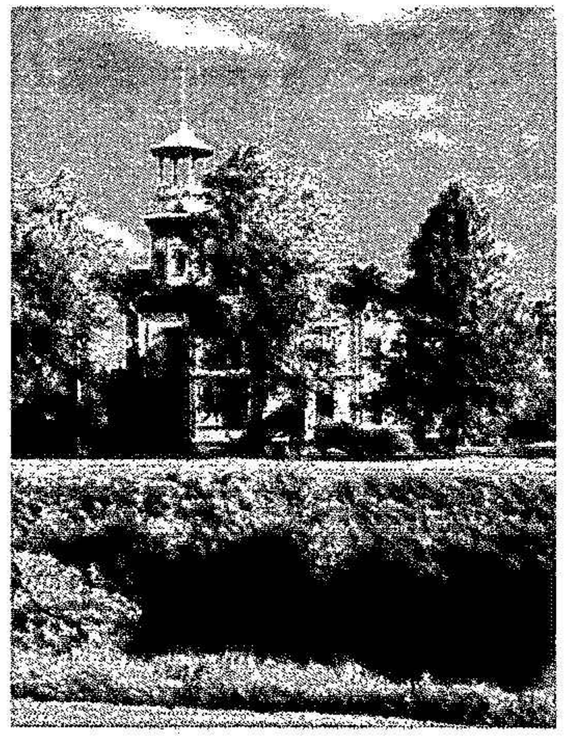
During 2022, the number of events organised in the area increased compared to the previous year and it remained an attractive destination for domestic and international travelers. Events arranged by companies, cultural travel and the number of groups have started to increase after the COVID-19 restrictions eased, but the 2019 pre-COVID numbers have not yet been exceeded. Customer satisfaction has remained at an excellent level, and the unique environment, the individuality of the service and the excellent food received a lot of praise, in particular.

Unique architectural and cultural surroundings

Sustainability is an essential part of the values and the operation of the area. Noormarkku Works complies with Visit Finland's Sustainable Travel Finland (STF) responsibility program and has the Green Key certificate.

Noormarkku Works is self-sufficient in terms of energy. A heating station, hydroelectric power plant is in use in the area and solar panels have been installed there. Locality is also one of the important values, and restaurants in the area utilise a significant amount of food produced in the surrounding region, and in this way, it is also able to support local producers and their work.

www.ahlstrominruukki.fi



The long history of the area and the heritage of many generations of the Ahlströms can be seen in the three homes built at different times. Isotalo (1881), Havulinna (1901) and Villa Mairea (1939) all represent the Works significant cultural history, together with the multiple guest villas, worker housing and the Head Office of A. Ahlström Real Estate Ltd.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

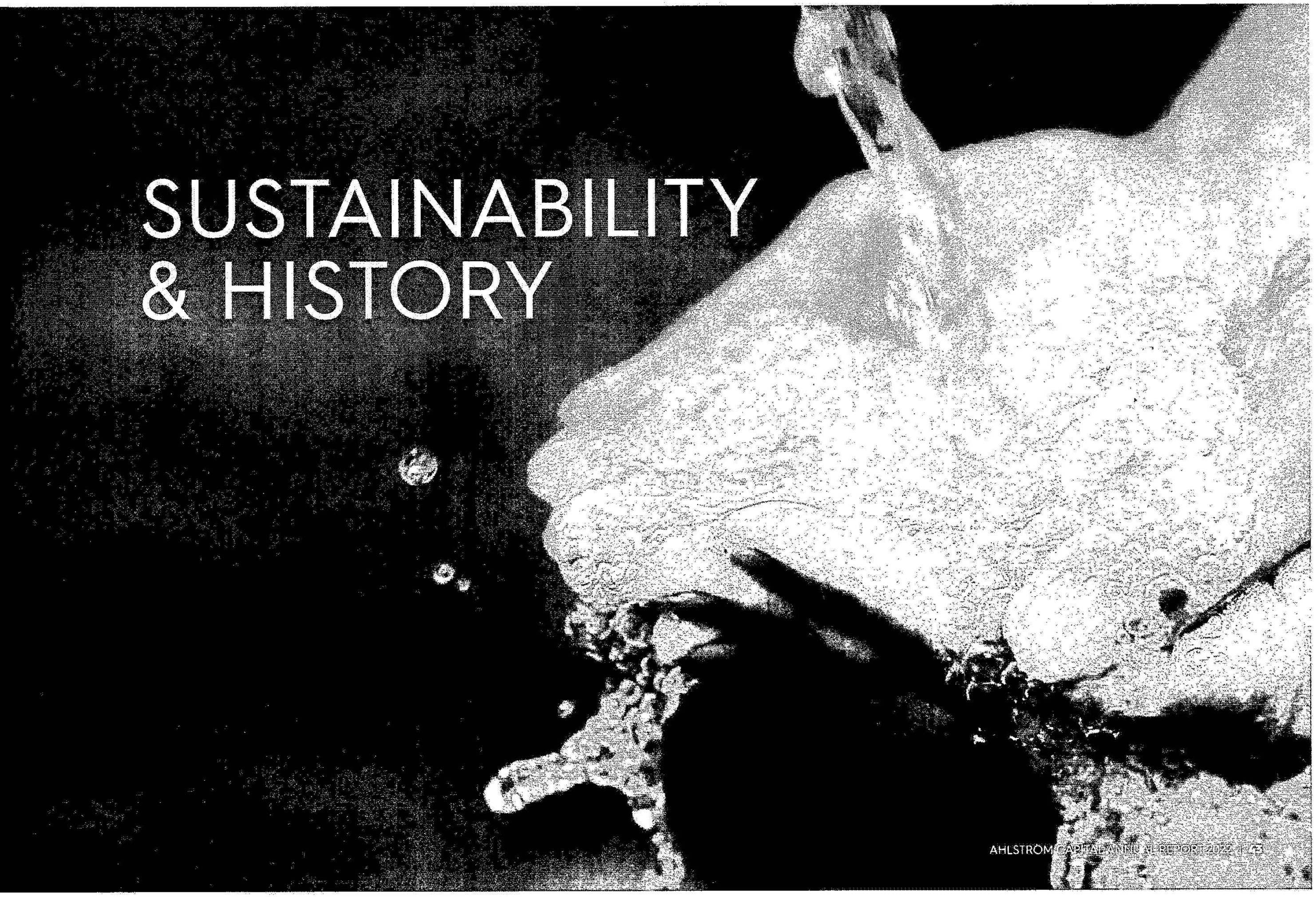
SUSTAINABILITY AND HISTORY

- Sustainability
- Ahlström Collective Impact
- History

CORPORATE GOVERNANCE

FINANCIAL REPORT

SUSTAINABILITY & HISTORY



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AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

Sustainability

Ahlström Collective Impact

History

CORPORATE GOVERNANCE

FINANCIAL REPORT

SUSTAINABILITY – A PREREQUISITE FOR LONG-TERM VALUE CREATION

We are committed to promoting responsible business practices in our portfolio companies and to conducting sustainable asset management of our real estate and forest investments. Ahlström Family values – ambition and responsibility – guide all our operations, and we have established a Sustainability Policy to define the framework for our sustainability work. In addition, we have chosen to comply with the United Nations Global Compact and Sustainable Development Goals. We are also an active participant in the Ahlström Collective Impact initiative, which brings together the Ahlström network companies, Ahlström foundations and UNICEF Finland.

ESG at the core

We continuously strive to improve the Environmental, Social and Governance (ESG) impact in our own operations and investments. As an owner, we contribute through the capital we provide, the engaged ownership role we take and furthermore, through the employment, innovations, products and services provided by our portfolio companies.

Impact through active ownership

In the portfolio companies, our primary influence is carried out through the board work. We also have an active dialogue with the management of each portfolio company about development of their ESG work, the targets and action plans for the future. We believe that the biggest impact can be made through developing the companies we own, by improving ESG impact in their own operations and also in the product development.

Sustainability is an integral part in the value creation plans developed for each company. Our material ESG topics have been identified and are incorporated in the screening processes and business development work. During the investment process, we evaluate whether there is an opportunity to support the target company's development towards sustainable business transformation. In addition, the ESG risks and opportunities related to each investment case are assessed in the due diligence process. In recent years, we have shifted our focus more towards companies that provide solutions to help drive sustainable development. The latest example is our investment in Bast Fibre Technologies, a manufacturer of 100% plant-based, intact natural fibers, that helps the nonwoven industry to move away from plastics.

Measuring the progress

In the business development work of our existing portfolio, we follow both the ESG focus areas defined by Ahlström Capital and the industry specific ESG topics that are material for the portfolio companies. We have Key Performance Indicators (KPIs) for all our focus areas to be able to track the development and set long-term targets (see pages 40–42).

All our portfolio companies need to manage, monitor and evaluate ESG risks, opportunities and value creation possibilities. The Board of Directors of the portfolio companies are expected to decide on relevant targets for each company. With the help of our ESG Management Maturity tool, we monitor the development and discuss the actions and targets set for a sustainable development of each company on a regular basis.

UN Global Compact

Ahlström Capital is a participant of the United Nations Global Compact. We are committed to the Ten Principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. We report annually on the progress towards implementing the ten principles at Ahlström Capital, our direct holdings and our real estate and forest investments. You can find the report on our webpage. Moreover, we are committed to promoting all of the UN Sustainable Development Goals (SDG). The following SDGs are currently the most relevant in relation to our business:

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

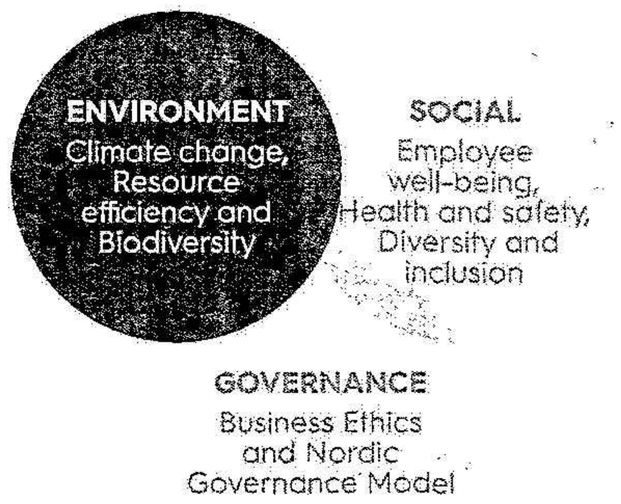
- Sustainability

  Ahlström Collective Impact

  History

CORPORATE GOVERNANCE

FINANCIAL REPORT



Focus areas for Environmental impact:

As an investor, we take our role to accelerate the transition to a sustainable low-carbon economy seriously. By investing in new, sustainable technologies and developing more sustainable products our portfolio companies can increase the positive impact on the environment. By increasing resource efficiency, the companies can decrease their negative impact on the environment. The way we manage our forests plays a key role in fostering biodiversity.

Our focus areas	How we impact	Our KPIs	UN SDGs	
Climate change	• We encourage all portfolio companies to align with the Paris Agreement's aim of limiting global temperature rise to 1.5 degrees above pre-industrial levels and when relevant to commit to Science Based Targets • By planning and developing the built environment and increasing the total amount of carbon stored in tree trunks we can decrease our carbon footprint	• **CO_2 emissions** • **Carbon sink**		**CO_2 emissions reduction target set** **78%***
Resource efficiency	• The ESG impact needs to be part of product development in our portfolio companies • The portfolio companies need to focus on the material resources having the biggest impact on the environment	• **Energy intensity** • **Share of renewable energy**		**Use of renewable energy increased (preliminary)** **100%***
Biodiversity	• Identifying areas in our forests that are particularly vital for biodiversity and excluding them from forestry activities • Analysing the impact on biodiversity in new real estate projects and other investments	• **Forests excluded from forestry activities**		**1,500** **hectares of our forests excluded**

* % of our portfolio companies

A few examples from our portfolio companies on activities to improve the environmental impact

Ahlstrom has committed to Science Based Targets

Energy is the primary source for the Ahlstrom's CO_2 emissions. Approximately two thirds of the company's energy consumption is based on fossil fuels and one third on renewable sources. Of the total energy consumption, about one third is generated onsite, while the remaining two thirds are purchased externally. Ahlstrom has committed to the 1.5 °C climate target and science-based measures (Science Based Targets initiative) to mitigate climate change. To achieve the target, the Group has plans to reduce emissions by 38% between 2021–2030 and achieve net zero emissions by 2050 at the latest.

Suominen focusing on sustainable nonwovens

Suominen launched the first plastic-free product already over 15 years ago and has products that are biodegradable, compostable or dispersible. The products are made of renewable fibers such as viscose, pulp, lyocell, cotton or bamboo. Suominen has partnered with Bast Fibre Techologies for several years to pilot and learn about alternative, tree-free hemp fibers in the nonwovens market. Suominen also provides nonwovens made from other sustainable sources such as recycled rPET or PLA. In 2022, Suominen´s share of sustainable nonwovens increased by 99% (target is a 50% increase by 2025 compared to 2019) and the company launched 12 new sustainable products (target over 10).

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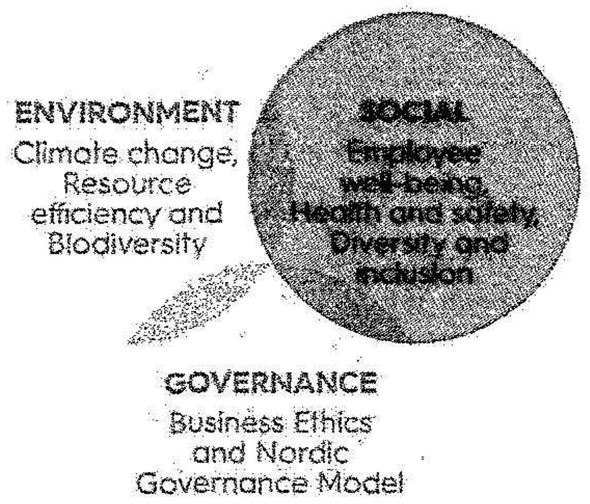

Focus areas for Social impact:

We aim to provide a best-in class working environment for all employees. The well-being of employees is key to innovation and successful businesses. Health and safety needs to be a key priority. Building long-term successful companies requires people with different backgrounds, experience and perspectives. Diverse teams characterised by inclusion stimulate innovation, drive decision-making and attract top talent.

Our focus areas	How we impact	Our KPIs	UN SDGs	
Employee well-being	· Emphasise on good leadership and high-performance culture · All employees are treated equally, fairly and with respect regardless of ethnicity, nationality, gender, sexual orientation, faith, religion, age or other characteristics protected by law · Improving employee satisfaction increases employee commitment and motivation · Improving employee engagement through Ahlström Collective Impact (ACI)	· **Employee satisfaction** · **Employee turnover** · **ACI KPIs**		**Employee satisfaction measured** 100%*
Health & safety	· Emphasis on building a strong safety culture and accident prevention · Aiming at zero lost time accidents in all companies	· **Accident frequency rate (AFR)**		**AFR improved or at same level (preliminary)** 89%*
Diversity & inclusion	· We encourage and expect our portfolio companies to invest in competence development, promote diversity & inclusion, and to ensure non-discrimination	· **Share of women in senior leadership positions**		**New focus area, results coming in H1 2023**

* % of our portfolio companies

A few examples from our portfolio companies on activities to improve the social impact

Continued development of safety at Glaston

Occupational safety is high on Glaston's agenda and the company has set a Group-wide occupational safety target of zero lost time accidents. In order to develop a safety culture, safety standards as well as the reporting of accidents and near misses have been developed and harmonised throughout the Group. Through improved reporting, the company is also able to react better than before to the resourcing of personnel during absences.

Alongside reporting and standards, a safety culture is also built on common safety awareness, anticipation, and the identification of near-miss situations. Listening and learning from others are therefore vital in developing a safe work culture. Occupational safety reviews are conducted every three months. Glaston's first global Safety Week was held in May 2022.

Detection Technology measuring employee experience

DT measures employee experience, including feedback on values-based behaviours, by using the newly launched DT Heartbeat pulse survey. The DT Heartbeat concept and process were defined in 2022, and it has already become an important part of the constantly evolving feedback culture. DT Heartbeat enables the company to gain quicker and deeper insights and act on development areas in a timely manner. In addition, it allows DT to carry out benchmark analysis amongst industry peers and indicates a trend on our development for our external stakeholders. DT launched the bi-annual feedback survey model in 2022 and the response rate was 93% for both feedback surveys. The annual average score was 3.3 on a scale of 1–4.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

- Sustainability

Ahlström Collective Impact

History

CORPORATE GOVERNANCE

FINANCIAL REPORT

Focus areas for Governance impact:

We support universally recognised human rights, assume long-term accountability for ethical standards and combat corruption and bribery. Business ethics and governance constitute the foundation for our ownership model with clear roles and responsibilities. The Sustainability Policy is approved by the Board of Ahlström Capital, and the sustainability work and the development in the portfolio is reported to the Board annually.

Our focus areas	How we impact	Our KPIs	UN SDGs	
Business ethics	• The Sustainability guidelines define the expectations applicable to us and our portfolio companies • High ethical standards and compliance requirements are defined in the Code of Conduct and supplementing policies • Child rights in focus through ACI education	• **Code of Conduct trainings** • **Supplier Code of Conduct trainings** • **Whistleblowing channel**		**Whistle-blowing channel established** **100%***
Nordic governance model	• Active board work and support to management to ensure that sustainability is integrated into business • Active support to management to secure good ESG reporting	• **ESG Management Maturity**		**ESG Management Maturity average level (preliminary)** **3,5**

* % of our portfolio companies

Our KPI ESG Management System Maturity – a tool developed to measure the ESG development in our companies

ESG Management System Maturity is a tool developed for us, which we use to assess and monitor how each of our portfolio companies are proceeding in their sustainable business journey. The companies provide a self-assessment which covers the pre-defined, material processes in each of the five levels of ESG Management System Maturity. ESG Management System Maturity is reviewed in annual sustainability discussions between Ahlström Capital management and the company management. At the same time, companies' progress in sustainability work, action plans and target levels are discussed.

The target is that each portfolio company would reach at least the level 4 of 5 in ESG Management System Maturity.

To reach the level 4, a company must have integrated sustainability in the strategy; material ESG topics and KPI's defined; clear ESG targets with monitoring and reporting processes set; roles and responsibilities clarified and people in the organisation engaged through individual target setting. A level 4 company also provides external sustainability reporting on material topics and progress against targets set and its sustainability information is under limited assurance from an independent third party.

During 2022, great progress was seen throughout our portfolio. Two of our portfolio companies have reached level 5 and two have reached level 4. Some of the portfolio companies are still working with their policies and processes to be able to monitor the development as a basis for decision-making, but most of them were able to concentrate on ambitious target-setting, developing processes to include the material sustainability KPIs also in the remuneration and to do a limited assurance for the ESG information.

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QUANTIFYING THE NET IMPACT OF OUR PORTFOLIO THROUGH THE UPRIGHT MODEL

The Upright's net impact model helps to understand and quantify the sum of companies' positive and negative impacts on society, knowledge, health and environment. The framework consists of four impact dimensions divided into 19 sub-categories (see the table on the right). At Ahlström Capital, we utilise the Upright's model as one way to assess the net impact of our portfolio companies.

The Upright net impact model is based on open access scientific publications and databases. The data is comparable across companies and impact categories. The Upright net impact model produces quantitative estimates of the costs and benefits related to each product and service of a company in each impact category. The whole value chain is considered in the estimates.

The net impact of our portfolio

We have used the Upright model since 2022 to get an outside-in-analysis of the value chain in which our portfolio companies operate. In addition, the model has been utilised as one viewpoint when assessing new investment opportunities. In 2022, we conducted a net impact analysis for two investment cases – Munksjö and Bast Fibre Technologies.

According to the latest updates, the net impact ratio of our portfolio companies vary between -5% and +54% and the combined net impact of our portfolio is +23%. The impact is calculated from both our listed and non-listed industrial investments as well as the real estate and forest assets. The changes in our portfolio during 2022 are included.

Our portfolio creates the most significant positive value in the Society dimension through the impact categories Taxes and Jobs. There is also a substantial positive impact in the Knowledge and Health dimensions by the products and services offer by Detection Technology, GPV (former Enics), Ahlstrom and Suominen. The real estate development activities have a positive impact on the Knowledge dimension through the impact category Creating knowledge. Positive impact can also be seen in the Environment dimension in the impact category Greenhouse Gas (GHG) emissions as our forests are an important carbon sink. Furthermore, companies like Ahlstrom and Munksjö are producing products that help to decrease the GHG emissions and our real estate projects focus on improving energy-efficiency.

Ahlström Capital and its portfolio are using resources in the forms of Scarce human capital, GHG emissions and Waste. These impact categories create the largest negative impacts.

IMPACT	SCORE
Society	**2.5**
Jobs	0.9
Taxes	1.2
Societal infrastructure	0.4
Societal stability	0.0
Equality and human rights	-0.0
Knowledge	**-0.6**
Knowledge infrastructure	0.0
Creating knowledge	0.2
Distributing knowledge	0.1
Scarce human capital	-1.0
Health	**0.4**
Physical diseases	0.2
Mental diseases	0.0
Nutrition	0.0
Relationships	0.0
Meaning & joy	0.1
Environment	**-1.2**
GHG emissions	-0.6
Non-GHG emissions	-0.1
Scarce natural resources	-0.1
Biodiversity	-0.3
Waste	-0.2

+23% **Net impact ratio**

Ahlström Capital's Net Impact ratio of +23% can be compared with other net impact ratios e.g. Nasdaq Helsinki -23%, OMX Nordic 40 +20% and S&P 500 ESG +22%.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

Sustainability

• Ahlström Collective Impact

History

CORPORATE GOVERNANCE

FINANCIAL REPORT

AHLSTRÖM COLLECTIVE IMPACT FOR unicef

17 PARTNERSHIPS FOR THE GOALS

Ahlström Collective Impact (ACI) is a joint responsibility initiative by the Ahlström Capital Network companies, foundations, shareholders and employees. ACI is a unique collaboration model that joins together the Network companies and foundations in partnership with UNICEF Finland.

Ahlström Collective Impact was launched in 2020 with the aim of inspiring a new kind of collaboration in the Ahlström network. In 2022, the initiative included Antti Ahlström Perilliset, Ahlström Capital, Ahlström Invest, Ahlstrom, Detection Technology, Destia, Enics, Glaston, Suominen, Avain Yhtiöt, M&J Recycling, Eva Ahlström Foundation and Walter Ahlström Foundation.

Ahlström Collective Impact's joint investment was directed to UNICEF's global education program, which supports the United Nations' Sustainable Development Goal for quality education (SDG number 4). UNICEF's global education program supports the learning, growth, and development of life skills for millions of children. Education plays a key role in reducing inequality and poverty and strengthening social stability. UNICEF works for education so that every child has the skills and abilities to succeed in the world.

The unique cooperation model connecting companies and foundations of the Ahlström network, Ahlström Collective Impact has since 2020 invested in children's education worldwide and in supporting children in Ukraine. In 2022, Ahlström Collective Impact invested EUR 770,000 in UNICEF's global education program. In addition, the companies, employees, foundations, and shareholders belonging to Ahlström Collective Impact have collected almost EUR 300,000 for the children of Ukraine. This support was given for health, nutrition, safe water, sanitation, and protection of children and families of Ukraine.

The Ahlström Collective Impact Ambassador program has been created for the employees and shareholders within the Ahlström Network to enable them to contribute to the selected United Nations' Sustainable Development Goals by driving and implementing ACI related initiatives and events locally. We have today 50 Ambassadors from 11 countries in the program.

Read more here:
www.ahlstromcollectiveimpact.com

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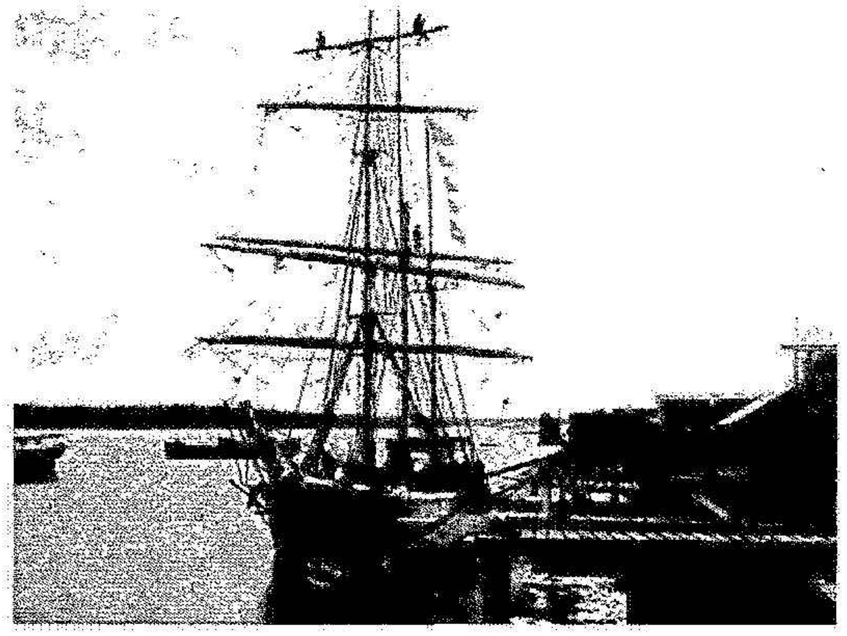
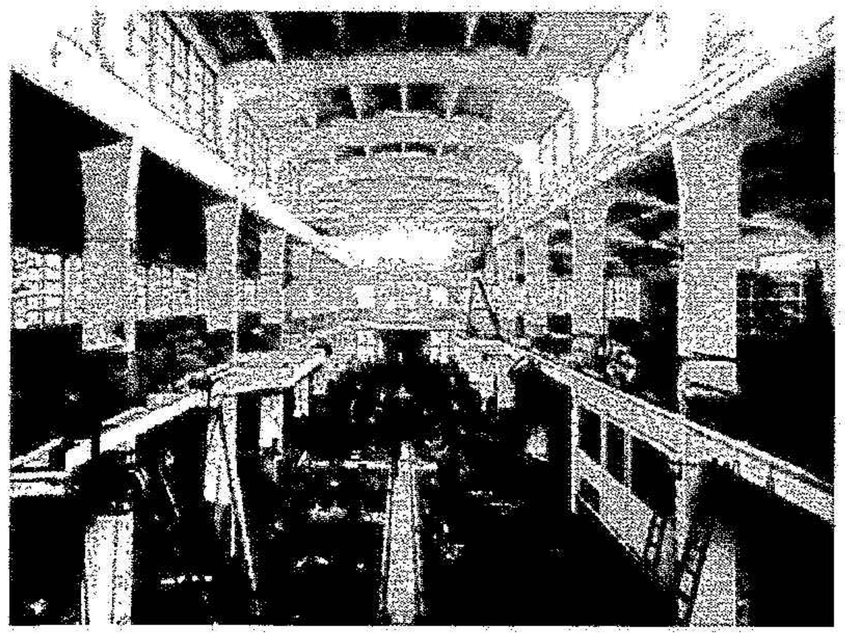
170 YEARS OF INDUSTRIAL TRADITIONS





1851
Antti Ahlström (1827–1896) starts businesses in the fields of shipping and sawn goods.

1870
Antti Ahlström acquires the Noormarkku works, which later becomes his home and the centre of the company's businesses. During the late 1800s, Ahlström also acquires Kauttua, Leineperi and Strömfors works.

1896
Eva Ahlström (1848–1920) becomes one of Finland's first female industrialists.

1907
A papermill is established in Kauttua, marking the start of the paper industry in the area.

1908
A. Ahlström Osakeyhtiö is established. It later becomes the biggest industrial company in Finland.

1937
A. Ahlström Oy constructs the 'Industrial Palace' business and office building on Eteläesplanadi 14, Helsinki. The building is designed by architecture firm Jung & Jung.

1963
A. Ahlström Osakeyhtiö makes an investment in an Italian paper mill, Cartiere Giacomo Bosso S.p.A. A. Ahlström Osakeyhtiö is one of the first companies in Finland to expand their business abroad.

1968–
Internationalisation continues as A. Ahlström Osakeyhtiö acquires companies during 1968–2000 in Canada, Germany, USA, France, Sweden and Brazil. New companies are also established in Sweden and South Korea.

2001

A. Ahlström Osakeyhtiö

Ahlström Capital

Ahlström Corporation

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

Sustainability

Ahlström Collective Impact

- History

CORPORATE GOVERNANCE

FINANCIAL REPORT

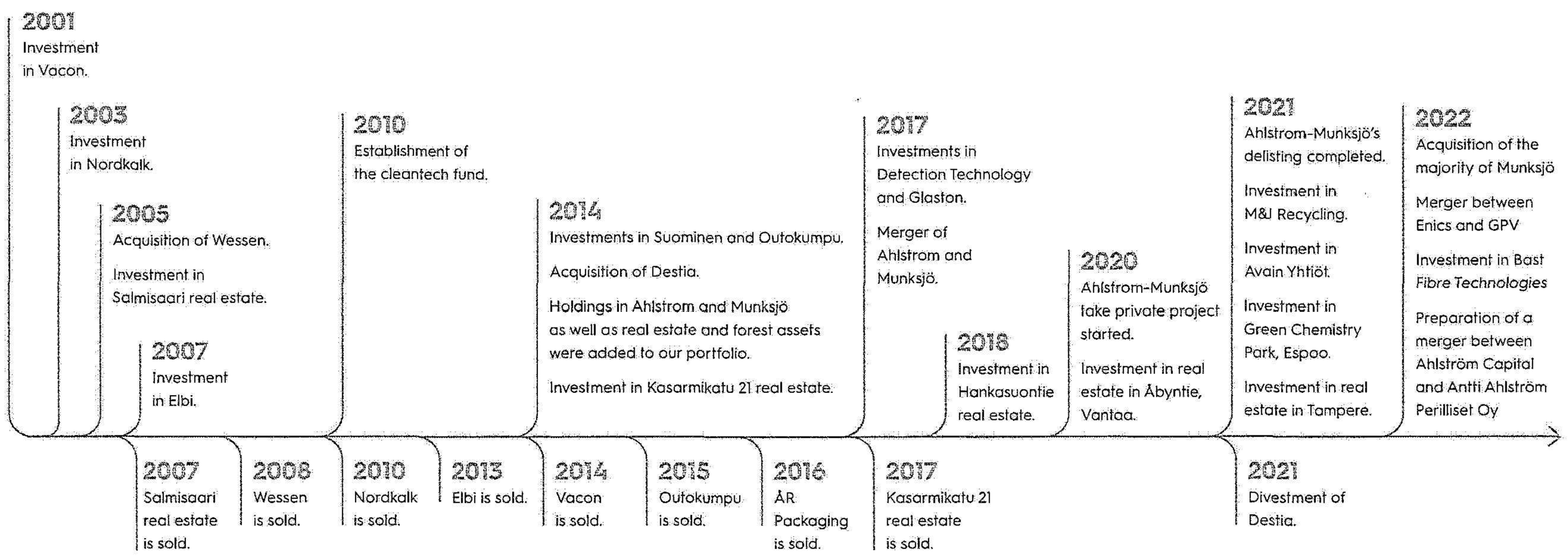
Ahlström Capital

ACTIVE VALUE CREATION

Ahlström Capital was established in 2001, when A. Ahlström Osakeyhtiö was divided into Ahlstrom Corporation, Ahlström Capital Oy and A. Ahlström Osakeyhtiö. Ahlström Capital's portfolio consisted of Ahltronix (which later became Enics) and ÅR Carton (later ÅR Packaging).

At the end of 2022, our portfolio included assets in Detection Technology, Glaston, Suominen, M&J Recycling, Munksjö, Ahlström Invest, GPV and Bast Fibre Technologies, as well as considerable real estate and forest holdings.

Ahlström Capital is as of 1 March, 2023, A. Ahlström.



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AHLSTROM
CAPITAL

YEAR 2022

INDUSTRIAL
INVESTMENTS

REAL ESTATE
INVESTMENTS

SUSTAINABILITY
AND HISTORY

CORPORATE GOVERNANCE

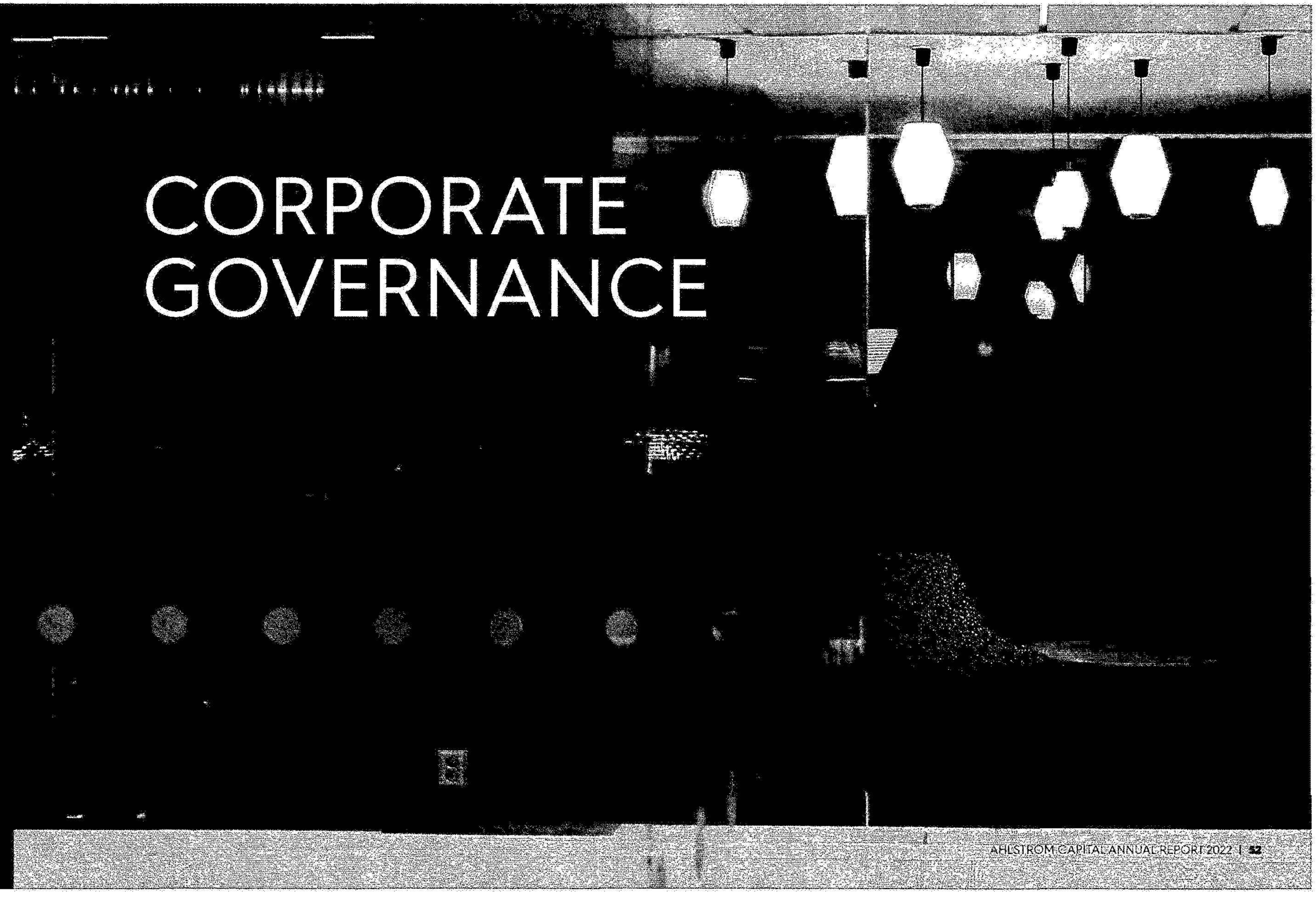
Risk management

Corporate governance

Board of Directors

Personnel

FINANCIAL REPORT



AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

- Risk management

Corporate governance

Board of Directors

Personnel

FINANCIAL REPORT

RISK MANAGEMENT

As an investment company, Ahlström Capital's key risks are related to its ability to create long-term shareholder value growth with steady returns. In addition, as a family-owned company, Ahlström Capital fosters the trust and reputation generated over decades through good corporate governance principles and processes in all its portfolio companies.

A diversified and balanced portfolio, consisting of forests, real estate holdings, industrial investments and liquid funds, reduces the overall risks, and is a key component of the company's risk management.

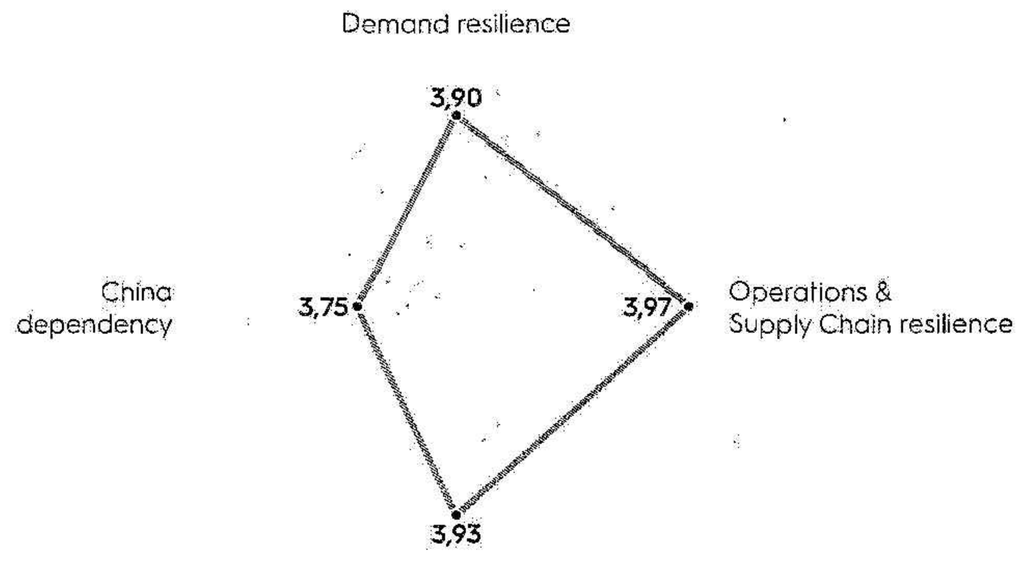
Through risk management the company oversees and facilitates the assessment of risks related to investment and business environment, operations, assets and financial liquidity to limit unnecessary or excessive risks. Risk assessment is conducted continuously in the day-to-day business of the company. The Board of Directors is the governing body that oversees Ahlström Capital's risk management. The Audit Committee assists the board in ensuring that the company has appropriate systems of risk management and internal control.

Annually, a more comprehensive risk assessment is performed in the form of self-assessment. The company's risk profile is assessed according to the impact on shareholder value and cash flow. Risks that threaten the company's strategic objectives, compliance and sustainability are evaluated. Based on the evaluation, key actions for risk management and mitigation are identified and implemented. With regards to its portfolio companies, Ahlström Capital participates in, promotes, and monitors internal risk management practices in each company mainly through board work.

During 2022, several changes in the investment portfolio were made as company executed the strategy focusing on selected industrial sectors while maintaining the strategy for real estate and forest holdings unchanged. At the end of 2022, 48% of Ahlström Capital's External Fair Value (EFV) is in Forest and Fiber sector holdings. Increased concentration risk is mitigated through diversification of the assets within the sector into different value streams and customer segments.

PORFOLIO RESILIENCE
Weighted average by asset value

The scale used is from 1 to 5, where 5 is the most resilient



Portfolio resilience to downturn

Year 2022 presented diverse challenges in the operating environment. Russia's invasion in Ukraine strongly impacted the availability and price of energy in Europe, it also disrupted widely the supply chains of raw materials and components. Central banks increased interest rates significantly through the year to curb the uncontrolled increase in inflation, which is expected to tip the economy into a brief and mild recession in Europe and north America during 2023.

During 2022 Ahlström Capital assessed the downturn resilience of its assets in terms of impact to profitability, cash flow and financing position. Through selected resilience dimensions, including various demand, operations & supply chain and cash flow related dimensions, a view into the resilience of the total portfolio and the individual assets was formed. In addition, the dependency on China was assessed due to rising geopolitical tensions. The portfolio resilience to downturn was assessed to be balanced, both in terms of impact and cyclicality. For example, Munksjö is operating in early cyclical sector and close to end-use demand from consumers. The real estate and forest businesses are operating in long and steady demand cycle. In dependency on China, Detection Technology is the only portfolio company with strong dependency on China in supply chain and customer demand.

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CORPORATE GOVERNANCE

Ahlström Capital Oy is a private limited liability company registered in Finland and the parent company of the Ahlström Capital Group. The company is committed to good corporate governance practices in accordance with the Finnish Limited Liability Companies Act, the company's Articles of Association and the principles of the Corporate Governance Code for Finnish listed companies. The company adheres to insider guidelines approved by the Board of Directors of the company. The company maintains its project-specific insider registers in the SIRE system of Euroclear Finland Ltd. The company's shares are incorporated in the Finnish book-entry system maintained by Euroclear Finland Ltd.

Ahlström Capital Oy has its registered office in Helsinki, Finland. Ahlström Capital is responsible for determining the Group strategy, asset allocation as well as the development of its businesses in general. In addition, the company handles financial reporting, provides the Group and associated companies with services relating to risk management, finance, legal affairs, and governance and advises them in strategic and investment matters. The Group's structure is presented in the Report of the Board of Directors on page 64.

The Group consists of several independent companies, subgroups, and separate associates. The company exercises its ownership through representatives that its Board annually proposes to the decision-making bodies of the company's subsidiaries and associates, as applicable.

General Meeting of Shareholders

The highest decision-making body of Ahlström Capital Oy is the General Meeting. The Annual General Meeting decides on the composition of the Board of Directors, as well as on the fees payable to Board members, the Board's committees, and the Shareholders' Nomination Board and to the auditors. In addition, the General Meeting has exclusive authority over matters such as amending the Articles of Association, adopting the financial statements, deciding on the distribution of profits, deciding on releasing the Board and President and CEO from liability and electing auditors.

In 2022, the Annual General Meeting was held on April 6 in Helsinki. The company held also two Extraordinary General Meetings; on 15 September 2022 and 25 November 2022.

Board of Directors

According to the Articles of Association, the Board of Directors has five to eight ordinary members. The members are elected at the Annual General Meeting for a term ending at the close of the next Annual General Meeting. The Board of Directors elects a Chair and, if it deems necessary, a Vice Chair from among its members.

The Board of Directors represents the owners of the company. The duties and responsibilities of the Board of Directors are based on the Finnish Limited Liability Companies Act and other applicable legislation, as well as on the Articles of Association and the rules of procedure adopted by the Board of Directors. In cooperation with the President and CEO, the Board of Directors is also responsible for internal supervision, which includes risk management. Risk management is mainly carried out by the subsidiaries and associates, with regards to mitigating potential sources of risk. The Board of Directors confirms the company's and the Group's overall targets and strategy, as well as approves the annual plan.

The Board of Directors can decide on establishing committees for preparing matters for which the Board of Directors is responsible. In 2022, the Board of Directors had an Audit Committee and a Compensation Committee.

According to the rules of procedure, the Board members must be independent of the company's and the Group's management and employees, as well as the competitors, significant contracting parties and Ahlström Capital's direct investment targets. A Board member does not represent any single shareholder or shareholder group.

The Board of Directors conducts an annual self-assessment study.

Audit Committee

The Audit Committee assists the Board of Directors in ensuring that Ahlström Capital Oy's accounting and financial management are appropriately supervised and that the company has appropriate systems in place for risk management and internal control. The Audit Committee oversees the used principles for determining fair value of investments and that valuations are performed according to the principles and at appropriate intervals.

Compensation Committee

The Compensation Committee prepares, evaluates, and advises the Board of Directors on matters related to the remuneration of the President and CEO, as well as other senior management; incentive plans; succession planning; principles of remuneration policies, as well as compensation development internationally with regards to businesses relevant for Ahlström Capital Oy.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Risk management

• Corporate governance

Board of Directors

Personnel

FINANCIAL REPORT

Shareholders' Nomination Board

The role of the Shareholders' Nomination Board is to prepare proposals for the Annual General Meeting on the remuneration of the members of the Board of Directors, the Board committees, and the Nomination Board; prepare a proposal on the number of the members of the Board of Directors as well as the members of the Board; and to seek for prospective successors for the Board members.

President and CEO

Ahlström Capital Oy's President and CEO is appointed by the Board of Directors. The President and CEO organises and manages the company's and the Group's operations and is responsible for operational administration in compliance with the instructions and decisions of the Board of Directors. The President and CEO supervises and manages the analysis and appraisal of prospective investments, and the development and divestment of holdings.

Personnel and Management

At year-end 2022, the company had ten employees. They assist the President and CEO, actively monitor, and develop the company's operations in accordance with the objectives set, handle reporting, and prepare proposals on investments and divestments for discussion by the Board of Directors of the company and the decision of the company's subsidiaries and associates.

The management also assists the President and CEO in preparing strategic issues and prepares issues to be considered and decided by the Board of Directors.

Salaries and remunerations

The Annual General Meeting decides on the remuneration of Board members. In compliance with the resolution of the Annual General Meeting of 2022, the Chair receives an annual remuneration of EUR 125,000 and the members EUR 42,500. In addition, Board members residing outside of Finland receive an attendance fee of EUR 1,500 per meeting, members residing in Finland a fee of EUR 750 if the meeting is held outside Helsinki and EUR 1,500 if the meeting is held abroad. For the Shareholders' Nomination Board meetings, a fee of EUR 800 is paid. The Chair of the Audit Committee receives an annual fee of EUR 10,000 and other members of the Audit Committee an annual fee of EUR 5,000. The Chair of the Compensation Committee receives an annual fee of EUR 8,000 and other members EUR 4,000.

The company also held an Extraordinary General Meeting on 25 November 2022, in which the General Meeting decided on the appointment of new Board members and their remuneration. In compliance with the resolution of the Extraordinary General Meeting, the Chair receives an annual remuneration of EUR 125,000, the Vice-Chair EUR 85,000 and the members EUR 42,500, counted on a pro rata basis to their term of office. It was further decided that the attendance fees for the board meetings as well as the fees for the Audit Committee and Compensation Committee would remain as decided by the Annual General Meeting 2022.

The Board of Directors decides on the President and CEO's salary and benefits and confirms the salaries, incentives, and benefits of other members of the management. Selected members of the management are entitled to an additional pension scheme. The company's employees are entitled to incentives according to the company's incentive policy. Incentives are based on the company's value development, financial performance and specific individual goals.

Audit

The auditors supply the company's shareholders with the statutory auditor's report as part of the annual financial statements. They also report on their observations to the company's Board of Directors.

The Annual General Meeting of 2022 elected KPMG Oy Ab as the company's auditor, with Kim Järvi, Authorised Public Accountant, as the auditor in charge. The Group's auditing fees in 2022 were EUR 531 thousand (389). In addition, the auditor was paid EUR 26 thousand for services not related to the audit.

On 1 March 2023, the merger of Antti Ahlström Perilliset Oy into the company took place and the company's trade name was changed into A. Ahlström Oy. As a result of the merger, certain changes in the company's governance model also took place, such as the introduction of the Supervisory Board and the new Nomination Committees, namely the Supervisory Board Nomination Committee and the Board of Directors Nomination Committee.

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AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

Risk management

Corporate governance

Board of Directors

Personnel

FINANCIAL REPORT

BOARD OF DIRECTORS

Peter Seligson

b. 1964 Lic.oec. (HSG)
Chair of the Board 25 November, 2022-

Current position
Chair of the Board, Ahlström Capital
Chair of the Supervisory Board, Ahlström Invest

Key positions of trust
Board member: Ahlstrom Oyj

Kari Kauniskangas

b. 1962, M.Sc. (Econ.)
Vice Chair of the Board 25 November, 2022–
Chair of the Board 15 April, 2020–24 November, 2022
Chair of the Compensation Committee and Member of the Nomination Board 15 April, 2020–

Current position
Board professional

Key positions of trust
Chair of the Board: Terveystalo Oyj, Veho Oy Ab
Vice Chair of the Supervisory Board: Ahlstrom Invest B.V.
Board member: O. Mustad & Son A.S.,
CAP-Group Oy, Cura Of Sweden AB

Marcus Ahlström

b. 1982 M.Sc. (Econ.)
Board member 25 November, 2022-
Chair of the Audit Committee 25 November, 2022-

Current position
CEO, SAG Flowmedik Oy

Key positions of trust
Board member: Destia Oy

Sebastian Bondestam

b. 1962, M. Sc. Printing Technology
Board member 25 November, 2022–
Member of the Compensation Committee 25 November, 2022–

Current position
President of Uponor Infra and Deputy to the CEO of Uponor Oyj

Key positions of trust
Vice Chair of the Board and People and Remuneration Committee member of Glaston Oyj

Klaus Cawén

b. 1957, Master of Laws (LL.M.)
Board member 25 November, 2022–
Member of the Audit Committee 25 November, 2022–

Current position
Executive Advisor, KONE Corporation

Key positions of trust
Deputy Chair of the Board, Metso Outotec Corporation
Member of the Board: East Office of Finnish Industries Oy, Toshiba Elevator&Building Systems Corporation, China Office of Finnish Industries Oy
Senior Advisor, DevCo

Casper von Koskull

b. 1960, M.Sc. (Econ.)
Board member 12 April, 2021-
Member of the Compensation Committee 12 April, 2021–

Current position
Board professional

Key positions of trust
Chair of the Board: Oy Karl Fazer Ab, Hemstaden Bostad AB, European Business Leaders Convention;
Board member: Ductor Oy, Montrose Associates, Stena Ab
Board member: Citigroup Inc.

Nelli Paasikivi-Ahlström

b. 1968, M. Sc.
Board member 15 April, 2020–
Member of the Audit Committee 15 April, 2020–

Current position
Partner, Brick Hill Advisors Oy

Fredrik Persson

b. 1968, M. Sc. (Econ.)
Board member 7 April, 2016–
Member of the Audit Committee 15 April, 2020–

Current position
Board Professional

Key positions of trust
Chair of the Board: JM AB, BusinessEurope, Ellevio AB;
Board member: AB Electrolux,Holmen AB, Hufvudstaden AB, ICA Gruppen AB

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Risk management

Corporate governance

• Board of Directors

Personnel

FINANCIAL REPORT

Board members until 24 November, 2022

Mats Danielsson

b. 1969, M. Sc. (Econ.)
Board member 7 November, 2011–24 November, 2022
Chair of the Audit Committee 29 April, 2015 – 24 November, 2022

Current position
CFO, ARE Group 2023–

Key positions of trust
Board member: Antti Ahlström Perilliset Oy, 25 November, 2022

Håkan Johansson

b. 1969, B.Sc., LL.M.
Board member 8 April, 2019–24 November, 2022
Member of the Compensation Committee 15 April, 2020 – 24 November, 2022

Current position
Board professional

Key positions of trust
Chair of the Board: Niam AB, Niam Infrastructure AB
Board member: Stronghold Invest AB

Pekka Pajamo

b. 1962, M. Sc (Econ.)
Board member 7 April, 2016 – 24 November, 2022
Member of the Audit Committee 7 April, 2016 – 24 November, 2022
Member of the Nomination Board 5 April, 2017 – 24 November, 2022

Current position
CFO, Senior Vice President, Finance and Internal Services, Varma Mutual Pension Insurance Company 2012–

Key positions of trust
Board member: Leino Group Oy, Tietoakseli, Real Estate companics of Varma Group, Arek Oy, Finnish Committee for UNICEF
Chair of the Finnish Audit Board

Malin Persson

b. 1968, M.Sc. (Eng.)
Board member 26 March, 2014 – 24 November, 2022
Member of the Compensation Committee 15 April, 2020 – 24 November, 2022

Current position
Board professional

Key positions of trust
Board member: Becker Industrial Coatings Ltd, Getinge AB, HEXPOL AB, Peab AB, Ricardo Plc

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AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

Risk management

Corporate governance

Board of Directors

Personnel

FINANCIAL REPORT

PERSONNEL* AS OF 1 FEBRUARY, 2023

Ahlström employees working at the Helsinki office.

Lasse Heinonen
President and CEO

Andreas Ahlström
Investment Director

Bea Brinkas
Administrative Assistant

Outi Kaivo-oja
Head of HR

Pasi Koota
Chief Financial Officer

Miia Mäkinen
Communications Specialist

Elina Salminen
Executive Assistant to President and CEO

Camilla Sågbom
Director, Corporate Communications and Responsibility

Tero Telaranta
Director, Industrial Investments

Rosa Tuominen
Legal Counsel
(Parental leave substitute for Sandra Wickström)

Visa Virintie
Investment Manager

Sandra Wickström
General Counsel
(On parental leave)

Sebastian Burmeister
Managing Director,
Ahlstrom Capital B.V.

Jelmer Siegersma
Financial Controller,
Ahlstrom Capital B.V.

Anja van Maarsen
Legal Counsel
Ahlstrom Capital B.V.

Albert van der Zee
General Manager,
Ahlstrom Capital B.V.

* Ahlström Capital Oy and Ahlström Capital B.V. personnel

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

- Report of the Board of Directors
- Key figures
- Financial Statements
- Auditor's report
- Proposal for the Distribution of Profits
- Shares and shareholders
- Information for shareholders

FINANCIAL REPORT 2022

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Report of the Board of Directors

A. Ahlström Oy (formerly Ahlström Capital Oy until 28 February, 2023) is a family-owned investment company with a mission to create a better world for future generations through sustainable value creation. A. Ahlström invests in industrial companies and real estate and forest holdings and, through Ahlström Invest in the Ahlstrom company and financial markets. The investment focus lies in selected core industries of A. Ahlström and in businesses that A. Ahlström can develop as a true long-term partner.

In 2022, the total revenue of A. Ahlström Group amounted to EUR 198.5 million (31.0) and the balance sheet total was EUR 1,787.4 million (1,562.0). On average, the Group had 1,424 employees (215).

The biggest changes in the portfolio in 2022 were the acquisition of the majority of Ahlstrom-Munksjö's Décor business, from which a new company, Munksjö Paper AB, was established. Other significant changes were related to the sale of Enics, and the acquisition of a minority share in the new company GPV Group A/S, formed in the merger between Enics and the Danish company GPV A/S. In addition, the company acquired a minority holding in Bast Fibre Technologies Inc. The revenue and profit for the comparison period have been adjusted for Enics (excluding the balance sheet and cash flow statement for 2021).

A. Ahlström Group owns 24.1% of Ahlström Invest's shares and it is reported as an associated company in the Group's financial statements. A. Ahlström Group owns 60% of the established company Munksjö Paper AB, and it has since been consolidated in the Group's financial statements from October 2022 as a subsidiary, taking into account the minority holding. The 20% holding in the merged company GPV Group A/S and the 20% holding in Bast Fibre Technologies Inc are treated as associated companies in the consolidated financial statements.

The key performance indicators of A. Ahlström

EFV (External Fair Value)

The development of the external fair value of the company is one of the most relevant long-term performance indicators. EFV is defined as the aggregate market value of the company's assets net of liabilities. When valuing its unlisted holdings, A. Ahlström evaluates the companies' financial forecasts and follows generally accepted valuation practices, such as the IPEV guidelines. In the measurement of real estate investments, the recommendations of the European Public Real Estate Association (EPRA) are used. Forest holdings are measured in accordance with International Financial Reporting Standards (IFRS). For listed companies, measurement is based on share prices. The company strives for an average annual increase in external fair value of 6–10% over time.

At year-end 2022, the total external fair value of A. Ahlström's portfolio was EUR 1,087.0 million (1,197.2). The value change in 2022 was EUR -110.2 million (171.1), or -9.2% (16), including the dividends paid during the financial year, totalling EUR 32.0 million (29.9) and funds used for acquiring treasury shares, totalling EUR 52.0 million (1.9).

Ahlström Invest's value developed positively during the year and its effect on the external fair value was EUR 33.3 million. During 2022, the value of M&J remained unchanged. The value of Enics was quoted according to the value of the completed divestment and the value increased by EUR 15.3 million compared to the previous year. The market value of the listed shares of Suominen, Detection Technology and Glaston changed significantly, due to changes in macroeconomic factors, e.g., the disruption caused by Russia's war in Ukraine on the availability of energy and raw materials and the significant rise in interest rates. The combined value of the shares decreased by EUR 101.2 million. The value of real estate investments remained stable, and the value of assets increased mainly due to investments made in development projects by EUR 31.2 million. The value of forest assets increased significantly due to the increase in the five-year average prices used in the valuation and the decrease in the discount rate. The external fair value of forests increased by EUR 14 million to EUR 182.4 million.

During 2022, the company repurchased 3,268,514 of its own shares. The purchases were made at a discount from the current fair value of the company's shares, which strengthened the value of the outstanding shares slightly. At the end of 2022, the external fair value of A. Ahlström Oy's share was EUR 18.44 (19.24).

Cash flow

The cash flows of A. Ahlström Group and A. Ahlström's investing activities are indicators of the business performance of the portfolio and capability for further investments and future dividend distribution to its owners.

In 2022, A. Ahlström Group's net cash flow from operating activities was EUR -26.1 million (5.1) including EUR -21.3 million (-6.3) from discontinued operations. The cash flow of investments totalled EUR -274.2 million (141.7), including investments in the subsidiary and associated companies, totalling EUR -318.6 million, and disposal of a subsidiary, EUR 93.4 million.

Comprehensive operating profit

To evaluate the operational performance of its portfolio, A. Ahlström monitors the development of the Comprehensive Operating Profit. Comprehensive operating profit is the

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

- Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

reported operating profit (EBIT) adjusted for the impact of non- operational items that are considered to affect comparability between reporting periods. The comprehensive operating profit also includes the profit share of the result of A. Ahlström's associated companies and joint ventures for the financial year.

Adjustments affecting comparability consist of, among others, sales gains and losses, changes in fair value of investment properties and biological assets, provisions and reversal of provisions related to sales and restructuring costs.

The comparable operating profit for 2022 was EUR 27.7 million (59.8). Enics was excluded from A. Ahlström's comprehensive operating profit and reported as a discontinued operation. The share in results of associated companies was EUR 27.3 million (61.4). This was affected the most by Ahlström Invest's profit share of EUR 23.7 million (34.8). In 2022, items affecting comparability totalled EUR -10.2 million (139.5).

Changes in the investment portfolio

A. Ahlström actively developed its holdings in 2022.

In May, it was announced that A. Ahlström will purchase a 60% majority in Ahlstrom-Munksjö's Décor business. The acquisition expands the forest and fiber business, which is the company's focus area, and offers good opportunities for value creation. The deal was completed in October with minority shareholders Nidoco and Ahlstrom-Munksjö. The business will continue under the Munksjö brand. Munksjö is a leading global player with an extensive range of décor paper solutions.

In June, the merger of Enics and GPV was announced. The merger between Enics and GPV was completed in October. The merger of two strong European Electronics Manufacturing Services (EMS) providers will create a more competitive business with a broad service offering and strong global position. A. Ahlström holds 20% of the new company, which continues under the GPV brand.

A 20% holding in Bast Fibre Technologies, a manufacturer of 100% plant-based, intact natural fibers, was also purchased in October. The acquisition further expands the forest and fiber business, which offer solutions that promote sustainable development. The nonwoven industry is transitioning away from plastics and there will be exponential growth in the natural fibers market.

At the end of the year, Ahlström Invest accounted for 31.4% (26.7) of A. Ahlström's external fair value. Listed shares represented 12.1% (18.8), non-listed shares 17.9% (13.9), real estate 18.6% (14.7), forests 14.6% (12.3) and liquid and other assets 5.4% (13.5) of the EFV.

Portfolio

Ahlström Invest (24.1% shareholding)

Ahlström Invest is a private investment company.

A. Ahlström Oy's subsidiary Ahlström Capital BV acquired more shares in Ahlström Invest BV during the financial year, increasing the shareholding from 23.7% to 24.1% during the financial year.

At the end of 2022, Ahlström Invest's portfolio totalled EUR 1,271.3 million (1,208.1), of which the main items were Ahlstrom with EUR 832.9 million euros (672.2) and the investment portfolio with EUR 438.5 million (535.9). During the year, Ahlstrom- Munksjö changed its name to Ahlstrom following the divestment of the businesses of the Munksjö brand. Ahlstrom's value developed positively during the year and the value increased by EUR 110.7 million to EUR 540.2 million. The value of other investments decreased during 2022 by EUR 52.1 million to EUR 438.5 million at the end of 2022.

In 2022, A. Ahlström's ownership of Ahlström Invest was EUR 391.9 million (358.6) and its share of the result EUR 23.7 million (34.8).

Listed companies

Detection Technology (36.0% shareholding)

Detection Technology is listed on NASDAQ OMX First North. The market cap of Detection Technology amounted to EUR 248 million (429) at year-end.

The company's total revenue for 2022 increased by 9.8% to EUR 98.6 million (89.8). Industrial Solutions Business Unit's revenue grew by 25.8% (10.1) to EUR 16.1 million (12.8). Medical Business Unit's revenue decreased by 2.0% (+25.1%) to EUR 48.1 million (49.1). The operating profit for 2022 amounted to EUR 5.8 million (10.6), or 5.9% (11.8%) of revenue. Recognised non-recurring items amounted to EUR 0.3 million (0). Operating profit excluding non-recurring items amounted to EUR 6.1 million (10.6), or 6.2% (11.8) of revenue. Profit for the 2022 financial year was EUR 5.1 million (9.3).

As a result of the component shortage, Detection Technology launched a major product change project at the beginning of 2022, which has covered the company's entire product portfolio, including industrial, medical and security solutions. In December, the company announced that it will expand its production in Oulu. The expansion has no direct effects on the manufacturing ability or capacity of the company's other units.

The Board of Directors of Detection Technology proposes that a dividend of EUR 0.20 per share (0.35) be paid for the financial year 2022. According to Detection Technology's view, demand continues to be strong in security and industrial applications and good in medical applications. The company expects its total revenue to grow by double digits in the first quarter and first half of 2023.

Detection Technology aims to increase its sales in the medium term by at least 10% per year and achieve an operating profit margin of 15%.

In 2022, A. Ahlström's share of result of Detection Technology was EUR -0.4 million (1.0).

Glaston (26.4% shareholding)

Glaston is listed on NASDAQ OMX Helsinki. The company's market value amounted to EUR 76.0 million (96.1) at year- end.

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In 2022, Glaston's revenue totalled EUR 213.5 million (182.7). Glaston's orders received totalled EUR 253.0 million (216.2) and the order book stood at EUR 94.8 million (63.9) at year-end. In 2021, Glaston's comparable EBITA amounted to EUR 13.6 (11.1) million, i.e. 6.4% (6.1) of revenue. In 2022, the comparable operating result was EUR 9.9 (6.6) million, i.e. 4.6% (3.6) of revenue. Items affecting comparability totalled EUR -2.3 million (-1.5). In 2022, Glaston's operating result was EUR 7.6 million (5.1). Profit for the period was EUR 3.1 million (1.1).

In line with Glaston's strategic focus to grow its business in China and improve operational efficiency, the plan to establish production for Automotive pre-processing equipment in Tianjin was disclosed in June. In the quarter, the project implementation continued to be on schedule. The activities for ramping up the local automotive supply chain network and enhancing product-specific production skills proceeded in line with the plans.

Glaston's Board of Directors proposes that a return of capital of EUR 0.04 per share be paid.

In 2023, Glaston expects the overall market activity to remain at a good level. Glaston entered 2023 with an order backlog 46% higher than in the previous year. This provides a strong starting point for 2023 and supports the company's net sales and profitability development. Glaston Corporation estimates that its net sales and comparable EBITA will improve in 2023 from the levels reported for 2022.

In 2022, A. Ahlström's share of result of Glaston was EUR 0.8 million (0.3).

Suominen (24.0% shareholding)

Suominen is listed on NASDAQ OMX Helsinki. The market cap of Suominen amounted to EUR 172.4 million (296.8) at year-end 2022.

Suominen's revenue grew by 11.3% from the comparison period to EUR 493.3 million (443.2). The increase in revenue was due to higher sales prices and the positive effect of exchange rates, but sales volumes decreased from 2021. The positive impact of exchange rates amounted to EUR 32.9 million. EBITDA was EUR 14.3 million (47.0). EBITDA decreased because higher sales prices could not fully compensate for the loss of volumes and higher prices of raw materials and energy. The positive impact of exchange rates amounted to EUR 1.0 million.

The comparable operating profit totalled EUR -4.2 million (26.9). The operating profit totalled EUR -9.0 million (26.9). Items affecting comparability were EUR -4.8 million, consisting of impairment losses of property, plant and equipment and inventories in Italy related to the plan to stop production in Mozzate. Profit before income taxes for the 2022 financial period was EUR -11.9 million (26.6). Taxes for the financial year amounted to EUR 2.0 million (-5.8). Income taxes for the financial year were negatively affected by the write-down of deferred tax assets in some operating countries, when the probability being able to use the tax assets decreased. Profit for the reporting period was EUR -13.9 million (20.7).

The demand for Suominen's products depends on changes in consumer preferences. Historically, such changes have mostly had a positive effect on Suominen, as they have increased the demand for nonwoven products. Biodegradable, 100% plant-based nonwoven products are part of the company's range, and the company is in a good position to respond to changes in consumer preferences related to sustainable development and climate change.

Suominen's Board of Directors proposes that a dividend of EUR 0.10 (0.20) per share be distributed for the financial year ended 31 December 2022.

In 2022, A. Ahlström's share of Suominen's result was EUR -3.3 million (5.0).

Non-listed companies

M&J Recycling (100% shareholding)

M&J Recycling is specialised in the design and manufacture of industrial waste shredders to reduce the size of waste materials. The company also offers lifecycle maintenance services and spare parts. The production facilities are located in Denmark and the APAC region as well as offices in many countries and it has a comprehensive global network of partners in the recycling industry. A. Ahlström acquired M&J in 2021 and it was consolidated into the Group from the beginning of December 2021.

In 2022, M&J's revenue was EUR 65.8 million (9.0). When comparing to the full year of 2021, revenue growth was 23%. The comprehensive operating profit was EUR 6.7 million (1.6). Operating profit (EBIT) amounted to EUR 4.2 million. The profit for the period was EUR 3.2 million (1.6). Comparable items were mainly related to restructuring matters.

The market demand for M&J solutions was strong. All market areas EMEA, AMERICAS and APAC experienced growth in 2022. In Americas and APAC, growth was strong in the capital business, and in EMEA in the service business. Despite the challenges in component availability, customer satisfaction remained at a good level and new customers were acquired. India as a new market area developed strongly during 2022.

During 2022, M&J continued to build up a standalone organisation and the company has grown from 127 to 160 employees as a result of strengthening functions. The company launched the next generation pre-shredder, which is a new flagship for the company. The new pre-shredder can reduce the customers' energy consumption by up to 50%.

Munksjö Paper AB (60% shareholding)

A. Ahlström is the largest owner in the new Munksjö company with a 60% shareholding. Ahlstrom-Munksjö Holding remained as the company's minority owner with a shareholding of approximately 25%, and the Swedish investment company Nidoco AB with a holding of approximately 15%.

The established company, Munksjö Paper AB, has an internationally leading position and a broad product portfolio in the décor paper business. The Décor business has been part of the Munksjö brand for over 25 years, and the brand is known for its excellent quality and service throughout the décor paper industry.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

- Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Décor papers are mainly used in wood-based laminate furniture, floor coverings and other interior decoration and construction applications. The key market areas are Europe, North and South America, China and select export markets. Production facilities are in Germany (Unterkochen and Dettingen), Spain (Tolosa), France (Arches), Brazil (Caieiras) and China (Xingtai).

The group has approximately 1,200 employees and revenue of approximately EUR 500 million. The company was consolidated into the A. Ahlström group from the beginning of October 2022. The revenue in the A. Ahlström Group was EUR 112.6 million and the comprehensive operating profit was EUR -6.4 million. Munksjö Group's result was EUR -20.6 million, and the company's minority shareholding affected the result by EUR -9.2 million.

In 2022, Munksjö announced an EUR 20 million investment program that will modernise and optimise the Caieiras plant in Brazil. The investment will double Caieiras decor capacity and improve quality and cost competitiveness. The company's profitability was significantly affected by the rapid weakening of demand in the second half of 2022. High raw material and energy prices and the war in Ukraine also impacted sales, operational costs and profitability.

Munksjö has defined a strategy with a clear objective to increase its position in chosen segments in Europe and North America, adding new capacity to enable growth in Latin America and in China. Also, the work to build a standalone organisation will continue in 2023.

Bast Fibre Technologies Inc (BFT) (20% shareholding)

A. Ahlström Group holds a 20% minority shareholding from October 2022.

BFT manufactures 100% plant-based natural fibers, which, due to their technical properties and performance, are suitable for many nonwoven products. BFT uses advanced technology in fiber processing to convert raw cotton, hemp and flax fiber into a material that meets the exact requirements of the nonwoven industry.

The company was consolidated into the A. Ahlström group from the beginning of October 2022. In Q4, BFT had revenue of about USD 3.5 million and made an operating loss of about USD 2 million due to ramp-up costs and a still too limited top-line. The business activities were aligned with the budgeted and forecasted operations.

The associated company's impact on the result of the A. Ahlström Group was EUR -0.5 million.

GPV Group A/S (20% shareholding)

A. Ahlström Group has a 20% shareholding in the merged Enics and GPV company as of October, and the Danish industrial conglomerate Schouw & C/o. holds 80% of it. The merger resulted in a strong industrial electronics group with 7,500 employees and revenue of almost EUR 1 billion. The merged company focuses on electronics contract manufacturing. It has strong and recognised operational capabilities, advanced design capabilities and business related to testing systems. The merged company focuses strongly on industrial electronics, system integration, mechatronics and turnkey services.

The company was consolidated into the A. Ahlström Group from the beginning of October 2022. The financial result for Q4 and the full year 2022 was satisfactory despite the continued challenging material supply situation. In Q4, GPV had revenue of EUR 354.6 million and EBIT of EUR 13.8 million. The associated company's impact on the result of the A. Ahlström Group was EUR 0.9 million.

Enics (100% shareholding) (discontinued operation)

In June 2022, A. Ahlström announced the merger of Enics with GPV. The merger took place in October 2022. The merger created a more competitive global company which is truly positive news for both Enics' and GPV's customers, employees and shareholders. A. Ahlström holds 20% of the new merged company.

Enics was merged into the A. Ahlström Group until September 2022 and classified as a discontinued operation in the financial statements.

Cleantech portfolio

Established in 2010, the AC Cleantech Growth Fund I Ky has invested in companies in the cleantech industry. A. Ahlström's ownership in the fund is 30%, and it is consolidated as an associated company in the A. Ahlström Group.

In 2022, the closing of the Cleantech fund progressed and at the end of the year, most of the fund's assets were distributed to investors in the form of Swedish Stirling AB shares. The current assets of the fund have been surveyed and the investors have jointly approved the final distribution of the assets, which is estimated to take place in early 2023.

Real estate

At year-end, A. Ahlström's real estate portfolio consisted of the Eteläesplanadi property, as well as office, light industrial / logistics and commercial properties in growth centres. The development of properties and the real estate portfolio continued in accordance with the strategy. New real estate projects were started, and new ones were actively sought.

A. Ahlström Kiinteistöt Oy and Avain Yhtiöt won the proposal for the Kumpulanmäki block complex in the partnership and tender competition in spring 2022. The block is located in the vicinity of the University of Helsinki's Kumpula campus. The proposed plan includes a wide selection of housing forms and premises. The companies have signed a preliminary agreement for the purchase of plots after the planning process. A decision on the construction of the complex will be made later.

The premium Southern French-style Cafe Savoy was completed on the street level of Eteläesplanadi 14 in cooperation with the Financier Group in November. The property, built by A. Ahlström Osakeyhtiö and completed in 1937, provided a historical framework for an ambitious project to implement the building's modifications and solutions for the development of the commercial unit.

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AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Significant lease agreements were signed in the Tampere office GO21 and the Kulmala property in Lahti towards the end of the year. The real estate development project in Tampere proceeded as planned and the construction work continued during 2022. The real estate development project is estimated to be completed by the end of 2023.

The comprehensive operating profit of the real estate business was EUR 14.8 million (22.2) in 2022. The reported operating profit (EBIT) was EUR 13.2 million (23.6). Items affecting comparability consisted mainly of changes in the fair values of real estate assets. The share in results of joint ventures and associated companies was EUR 9.6 million (17.0).

Forest

A. Ahlström's forest assets are mainly located in Western Finland in the Satakunta region, and in Central and Eastern Finland. A. Ahlström has around 35,000 hectares of forest holdings. In 2022, A. Ahlström purchased around 620 hectares of forest.

The annual logging of the timber proceeded as planned with a focus on delivery sales. During the year, A. Ahlström delivered a total of 189,000 m³ (183,000) of wood, of which the share of delivery sales was 84%. In 2022, the comprehensive operating profit of the forest business totalled EUR 6.7 million (6.5). The reported operating profit (EBIT) was EUR 21.2 million (12.8). Items affecting comparability, totalling EUR 14.5 million (6.2), consisted mainly of an increase in the fair value of forest assets. The estimated annual growth for A. Ahlström's forest assets exceeds the annual logging by approximately 10%.

During 2022, the forest business was continued based on the climate-friendly forestry target set during the previous year, according to which the company will increase the area of both mixed-species forest and continuous-cover forests, especially on peatlands. The diversity of forest nature was increased by surveying nature sites and increasing the area of protected forests by 70 hectares.

Group structure

A. Ahlström Group consists of the parent company A. Ahlström Oy, domiciled in Finland, and 39 subsidiaries. The industrial investments in both listed and non-listed companies are mainly concentrated in the Netherlands under Ahlström Capital B.V. Through the structure, the Group can efficiently operate in an international environment. All the real estate investments are concentrated in A. Ahlström Kiinteistöt Oy, except for the property at Eteläesplanadi, which is held by A. Ahlström Oy. Ahlström Konsernipalvelut Oy offers financial, ICT and HR services.

Ahlström Invest BV, Avain Yhtiöt Oy, Detection Technology Plc, Glaston Corporation, KymiRing Oy and Suominen Corporation are consolidated in the consolidated financial statements as associated companies. AC Cleantech Management Oy is the management company for AC Cleantech Growth Fund I Ky. The cleantech fund and the legal group that it constitutes are also consolidated as an associated company. Kiinteistö Oy Espoon Erica, Åbyntie Gp Oy and Åbyntien Kiinteistöt Ky are joint ventures of the Group. The profit shares of the associated companies GPV and Bast Fibre Technologies were consolidated from October 2022.

Group earnings in 2022

The revenue of the A. Ahlström Group in 2022 was EUR 198.5 million (30.1) Of this amount, Munksjö accounted for EUR 109.4 million, M&J Recycling accounted for EUR 65.9 million (9.0), the real estate business for EUR 8.1 million (7.7), the forest business for EUR 11.7 million (10.9) and other businesses for EUR 3.4 million (2.4). Enics was classified as a discontinued operation and the revenue was no longer included in the Group's revenue in 2022. Other operating income amounted to EUR 0.1 million (0.2). The change in the fair value of forest holdings was EUR 14.3 million (5.7), the positive change in the fair value of real estate holdings was EUR 0.7 million (1.8) and sales gains EUR 0.5 million (0.5).

A. Ahlström's share of the results of its associates and joint ventures was EUR 27.3 million (61.4). This consists of shares in the results of Ahlström Invest, Suominen, Detection Technology, Glaston, AC Cleantech Growth Fund, Avain Yhtiöt, Åbyntien Kiinteistöt Ky, Åbyntie GP Oy, Kiinteistö Oy Espoon Erica and KymiRing. The profit shares of the associated companies GPV and Bast Fibre Technologies were consolidated from October 2022.

The comprehensive operating profit of the A. Ahlström Group amounted to EUR 27.7 million (59.8). Items affecting comparability totalled EUR -10.2 million (139.5), consisting of profit in the share exchange, changes in the fair value of forest and real estate assets, sales gains and restructuring costs. The reported operating profit (EBIT) was EUR 17,5 million (199.3). The return on invested capital was 7.5% (33.1).

The administrative costs of the parent company A. Ahlström Oy and holding companies remained at the same level as did the project costs relating to investments. In total, costs amounted to EUR 10.6 million (12.6) in the reporting period, representing an average of 1.0% (1.1) of the external fair value.

Financial income was EUR 9.5 million (16.4). Financial expenses totalled EUR 15.8 million (1.7). Pre-tax profit was EUR 11.3 million (214.0). Taxes recorded for the period were EUR 3.9 million (-2.4). The Group's profit for continuing operations was EUR 15.2 million (211.6) and profit for discontinued operations EUR 55.3 million (117.3), including the income tax allocated to discontinued operations. The Group's profit for the period totalled EUR 70.6 million (328.9) and profit attributable to the equity holders of the parent company was EUR 79.8 million (328.9).

Financial position and financing

A. Ahlström's financial position remained strong throughout the year. At the end of the year, the consolidated shareholders' equity was EUR 1,183.7 million (1,101.5). The equity ratio at the end of the year was 66.2% (70.5) and

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

- Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

the EFV- adjusted net gearing stood at 21.9% (-2.8). The company's return on equity (ROE) was 12.0% (34.3). At the end of December 2022, the interest-bearing liabilities amounted to EUR 347.7 million (181.3) and liquid assets to EUR 108.4 million (215.1). The Group's net debt in 2022 was EUR 239.3 million compared to the previous year's net cash of EUR 33.8 million.

A. Ahlström Oy has issued a first demand guarantee as security for certain subsidiaries' credit facilities.

A. Ahlström has a EUR 200.0 million syndicated secured financing facility, of which a term loan of EUR 50.0 million is in use and an overdraft facility of EUR 13.0 million has been reserved for use. There were no changes in the amounts during 2022. The financing agreement is valid until February 2026. There is a Group-level financial covenant on the facility, which restricts the indebtedness to 60%.

A. Ahlström has entered into an interest rate hedge to safeguard long-term financing costs. The interest hedging starts in 2026 and ends in 2041. The nominal value of the hedge is EUR 100.0 million.

In December 2022, A. Ahlström concluded a new EUR 38.0 million Junior financing agreement, which was fully deployed during the 2022 financial year. There is a Group-level financial covenant on the facility, which restricts the indebtedness to 60%.

At the end of 2022, the loan to value was 22.3% (12.8). Net cash flow from operating activities (cash flow after net financial income, taxes paid and change in net working capital) was EUR -274.2 million (5.1). The expenditure on new investments amounted to EUR 318.6 million (88.1) and on property, plant and equipment to EUR 49.4 million (39.1).

EUR 93.4 million (241.4) was received from the sale of a subsidiary and sales of non-current assets generated income of EUR 3.9 million (5.5). The share related to granted loans and repayments of loan receivables was EUR 0.5 million (22.1). Net cash flow from financing activities was EUR 192.3 million (-28.1). Based on the Annual General Meeting's decision, the company paid a dividend of EUR 0.52 per share (0.48), totalling EUR 32,255,566.20. The dividend yield was 2.7% (2.8) of the external fair value. In addition, EUR 53.0 million (1.1) was spent on a share repurchase program to repurchase 3,268,514 shares in total.

Risk management

As an investment company, A. Ahlström's key risks are related to its ability to create long-term shareholder value growth with steady returns. A diversified and balanced portfolio, consisting of forests, real estate holdings and industrial investments, reduces the overall risks, and is a key component of the company's risk management. As a family-owned company, A. Ahlström fosters the trust and reputation generated over decades through good corporate governance principles and processes in all its portfolio companies.

The Board of Directors is the governing body that oversees A. Ahlström's risk management. The Audit Committee assists the board in ensuring that the company has appropriate systems of risk management and internal control.

A. Ahlström maps and assesses the company's risks annually. These include strategic, financial, operational and hazard risks related to the company's business and operating environment. The company's risk profile is assessed according to risk impact, likelihood and the current risk management level. Risks that threaten the company's strategical objectives, compliance and sustainability are evaluated, and the financial impact of recognised risks is assessed. Based on the evaluation, key actions for risk management and mitigation are identified.

With regards to its portfolio companies, A. Ahlström participates in, promotes and monitors internal risk management practices in each company through board work. A. Ahlström gathers information on risks related to portfolio companies and forms a view of their systemic risks.

Research and development

A. Ahlström's industrial portfolio companies have product development and other R&D functions of their own, but there is no such function at the Group level.

Corporate social responsibility

A. Ahlström Group is committed to the ten principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption. The report on the company's progress towards implementing the ten principles of the UN Global Compact is published annually on A. Ahlström's website.

A. Ahlström, Ahlstrom-Munksjö, Destia and Glaston as well as Antti Ahlström Perilliset and the Eva Ahlström Foundation launched the Ahlström Collective Impact initiative in 2021. The initiative was established for strategic investments aimed at supporting the realisation of the UN Sustainable Development Goals (SDG). In 2022, the project involved A. Ahlström, Ahlström Invest, Ahlstrom-Munksjö, Destia, Detection Technology, Enics, Glaston, Suominen, Avain Yhtiöt, M&J Recycling, as well as Antti Ahlström Perilliset, the Eva Ahlström Foundation and the Walter Ahlström Foundation.

Ahlström Collective Impact made an investment of EUR 770,000 in UNICEF's Global Education Program in 2022. In addition, the companies, employees, foundations, and shareholders within ACI have raised nearly EUR 300,000 for the children of Ukraine.

As a responsible investor, A. Ahlström continuously improves the ESG (environment, social and governance) impact and performance in its own operations and in its investments. The framework for A. Ahlström's sustainability work is defined in the Sustainability Policy. The policy was updated in 2022 with Biodiversity and Diversity & Inclusion as new focus areas. The other focus areas are Business ethics & Nordic governance model, Climate & Resource efficiency and Employee well-being. Indicators for measuring the development of sustainability in the portfolio companies have been set for all focus areas. In annual sustainability reviews with the management of each portfolio company the development of the ESG KPIs, the targets and the action plans are discussed. All the portfolio companies made good progress in the ESG management maturity system, a KPI set up to measure the development and integra-

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tion of the sustainability work in the companies. All A. Ahlström portfolio companies need to manage, monitor and evaluate ESG risks, opportunities and value creation possibilities.

Personnel, administration and auditors

The A. Ahlström Group had an average of 1,424 employees (215) during the financial year. Wages, salaries and fees paid amounted to EUR 39.8 million (11.8). At the end of the year, the parent company's personnel numbered 10 (10).

In 2022, the members of the Board of Directors of A. Ahlström Oy were Kari Kauniskangas (Chair until 25 November 2022), Casper von Koskull, Nelli Paasikivi-Ahlström, Fredrik Persson, Mats Danielsson (until 25 November 2022), Håkan Johansson (until 25 November 2022), Pekka Pajamo (until 25 November 2022), Malin Persson (until 25 November 2022), Peter Seligson (Board member and Chair since 25 November 2022), Marcus Ahlström (since 25 November 2022), Sebastian Bondestam (since 25 November 2022) and Klaus Cawén (since 25 November 2022). In 2022, the Board convened 17 times. In a total of 14 meetings, all Board members attended and in three meetings, one out of the eight Board members was absent.

The auditor was the audit firm KPMG Oy Ab, with Kim Järvi, Authorised Public Accountant, as the auditor in charge.

The Board of Directors of A. Ahlström Oy had two committees, an Audit Committee and a Compensation Committee. The members of the Audit Committee were Mats Danielsson (member and Chair until 25 November 2022), Nelli Paasikivi- Ahlström, Pekka Pajamo (until 25 November 2022), Fredrik Persson, Klaus Cawén (since 25 November 2022) and Marcus Ahlström (member and Chair since 25 November 2022) and the members of the Compensation Committee were Kari Kauniskangas (Chair), Håkan Johansson (until 25 November 2022), Casper von Koskull, Malin Persson (until 25 November 2022) and Sebastian Bondestam (since 25 November 2022). The Audit Committee convened five times and the Compensation Committee two times during 2022.

The composition of the Shareholders' Nomination Board was Johannes Gullichsen (Chair), Robin Ahlström, Kari Kauniskangas, Pekka Pajamo and Martti Saikku. The Shareholders' Nomination Board convened once during 2022. For the Extraordinary General Meeting held on 25 November 2022, the company's Board of Directors presented proposals for members of the Supervisory Board, the Board of Directors, the Supervisory Board's Nomination Committee and the Board of Directors' Nomination Committee after consulting with the basic nomination committee established by the Board of Directors of Antti Ahlström Perilliset Oy and following its instructions.

Share repurchase programme

On 31 December 2021, A. Ahlström held 73,664 own shares (0.1%) as a result of the share purchase programme. The repurchased shares were invalidated in January 2022 based on the Board of Directors' decision of December 2021.

The Annual General Meeting of 6 April 2022 resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 400,000 shares. The purchase price is the external fair value of the share at the end of September with a 20% discount. The authorisation is valid until the close of the next Annual General Meeting. The Board of Directors decided to start the repurchase of shares in November.

The Extraordinary General Meeting of A. Ahlström Oy held on 15 September 2022 decided to authorise the Board of Directors to decide on the repurchase of the company's own shares from a limited number of shareholders outside the Ahlström family. The maximum number of shares concerned by the authorisation was 3,051,800 shares. The purchase price was defined as the external fair value of the share in Q2/2022 with a 12% discount and for Varma Mutual Pension Insurance Company with a 10% discount. The authorisation is valid until the close of the next Annual General Meeting. The company repurchased a total of 2,751,800 shares from shareholders outside the Ahlström family.

The Extraordinary General Meeting of A. Ahlström Oy held on 25 November 2022 decided to change the authorisation given by the Annual General Meeting to the Board of Directors to decide on implementing the company's annual share repurchase programme. The maximum number of shares concerned by the authorisation was 650,000 shares, so that the total value of the shares to be repurchased could not exceed EUR 10 million during the calendar year. The purchase price was defined as the external fair value of the share in Q3/2022 with a 12% discount. The authorisation is valid until the close of the next Annual General Meeting. The company repurchased a total 516,714 shares.

Shareholders

At the end of 2022, A. Ahlström Oy had 263 (268) shareholders. The largest individual shareholder is Antti Ahlström Perilliset Oy (6.2%). No other shareholder holds more than 5% of the shares.

Events after the reporting period

In 2022, the assets of the Cleantech fund were surveyed and the investors have jointly approved the final distribution of the assets to take place in early 2023.

The real estate investment made as a joint venture with Aktia Life Insurance and Kirkon Eläkerahasto progressed after the financial year. The plot purchase related to the Espoo EriCa real estate project of the real estate business was made in January 2023. The construction work is expected to start in 2023.

Avain Yhtiöt is a Finnish group specialising in building and owning residential projects. Ahlström Group had a 25% shareholding in

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

- Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Avain Yhtiöt during the 2022 financial year. It was decided to redeem the option related to the acquisition of Avain Yhtiöt shares, which increased the shareholding in Avain Yhtiöt to 30% of the entire share capital. The deal on the options was completed at the beginning of the 2023 financial year.

A. Ahlström's Extraordinary General Meeting was held on 25 November 2022. The general meeting approved the plan according to which Antti Ahlström Perilliset Oy will merge with A. Ahlström Oy. The purpose of the merger is to create a strong Ahlström family business. The merger will take effect once it has been registered in the Trade Register maintained by the Finnish Patent and Registration Office. In connection with the merger, the name of the parent company changed from Ahlström Capital Oy to A. Ahlström Oy from 1 March, 2023.

After the merger of A. Ahlström Oy and Antti Ahlström Perilliset Oy, the company's governing bodies will consist of the Board of Directors and the Supervisory Board in accordance with the Articles of Association. The Supervisory Board oversees the company's administration, which is the responsibility of the Board of Directors and the CEO, and gives the Annual General Meeting a statement on the financial statements, the report of the Board of Directors and the auditor's report. The Supervisory Board issues statements and recommendations on its own or the Board's initiative on matters that are far-reaching and/or fundamentally important for the company, including the owner's will regarding the company's economic and social capital. The Supervisory Board also elects two nomination committees, the Board of Directors' Nomination Committee and the Supervisory Board's Nomination Committee.

Expectations for 2023

A. Ahlström's financial position is strong. The increase in the price of financing and the tightening of its availability and terms may affect investment opportunities. The company expects the global market uncertainties to result in challenges to the operational activities of the portfolio companies, especially in the forest and fiber segment. Rising interest rates and inflation are expected to be partially reflected in the real estate market with a delay.

Proposal for the distribution of profits

According to A. Ahlström's dividend policy, the company's target is to pay a steady dividend that increases over time, taking into consideration the company's investment and development needs. The Board of Directors proposes that a dividend of EUR 0.48 per share be paid for 2022 in two instalments. The first dividend payment (EUR 0.24 per share) will take place in April 2023 and the second (EUR 0.24 per share) in October 2023.

The Annual General Meeting 2023 will be held on Wednesday, 12 April, 2023, at 5 p.m. in Helsinki.

20230629570S8

Key figures

EUR million	2022	2021[1]	2020[1]	2019	2018
Revenue	198.5	31.0	521.5	1,173.2	1,113.1
Comparable operating profit	0.4	-1.6	13.5	27.9	39.0
Comprehensive operating profit	27.7	59.8	38.0	34.1	48.8
Operating profit (EBIT)	17.5	199.3	51.3	43.0	57.6
Profit from continuing operations	15.2	211.6	35.5	30.9	38.5
Profit from discontinued operations	55.4	117.3	15.5	0	0
Profit for the period	70.6	328.9	51.1	30.9	38.5

	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
External Fair Value, EFV, EUR million	1,087.1	1,197.2	1,056.1	965.1	887.1
Equity ratio	66.2%	70.5%	59.0%	59.6%	61.7%
Net gearing	20.1%	-3.1%	17.1%	17.3%	8.1%
Net gearing, EFV adjusted	21.9%	-2.8%	12.6%	13.9%	7.1%
Return on Capital Employed (ROCE)	7.5%	33.1%	7.5%	5.3%	7.5%
Return on Equity (ROE)	7.1%	34.3%	6.7%	4.0%	4.9%
Loan-to-value ratio, LTV	22.3%	12.8%	17.5%	17.8%	0.0%
Net debt(+)/Net cash (-), EUR million	239.3	-33.8	132.7	134.6	63.4
Equity per share, EUR[3]	20.08	17.70	12.48	12.45	12.68
External Fair Value per share, EUR[3]	18.44	19.24	16.95	15.46	14.16
Earnings per share, EUR[3]	1.20	5.29	0.82	0.49	0.61
Dividend per share, EUR[2,3]	0.48	0.52	0.48	0.48	0.48

[1] Restated due to discontinued operations.

[2] 2022 figure is based on proposal by the board. In addition, it is proposed that a dividend will be paid in two instalments; the first payment of EUR 0.24 per share in April and the second payment of EUR 0.24 per share in October.

[3] The number of shares was decreased in December 2022, December 2021, December 2020, December 2019 and December 2018 through share repurchase. Comparative figures have not been restated due to these changes.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

- Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Formulas for key figures

Equity ratio	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$
Net gearing	$\frac{\text{Interest bearing liabilities - Cash and cash equivalents}}{\text{Total equity}} \times 100$
Net gearing, EFV adjusted	$\frac{\text{Interest bearing liabilities - Cash and cash equivalents}}{\text{External Fair Value}} \times 100$
Return on Capital Employed	$\frac{\text{Operating profit + Interest and other financial income}}{\text{Total assets - Non-interest bearing liabilities, on average for accounting period}} \times 100$
Return on Equity	$\frac{\text{Profit for the period}}{\text{Total equity (annual average)}} \times 100$
Loan-to-value ratio	$\frac{\text{Loans from financial institutions}}{\text{External Fair Value (adjusted)}}$
Net debt	Interest bearing liabilities - Cash and cash equivalents
Equity per share	$\frac{\text{Equity attributable to equity shareholders of the parent company}}{\text{Number of shares at the end of fiscal year}} \times 100$
External Fair Value per share	$\frac{\text{External Fair Value}}{\text{Number of shares at the end of fiscal year}} \times 100$
Earnings per share	$\frac{\text{Profit for the period - Non-controlling interest}}{\text{Number of shares at the end of fiscal year}} \times 100$

20230629570S9

Financial Statements

Consolidated financial statements

Consolidated Statement of Income **71**
Consolidated Statement of Comprehensive Income **72**
Consolidated Statement of Financial Position **73**
Consolidated Statement of Changes in Equity **74**
Consolidated Statement of Cash Flows **75**
Notes to the Consolidated Financial Statements **76**
1.1 Corporate information 76
1.2 Basis of preparation 76
1.3. Significant accounting judgments, estimates and assumptions 77
1.4. New and amended IFRS standards 78
2.1. Group structure 79
2.2. Acquisitions 81
2.3. Discontinued operations 83
2.4. Investments in associated companies and joint ventures 85
3.1 Revenue from contracts with customers 88
3.2. Other operating income 89
3.3 Materials and services 89
3.4. Other operating expenses 89
3.5. Government grants 90
3.6. Financial income and expenses 90
3.7. Employee benefits and number of employees 91
3.8. Pension and other post-employment benefit plans 92
4.1. Intangible assets 93
4.2 Impairment testing of goodwill 94
4.3. Property, plant and equipment 96
4.4. Leases 98
4.5. Investment properties 99
4.6. Biological assets 101
5.1. Inventories 103
5.2. Current trade and other receivables 103
5.3. Cash and cash equivalents 104
5.4. Provisions 104
5.5. Trade and other payables 105
6.1 Capital management 106
6.2. Share capital and reserves 107
6.3 Financial Risk Management 109
6.4. Financial Assets and Liabilities 112
6.5. Fair values and fair value measurement 115
6.6. Commitments and contingencies 117
7.1. Income tax 118
7.2. Deferred tax 119
7.3 Related party transactions 121
7.4. Events after the reporting period 122

Parent Company financial statements

Statement of Income, Parent Company (FAS) **123**
Statement of Financial Position, Parent Company (FAS) **124**
Statement of Cash Flows, Parent Company (FAS) **125**
Notes to the Financial Statements, Parent Company **126**
1. Accounting principles 126
2. Net sales 126
3. Other operating income 127
4. Personnel costs 127
5. Average number of personnel 127
6. Other operating expenses 127
7. Financial income and expenses 127
8. Appropriations 127
9. Intangible and tangible assets, appreciations, depreciations and write-offs 128
10. Long-term investments 129
11. Short-term investments 129
12. Accrued receivables 129
13. Equity 129
14. Share capital on December 31 130
15. Accrued liabilities 130
16. Receivables from and liabilities to Group companies 130
17. Collaterals 131
18. Contingent liabilities 131

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Consolidated Statement of Income

MEUR	Note	2022	2021
Continuing operations			
Revenue	3.1	198.5	31.0
Other operating income	3.2	27.8	142.0
Materials and services	3.3	-133.5	-9.0
Depreciation, amortisation and impairment	4.1, 4.3, 4.4	-11.7	-1.3
Employee benefits	3.7	-39.8	-11.8
Other operating expenses	3.4	-51.2	-13.0
Share in results of associated companies	2.4	27.3	61.4
Operating profit		**17.5**	**199.3**
Financial income	3.6	9.5	16.4
Financial expenses	3.6	-15.8	-1.7
Profit before tax		**11.3**	**214.0**
Income taxes	7.1	3.9	-2.4
Profit for the period from the continuing operations		**15.2**	**211.6**
Discontinued operations			
Profit for the period from the discontinued operations	2.3	**55.4**	**117.3**
Profit for the period		**70.6**	**328.9**
Profit for the period attributable to:			
Equity holders of the parent		79.8	328.9
Non-controlling interests		-9.2	0.0
		70.6	**328.9**

*Restated due to the classification of Enics as a discontinued operation.

20230629570 60

Consolidated Statement of Comprehensive Income

MEUR	Note	2022	2021
Profit for the period		**70.6**	**328.9**
Other comprehensive income			
Items that will not be reclassified subsequently to statement of income			
Remeasurement of defined benefit plans	3.8	-0.8	-0.5
Related tax	3.8	0.1	0.1
Remeasurement of defined benefit plans from discontinued operations	2.3	0.4	0.5
Share of other comprehensive income of associates	2.4	-0.4	-0.4
Reclassification of OCI of associate	2.4		4.1
		-0.7	3.8
Items that may be reclassified subsequently to statement of income			
Exchange differences on translation of foreign operations		-0.7	4.3
Hedges - net change in fair value	6.3	19.2	-1.2
Share of other comprehensive income of associates	2.4	0.5	3.7
Reclassification of OCI of associate	2.4		22.3
		19.1	29.1
Other comprehensive income for the period, net of tax		**18.4**	**32.9**
Total comprehensive income for the period, net of tax		**88.9**	**361.8**
Total comprehensive income attributable to:			
Equity holders of the parent		100.6	361.8
Non-controlling interests		-11.7	
		88.9	**361.8**

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Consolidated Statement of Financial Position

MEUR	Note	December 31, 2022	December 31, 2021
Assets			
Non-current assets			
Goodwill	4.1, 4.2	29.4	30.5
Intangible assets	4.1	99.2	17.0
Property, plant and equipment	4.3	213.4	77.2
Investment properties	4.5	179.8	164.7
Biological assets	4.6	168.5	139.8
Investments in associates	2.4	620.0	506.3
Non-current financial assets	6.4	136.4	109.7
Deferred tax assets	7.2	11.3	4.1
		1,458.0	**1,049.4**
Current assets			
Inventories	5.1	122.0	192.4
Trade and other receivables	3.1, 5.2	92.5	100.1
Tax receivable, income tax		3.5	2.0
Other current financial assets	5.3	3.0	3.0
Cash and cash equivalents	5.3	108.3	215.1
		329.4	**512.6**
Total assets		**1,787.4**	**1,562.0**

MEUR	Note	December 31, 2022	December 31, 2021
Equity and liabilities			
Equity attributable to owners of the parent company	6.2		
Share capital		38.8	38.8
Share premium		12.8	12.8
Reserve for invested non-restricted equity		104.3	104.3
Treasury shares		-53.0	-1.1
Reserves		18.1	2.3
Foreign currency translation reserve		3.0	1.5
Retained earnings		988.2	943.0
Total equity		**1,112.2**	**1,101.5**
Non-controlling interests		71.5	
		1,183.7	**1,101.5**
Non-current liabilities			
Interest-bearing loans and borrowings	6.4	311.2	120.5
Net employee defined benefit liabilities	3.8	13.1	2.6
Provisions	5.4	2.7	2.6
Deferred tax liabilities	7.2	86.9	39.0
Other liabilities	6.4	0.6	2.5
		414.5	**167.1**
Current liabilities			
Interest-bearing loans and borrowings	6.4	36.5	60.8
Trade and other payables	5.5	145.5	198.1
Provisions	5.4	1.7	5.9
Current tax liability		5.5	28.6
		189.2	**293.4**
Total liabilities		**603.7**	**460.5**
Total equity and liabilities		**1,787.4**	**1,562.0**

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Consolidated Statement of Changes in Equity

	Equity attributable to owners of the parent company											
MEUR	**Share capital**	**Share premium**	**Reserve for invested non-restricted equity**	**Treasury shares**	**Fair value reserve**	**Hedging reserve**	**Legal reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Equity January 1, 2022	**38.8**	**12.8**	**104.3**	**-1.1**	**0.0**	**-1.3**	**3.6**	**1.5**	**943.0**	**1,101.5**		**1,101.5**
Comprehensive income												
Profit for the year									79.8	**79.8**	-9.2	**70.6**
Other compehensive income, net of tax					0.0	19.4		1.5	-0.1	**20.8**	-2.5	**18.4**
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	19.4	0.0	1.5	79.7	**100.7**	-11.7	**89.0**
Transactions with owners												
Acquisition of treasury shares				-53.0						**-53.0**		**-53.0**
Invalidation of treasury shares				1.1					-1.1	**0.0**		**0.0**
Dividends paid									-32.3	**-32.3**		**-32.3**
Acquisition and disposal of subsidiaries							-4.2		-0.4	**-4.6**		**-4.6**
Reclassifications							0.6		-0.6	**0.0**		**0.0**
Share of direct equity entries in associates									-0.1	**-0.1**		**-0.1**
Total transactions with owners	**0.0**	**0.0**	**0.0**	**-51.9**	**0.0**	**0.0**	**-3.6**	**0.0**	**-34.4**	**-89.9**	**0.0**	**-89.9**
Change in non-controlling interests										0.0	83.2	83.2
Equity December 31, 2022	**38.8**	**12.8**	**104.3**	**-53.0**	**0.0**	**18.1**	**0.0**	**3.0**	**988.2**	**1,112.2**	**71.5**	**1,183.7**
Equity January 1, 2021	**38.8**	**12.8**	**104.3**	**-1.5**	**0.2**	**1.1**	**3.3**	**-30.2**	**648.7**	**777.4**		**777.4**
Comprehensive income												
Profit for the year									328.9	**328.9**		**328.9**
Other compehensive income, net of tax					-0.2	-2.4		31.7	3.8	**32.9**		**32.9**
Total comprehensive income	0.0	0.0	0.0	0.0	-0.2	-2.4	0.0	31.7	332.7	**361.8**	0.0	**361.8**
Transactions with owners												
Acquisition of treasury shares				-1.1						**-1.1**		**-1.1**
Invalidation of treasury shares				1.5					-1.5	**0.0**		**0.0**
Dividends paid									-29.9	**-29.9**		**-29.9**
Disposal of subsidiaries									-6.6	**-6.6**		**-6.6**
Reclassifications							0		-0.3	0.0		0.0
Total transactions with owners				**0**			**0**		**-38**	**-38**		**-38**
Equity December 31, 2021	**38.8**	**12.8**	**104.3**	**-1.1**	**0.0**	**-1.3**	**3.6**	**1.5**	**943.1**	**1,101.6**	**0.0**	**1,101.6**

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Consolidated Statement of Cash Flows

MEUR	Note	2022	2021
Operating activities			
Profit for the period		70.6	328.9
Adjustments to reconcile profit to net cash flows			
Depreciation, amortisation and impairment		20.7	30.8
Gains and losses on disposal of fixed and other non-current assets		-48.6	-123.0
Share in results of associated companies		-27.3	-61.4
Unrealised foreign exchange gains and losses		-7.3	-3.5
Change in fair value of investment properties and biological assets	4.5, 4.6	12.6	-2.8
Other non-cash items	3.2	-25.5	-136.1
Financial income and expenses	3.6	12.7	-8.3
Income taxes	7.1	-1.2	37.8
Other adjustments		6.8	-0.6
Change in working capital			
Change in inventories		-46.3	-67.2
Change in trade and other receivables		-75.6	-54.6
Change in trade and other payables		83.0	63.3
Change in provisions		-3.1	-4.4
Interest paid		-8.3	-3.8
Dividends received		14.3	12.6
Interest received		2.0	1.8
Other financing items		20.6	3.4
Income taxes paid		-26.2	-7.9
Net cash flows from operating activities		**-26.0**	**5.1**

MEUR	Note	2022	2021
Investing activities			
Acquisition of subsidiaries, net of cash	2.2	-215.9	-49.6
Disposal of subsidiaries, net of cash	2.3	93.4	241.4
Investment in associated companies	2.4	-102.7	-38.5
Purchase of financial investments		-3.2	0.0
Proceeds from financial investments		0.2	0.0
Investments in tangible and intangible assets	4.1, 4.3	-49.4	-39.1
Disposal of tangible and intangible assets		3.9	5.5
Loans granted		-0.6	-7.8
Repayment of loan receivables	6.4	0.1	29.9
Net cash flows from / used in investing activities		**-274.2**	**141.7**
Financing activities			
Loan withdrawals, non-current	6.4	240.6	50.8
Loan repayments, non-current	6.4	-1.1	-20.2
Loan withdrawals, current	6.4	27.8	97.8
Loan repayments, current	6.4	-5.0	-113.0
Purchase of treasury shares		-53.0	-1.1
Capital investment by non-controlling interests		19.5	0.0
Acquisition of non-controlling interests		0.0	-0.5
Payment of lease liabilities / finance lease liabilities	4.4	-4.3	-12.0
Dividends paid	6.2	-32.3	-29.9
Net cash flows from / used in financing activities		**192.3**	**-28.1**
Net change in cash and cash equivalents		**-107.9**	**118.7**
Cash and cash equivalents on January 1		215.1	94.2
Net foreign exchange difference		1.2	2.2
Cash and cash equivalents on December 31		**108.3**	**215.1**

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Notes to the Consolidated Financial Statements

1.1 Corporate information

A. Ahlström Oy is a family-owned investment company, founded in 2001. The company invests in listed and non-listed companies, real estate and forest assets. Non-listed companies consolidated as subsidiaries and referred to as portfolio companies, operate as independent subgroups. A. Ahlström is an active and responsible owner who develops the portfolio companies to create long-term shareholder value (see Note 6.1). A. Ahlström Oy is domiciled in Helsinki (Finland). The registered address is Eteläesplanadi 14, 00130 Helsinki.

The consolidated financial statements of A. Ahlström Oy (parent company) and its subsidiaries and associates (collectively, the Group) for the year ended December 31, 2022 were authorised for issue in accordance with a resolution of the Board of Directors on March 2, 2023. Under the Finnish Limited Liability Companies Act, shareholders may approve or reject the financial statements at the General Meeting held following their publication. The General Meeting may also take the decision to amend the financial statements.

The consolidated financial statements are available at www.ahlstromcapital.com and at the parent company's head office at Eteläesplanadi 14, 00130 Helsinki.

Information on the Group's structure is provided in Note 2.1.

1.2 Basis of preparation

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) by applying IAS and IFRS standards effective on 31.12.2022 and their SIC and IFRIC interpretations. International Financial Reporting Standards refer to the standards, and their interpretations, approved for application in the EU in accordance with the procedures stipulated in the EU's regulation (EC) No. 1606/2002 and embodied in Finnish accounting legislation and the statutes enacted under it. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared on a historical cost basis, except for the following items that have been measured at fair value: investment properties, biological assets, derivative financial instruments, financial assets and liabilities recognised at fair value through profit and loss and contingent considerations related to acquisitions. The Group's consolidated financial statements are prepared in euro (EUR), which is also the parent company's functional currency. All values are presented in millions of euros (MEUR), except when otherwise indicated.

The notes to the consolidated financial statements are grouped into sections according to the topic. The general basis of preparation of the consolidated financials statements is described as part of this section. The accounting principles that are closely related to a specific note are presented as part of that note.

Current versus non-current classification

In the consolidated financial statements, assets and liabilities are classified applying the current/non-current distinction. An asset is classified as current when the asset is expected to be realised within twelve months after the reporting period. Other assets are classified as non-current.

A liability is classified as current when it matures for repayment within twelve months after the reporting period or when the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Other liabilities are classified as non-current.

The fair values of derivative financial instruments not included in hedge accounting are presented as current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currencies

The Group's consolidated financial statements are presented in euro, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the one day prior to the reporting date. Foreign currency differences of monetary items are recognised in statement of income. Foreign exchange gains and losses that are recognised in statement of income as financial income and expense are recognised at net amount. Monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation are recognised in other comprehensive income. When the net investment is disposed of, the cumulative amount is reclassified to statement of

income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Foreign operations
The assets and liabilities of foreign operations are translated into euro at the rate of exchange ruling at the one day prior to the reporting date and their statements of income are translated at average rates of reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, accumulated translation differences relating to the component of other comprehensive income are recognised in the statement of income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to finalise for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

Impairment of non-financial assets

The Group assesses, at each reporting date whether there is an indication of an asset being impaired. If any indication is shown, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the recoverable amount of the asset or CGU. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

1.3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires the Management to make judgements about the control and influence it holds in subsidiaries, associated companies and investments and the principles how investments are consolidated in group. The Management also makes judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, the Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described further in these financial statements. The Group bases its assumptions and estimates on information available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may later change

202306295706 3

due to market changes or circumstances arising beyond the control of the Group. Such changes in estimates and assumptions are accounted for in the financial year in which they occur.

The areas where judgements, assumptions and estimates are most significant to the Group and which may affect the financial statements if changed are presented below and described in accompanying notes:

Note	
2.2.	Acquisitions
3.1.	Revenue from contracts with customers
3.8.	Pension and other post employment benefit plans
7.1. and 7.2.	Income taxes and deferred taxes
4.2.	Goodwill impairment testing
4.5.	Investment properties
4.6.	Biological assets
4.4.	Leases
2.4.	Investments in associated companies and joint ventures
6.4.	Financial assets and liabilities

Segment information

A. Ahlström Group elects not to disclose segment information in its consolidated financial statements. Disclosing segment information is not mandatory according IFRS 8 for A. Ahlström Group since the parent, A. Ahlström Oy, does not have any publicly traded equity or debt instruments. Instead, voluntary other financial information on the segment will be disclosed (a)-(e) below."

a) External Fair Value (EFV) of the share

The primary objective of the Group's capital management is to maximise the shareholder value, meaning the External Fair Value of the share. The External Fair Value (EFV) of the share represents the expected market value of the asset in question that would be received in an orderly transaction between market participants, subtracting assumed transaction costs and other related liabilities. In effect, this means that the EFV of A. Ahlström's share is the sum of the EFVs of the underlying net assets within A. Ahlström Group. In order to determine the EFV of A. Ahlström's share, the EFV of the underlying assets is appraised at each reporting date. See capital management in Note 6.1 for more information.

b) Loan-to-value ratio (LTV)

The Loan-to-value ratio (LTV) measures the relationship between indebtedness and the fair value of the assets, to which loans and other liability adjustments, such as deferred tax liabilities, non-controlling interest and other relevant adjustments that have been applied to the EFV have been returned. LTV ratio is appraised at each reporting date. The LTV ratio is also used as a financial covenant between A. Ahlström Group and financial institutions.

c) Comparable Operating Profit

Comparable operating profit is the reported operating profit (EBIT) excluding the share of results from associated companies and adjusted for the impact of non-operational items that are considered to affect comparability between reporting periods. These adjustments consist of, among others, sales gains and losses, changes in fair value of investment properties and biological assets, provisions and reversal of provisions related to sales and restructuring costs.

d) Comprehensive operating profit – COP

Comprehensive operating profit is the reported operating profit (EBIT) adjusted for the impact of non-operational items that are considered to affect comparability between reporting periods. It includes both Comparable operating profit and also A. Ahlström's share of associated companies' and joint ventures' profit for the period.

e) Total return

Total return represents the change in the External Fair Value (EFV) of the asset and its income to A. Ahlström. In industrial assets and associated Real Estate companies, the income is the dividend or capital return received. In Real Estate and Forest assets, the income is the Net Operating Income (NOI) generated. If new investments are made into the asset during the period, it is deducted from the income.

1.4. New and amended IFRS standards

The following amended standards have been adopted as of January 1, 2022:

- Revised IFRS 3 Business Combinations. The amendments update the outdated reference to the Conceptual Framework.
- Revised IAS 16 Property, Plant and Equipment. Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items.
- Revised IAS 37 Provisions, Contingent Liabilities and Contingent Assets. When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs.

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

2.1. Group structure

Information about subsidiaries and associated companies

The consolidated financial statements of the Group include:

Subsidiaries	Country of incorporation	Activities	% equity interest 2022	2021
A. Ahlström Kiinteistöt Oy	Finland	Real Estate	100	100
Keskinäinen Kiinteistöosakeyhtiö Uudenmaankatu 24	Finland	Holding	100	100
H11 Holding Oy	Finland	Holding	100	100
Kiinteistö Oy Hankasuontie 11A	Finland	Real Estate	100	100
A. Ahlström Asunnot Oy	Finland	Real Estate	100	100
Rakennus Oy Kivipalatsi	Finland	Real Estate	100	100
Kiinteistö Oy Lahden Kulmala	Finland	Holding	100	100
Ratapihankatu Holding Oy	Finland	Holding	100	100
Kiinteistö Oy Tampereen Ratapihankatu 21	Finland	Real Estate	100	100
Kiinteistö Oy Tampereen Ratapihankatu 33	Finland	Real Estate	100	100
Kiinteistö Oy Tampereen Vellamonkatu 2	Finland	Real Estate	100	100
Ahlström Konsernipalvelut Oy	Finland	Holding	100	100
AC Cleantech Management Oy	Finland	Holding	100	100

Subsidiaries	Country of incorporation	Activities	% equity interest 2022	2021
Ahlstrom Capital B.V.	Netherlands	Holding	100	100
AC Invest Nine B.V.	Netherlands	Holding	100	100
M&J Management Holding ApS	Denmark	Holding	74	100
M&J Recycling Group ApS	Denmark	Holding	97	100
M&J Denmark A/S	Denmark	Production and sales	97	100
M&J Germany GmbH	Germany	Production and sales	97	100
M&J Technology Environmental Equipment (Shanghai) Co., Ltd.	China	Production and sales	97	100
M&J USA Inc.	United States	Production and sales	97	100
M&J Denmark Properties A/S	Denmark	Production and sales	97	100
Munksjö Paper Holding AB	Sweden	Holding	60	
Munksjö Paper AB	Sweden	Holding	60	
Ahlström-Munksjö Germany Holding GmbH	Germany	Holding	60	
Munksjö Unterkochen GmbH	Germany	Production and sales	60	
Kraftwerksgesellschaft Unterkochen GmbH	Germany	Production and sales	36	
Munksjö Dettingen GmbH	Germany	Production and sales	60	
Hebei Minglian New Materials Technology Co., Ltd	China	Production and sales	36	
Munksjo Spain Holding, S.L.U	Spain	Holding	60	
Munksjo Tolosa S.A.U.	Spain	Production and sales	60	
Caieiras Industria e Comercio de Papeis Especiais Ltda	Brazil	Production and sales	60	
Munksjö Arches SAS	France	Production and sales	60	
Munksjo USA Inc.	United States	Production and sales	60	
DutchCo Alpha Holding B.V.	Netherlands	Holding	100	100
AC Bucharest Real Estate Holding B.V.	Netherlands	Holding	100	100
BDY Invest S.R.L	Romania	Real Estate	100	100
Kasarmi Real Estate Holding B.V.	Netherlands	Holding	100	100
DutchCo Epsilon Holding B.V.	Netherlands	Holding	100	100

20230629570 64

Associated companies and joint ventures	Country	Activities	% equity interest 2022	2021
AC Cleantech Growth Fund I Ky	Finland	Holding	29.0	29.0
Detection Technology Plc	Finland	Production and sales	36.0	36.0
Glaston Corporation	Finland	Production and sales	26.4	26.4
Suominen Corporation	Finland	Production and sales	24.0	24.0
Åbyntie Gp Oy	Finland	Holding	50.0	50.0
Åbyntien Kiinteistöt Ky	Finland	Holding	50.0	50.0
Ahlström Invest B.V.	Netherlands	Holding	24.1	23.7
Avain Yhtiöt Oy	Finland	Holding	25.0	25.0
Kymiring Oy	Finland	Holding	22.5	44.0
Kiinteistö Oy Espoon Erica	Finland	Real Estate	40.5	40.5
GPV Group A/S	Denmark	Production and sales	20.0	
Bast Fibre Technologies	Canada	Production and sales	20.0	

Divestments, liquidations, mergers	Country			2022	2021
Destia Group Oyj	Finland	Holding	Merged		100
Enics AG	Switzerland	Holding	Divestment		100
Enics Eesti AS	Estonia	Production and sales	Divestment		100
Enics Electronics (Beijing) Ltd.	China	Production and sales	Divestment		100
Enics Electronics (Suzhou) Ltd.	China	Production and sales	Divestment		100
Enics Finland Oy	Finland	Production and sales	Divestment		100
Enics Hong Kong Ltd.	Malaysia	Dormant	Divestment		100
Enics Malaysia SDN BHD	Finland	Production and sales	Divestment		100
Enics Raahe Oy	China	Production and sales	Divestment		100
EKC Electronics (Suzhou) co, Ltd	Switzerland	Dormant	Divestment		100
Enics Schweiz AG	Slovakia	Production and sales	Divestment		100
Enics Slovakia s.r.o.	Slovakia	Production and sales	Divestment		100
Enics Sweden AB	Sweden	Production and sales	Divestment		100
ACEMS B.V.	Netherlands	Holding	Merged		100
AC Infra Oy	Finland	Production and sales	Merged		100
AC Infra PPP Oy	Finland	Production and sales	Merged		100

Non-controlling interests

The Group has subsidiaries in which there are non-controlling interests. A material non-controlling interest is in Munksjö Paper Holding AB and its subsidiaries. The following are Munksjö Group's figures for the reporting period.

MEUR	Non-controlling interest %	Revenue	Profit	Assets
Munksjö Group	40.0%	109.4	-22.5	509.1

Accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as per December 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Usually the control is formed when an entity holds 50% (or more) of the voting rights. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including any contractual arrangements.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated statement of income and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the control is lost, the possible remaining ownership share is measured at fair value and the resulting gain or loss is recognized in the statement of income.

2.2. Acquisitions

Acquisitions in 2022

On October 1, 2022, the Group acquired 60% shareholding of Munksjö Paper Ab. The acquisition strengthens A. Ahlström's focus in the Group's Forest & Fiber focus area. Munksjö is a leading global business with and extensive range of decor paper solutions and a market-leading brand. The total consideration of the acquisition was EUR 307.5 million. 265.0 MEUR was paid in cash. 42.5 MEUR was settled by converting payables into equity. Based on the purchase price allocation no goodwill or badwill was recognised.

If the acquisition had been made on 1 January 2022, the additional impact on the Group's revenue would have been EUR 503.3 million and loss for the period EUR 12.4 million.

Investments in associated companies and in real estate joint ventures in 2022 are presented in Note 2.4.

Assets acquired and liabilities assumed in 2022

The preliminary fair values of the identifiable assets and liabilities at the date of acquisition were:

Fair value recognised on acquisition

MEUR	Munksjö
Assets	
Other intangible assets	103.7
Property, plant and equipment	192.6
Non-current financial assets	1.3
Deferred tax assets	0.2
Inventories	122.1
Trade and other receivables	75.0
Tax receivable, income tax	2.5
Cash and cash equivalents	36.8
	534.2
Liabilities	
Interest-bearing loans and borrowings	37.9
Net employee defined benefit liabilities	12.0
Provisions	0.6
Deferred tax liabilities	50.8
Trade and other payables	91.5
Current tax liability	2.0
	194.8
Total identifiable net assets at fair value	**339.4**
Consideration transferred	
Cash consideration	265.0
Purchase price liabilities converted into equity	42.5
Total consideration transferred	**307.5**
Non-controlling interests	31.9
Goodwill arising from the acquisition	**0.0**

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AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Acquisitions in 2021

On December 1, 2021, the Group acquired 100% shareholding of M&J Recycling Group, a leading, global waste recycling equipment provider based in Denmark. The acquisition broadens A. Ahlström's portfolio into the growing recycling market. M&J Recycling's business is well positioned to help drive sustainable development with its premium brand offering, robust operations and skilled personnel. A. Ahlström as an owner will bring further focus on and resources for growth initiatives and support the standalone business to reach its full potential. The total consideration of EUR 52.1 million was paid in cash. Based on the purchase price allocation an amount of EUR 29.6 million is identified as goodwill, which is attributable to M&J Recycling Group's position and capacity to serve its customers in the future. The result for the financial year is encumbered by the EUR 1.3 million costs, which relate to the acquisition of M&J Recycling Group.

If the acquisition had been made on 1 January 2021, the additional impact on the Group's revenue would have been EUR 44.4 million and profit for the period EUR 3.5 million.

Assets acquired and liabilities assumed in 2021

The fair values of the identifiable assets and liabilities at the date of acquisition were:

MEUR	M&J Group
Assets	
Other intangible assets	13.5
Property, plant and equipment	4.4
Inventories	14.6
Trade and other receivables	7.9
Tax receivable, income tax	1.1
Cash and cash equivalents	4.3
	45.8
Liabilities	
Interest-bearing loans and borrowings	0.3
Provisions	1.0
Deferred tax liabilities	3.0
Trade and other payables	17.6
Current tax liability	1.4
	23.3
Total identifiable net assets at fair value	**22.5**
Consideration transferred	
Cash consideration	52.1
Total consideration transferred	**52.1**
Goodwill arising from the acquisition	**29.6**

Accounting policies

Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. The cost of an acquisition is the aggregate of the consideration transferred at the fair value of the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and valuation in accordance with the contractual terms, economic circumstances and pertinent conditions as per the acquisition date. If the business combination is achieved in stages, the previously held equity interest is remeasured at the fair value of its acquisition date and any resulting gain or loss is recognised in the statement of income.

Any contingent consideration (additional purchase price) related to the combination of businesses is measured at fair value on the date of acquisition. It is classified either as a liability or equity. Contingent consideration classified as a liability is measured at fair value on the reporting date, and the resulting loss or gain is recognised in income statement. Contingent consideration classified as equity is not remeasured.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Significant accounting judgments, estimates and assumptions

In business combinations certain estimates and assumptions are needed to measure all acquired assets and liabilities at their fair values at the acquisition date. Generally, the valuation is conducted based on expected future cash flows of the acquired assets and liabilities during their useful lives. For significant acquisitions, the measurement is carried out with assistance from independent external appraiser.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

2.3. Discontinued operations

2022

In June 2022 A. Ahlström announced that it has agreed to sell 100% of the shares in Enics to GPV Group A/S. The acquisition was closed on October 1, 2022. Enics has been in A. Ahlström's ownership since 2005. The company was not classified as held-for-sale or as a discontinued operation in 31.12.2021 financial statements.

Profit for the year from the discontinued operations

MEUR	1–10/2022	1–12/2021
Revenue	558.6	534.8
Expenses	-548.3	-527.6
	10.3	**7.2**
Profit on sale of shares	47.8	0.0
Profit before tax for the year from discontinued operations	**58.1**	**7.2**
Income taxes	-2.8	-3.5
Profit for the year from discontinued operations	**55.4**	**3.7**

The net cash flows from discontinued operations

MEUR	1–10/2022	1–12/2021
Net cash flow from operating activities	-23.1	0.7
Net cash flow from/used in investing activities	83.4	-17.0
Net cash flow from/used in financing activities	24.4	24.3
Net cash flows	**84.7**	**8.1**

Discontinued operations, effect on the statement of financial position

MEUR	30/09/2022
Non-current assets	77.8
Inventories	220.6
Other receivables	133.2
Cash and cash equivalents	34.3
Financial liabilities	-135.5
Trade payables and other liabilities	-232.1
Net assets	**98.3**
Consideration received less costs to sell	126.6
Cash and cash equivalents of discontinued operations	-34.3
Net cash inflows	**92.4**

2021

In August 2021 A. Ahlström announced that it has agreed to sell 100% of the shares in Destia Oy to Colas SA. The acquisition was closed on December 1, 2021. Destia has been in A. Ahlström's ownership since 2014. The company was not previously classified as held-for-sale or as a discontinued operation.

Profit for the year from the discontinued operations

MEUR	1–12/2021
Revenue	524.7
Expenses	-499.5
	25.2
Profit on sale of shares	120.5
Profit before tax for the year from discontinued operations	**145.7**
Income taxes	-31.9
Profit for the year from discontinued operations	**113.8**

20230629570 66

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

The net cash flows from discontinued operations

MEUR	1–12/2021
Net cash flow from operating activities	-6.3
Net cash flow from/used in investing activities	234.5
Net cash flow from/used in financing activities	-50.6
Net cash flows	**177.6**

Discontinued operations, effect on the statement of financial position

MEUR	1–12/2021
Non-current assets	154.1
Inventories	12.1
Other receivables	128.8
Cash and cash equivalents	7.1
Financial liabilities	-28.1
Trade payables and other liabilities	-148.3
Net assets	**125.7**
Consideration received less costs to sell	248.5
Cash and cash equivalents of discontinued operations	-7.1
Net cash inflows	**241.4**

Accounting policies

A discontinued operation is a substantial component of entity that either has been disposed of or is classified as held for sale. The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Classification as held for sale requires that the following criteria are met; the sale is highly probable, the asset is available for immediate sale in its present condition subject to usual and customary terms, the management is committed to the sale and the sale is expected to be completed within one year from the date of classification.

Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of income. The comparative figures are restated accordingly. The comparative figures for the statement of financial position are not restated.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

2.4. Investments in associated companies and joint ventures

Industrial investments

Ahlström Invest
Ahlström Invest is a family investment company. It actively manages its holding in Ahlstrom and invests with a strong sustainable focus in public and private markets. A. Ahlström recognises the share of Ahlström Invests profit or loss in the statement of income according to the equity method. At the end of December 2022, the Group had a 24.1% interest in Ahlström Invest.

Suominen
At the end of December 2022 the Group had a 24.0% interest in Suominen Oyj. Suominen is a globally leading supplier in nonwovens industry. The company manufactures nonwovens as roll goods for wipes and for hygiene products and medical applications. Suominen's shares are listed on Nasdaq Helsinki Ltd.

Detection Technology
At the end of December 2022 the Group had a 36.0% interest in Detection Technology. Detection Technology is a global provider of X-ray imaging subsystems, components and services for medical, security and industrial applications. Detection Technology prepares its Financial Statements according to Finnish Accounting Act. Detection Technology's shares are listed on Nasdaq Helsinki Ltd.

Glaston
At the end of December 2022 the Group had a 26.4% interest in Glaston. Glaston is a frontrunner in glass industry technologies and services, responding globally to the glass processing needs of the architectural, solar, display and automotive industries. The company also supports the development of emerging technologies integrating intelligence to glass. Glaston's shares are listed on Nasdaq Helsinki Ltd.

Cleantech Fund
The Group has a 29.0% interest in the AC Cleantech Growth Fund Group. The Cleantech fund invests in clean technology companies allowing them to industrialise and commercialise their operations and develop their processes.

Real estate investments

Avain Yhtiöt
At the end of December 2022 the Group had a 25.0% interest in Avain Yhtiöt. Avain Yhtiöt is a Finnish group specializing in building and owning apartments. The company owns more than 10 000 apartments. The Group will use the option to increase its interest to 30% of shares at the beginning of year 2023. Avain Yhtiöt prepares its Financial Statements according to Finnish Accounting Act with voluntary application of measuring its investment properties at fair value.

Åbyntien Kiinteistöt
At the end of December 2022 the Group had a 50.0% interest in Åbyntien Kiinteistöt together with Alternative investment fund Terrieri Kiinteistöt Ky, managed by S-Bank.

Kiinteistö Oy Espoon Erica
At the end of December 2022 the Group had a 40.5% interest in Kiinteistö Oy Espoon Erica. It is a joint venture real estate investment together with Aktia Life Insurance and Church Pension Fund. The anchor tenant in a new building in Finnoo Espoo, will be Kemira Oyj. Kiinteistö Oy Espoon Erica is scheduled for completion in the summer of 2024. The Group's investment commitment is EUR 35.0 million.

Kymiring
At the end of December 2022 the Group had a 22.0% interest in Kymiring.

Changes in investments in associates

MEUR	December 31, 2022	December 31, 2021
Opening balance	506.3	418.2
Translation difference	-1.5	0.0
Share of profit/loss	29.2	61.4
Share of other comprehensive income items	-0.4	3.3
Share of direct adjustments to equity	-0.1	0.0
Dividends and return of equity	-14.3	-11.1
Additions	102.7	32.6
Disposals of Ahlstrom-Munksjö	0.0	-233.5
Reclassifications of Ahlström Invest BV	0.0	45.0
Investment in Ahlström Invest BV, share exchange	0.0	190.5
Impairment	-1.4	-0.6
Reclassifications	-0.7	0.7
Closing Balance	**620.0**	**506.3**

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Summarised financial information for significant associates

Summarised statement of comprehensive income

	Ahlström Invest		Suominen		Detection Technology		Glaston		GPV		Bast Fibre Technologies		AC Cleantech Growth Fund		Avain Yhtiöt*		Åbyntien Kiinteistöt	
MEUR	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue	0.6	0.3	493.3	443.2	98.6	89.8	213.5	182.7	798.4		13.7				103.0	115.7	3.2	2.4
Operating profit/loss	-3.5	169.9	-4.2	26.9	5.8	10.6	7.6	5.1	39.0		-7.1		-0.3	-1.3	41.2	100.0	2.2	1.7
Profit/loss for the period	**98.3**	**327.9**	**-13.9**	**20.7**	**5.1**	**9.3**	**3.1**	**1.1**	**20.1**		**-8.5**		**-5.3**	**-1.1**	**44.6**	**71.2**	**1.4**	**1.7**
Other comprehensive income																		
Items that will not be reclassified to statement of income							-1.6	-1.6										
Items that may be reclassified subsequently to statement of income			8.3	8.4			1.2	1.3			-0.1							
Total comprehensive income for the period	**98.3**	**327.9**	**-5.6**	**29.1**	**5.1**	**9.3**	**2.7**	**0.8**	**20.1**		**-8.6**							

Summarised statement of financial position

	Ahlström Invest		Suominen		Detection Technology		Glaston		GPV		Bast Fibre Technologies		AC Cleantech Growth Fund		Avain Yhtiöt*		Åbyntien Kiinteistöt	
MEUR	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Current assets	449.8	540.8	188.9	224.6	84.2	83.3	87.1	85.7	744.4		8.5		0.1	0.1	88.1	75.2	0.7	0.4
Non-current assets	843.7	677.3	154.5	162.1	7.2	8.8	107.8	111.6	318.0		20.5		2.8	6.7	1,587.1	1,409.5	34.7	35.0
Current liabilities	1.7	1.9	122.9	144.7	18.6	18.6	87.1	82.4	708.4		26.3		2.6		86.8	65.2	0.4	0.3
Non-current liabilities	90.0	97.1	74.6	78.8			39.3	46.9	48.9		2.9			3.9	1,222.1	1,088.4	22.6	22.2
Equity	**1,201.8**	**1,119.1**	**145.9**	**163.2**	**72.8**	**73.6**	**68.5**	**68.0**	**305.1**		**-0.2**		**0.3**	**2.9**	**366.3**	**331.2**	**12.3**	**12.9**

Summarised statement of financial position

	Ahlström Invest		Suominen		Detection Technology		Glaston		GPV		Bast Fibre Technologies		AC Cleantech Growth Fund		Avain Yhtiöt*		Åbyntien Kiinteistöt	
MEUR	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Group's share of the profit/loss for the period	23.7	34.8	-3.3	5.0	-0.4	1.0	0.8	0.3	0.9		-0.5		-3.5	3.5	8.9	13.0	0.7	4.0
Group's share of the other comprehensive income			2.0	2.0	-0.3	1.4	-0.1	-0.1	0.0		-1.5							
Carrying amount of the investment	286.3	220.1	50.5	54.7	94.5	97.1	31.0	30.9	73.9		18.2		0.1	4.6	50.4	42.3	9.3	9.6
Fair value of the investment	391.9	358.6	41.9	72.3	89.2	154.7	20.0	25.4	73.0		20.3							
Interest held	24.1%	23.7%	24.0%	24.0%	36.0%	36.0%	26.4%	26.4%	20.0%		20.0%		29.0%	29.0%	25.0%	25.0%	50.0%	50.0%
Dividend received			2.8	1.4	1.8	1.5									0.8	0.8	1.0	0.5

* Preliminary figures December 31, 2022, includes non-controlling interest

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Accounting policies

An associate is an entity over which the Group has significant influence. Significant influence is the right to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A. Ahlström's strategy for investments in listed companies is to have leading direct interest in the company and always have its representative or representatives participate in the board of directors, nomination committee, and actively exercise any other shareholder rights to maximise the value of the investment and it is generally a prerequisite for entering into any investment for A. Ahlström. Through this involvement, A. Ahlström views that in certain occasions it holds significant influence over the listed companies, even in situations where direct ownership is less than 20%.

In joint arrangements two or more parties exercise joint control. This is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties' distribution control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

A joint arrangement is a joint venture or a joint operation. A joint venture is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. In joint operation the parties have rights and obligations related to assets and liabilities of the arrangement. The Group has joint ventures in Real estate business.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the associate or joint venture as of the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of results of an associate and a joint venture is shown in the statement of income within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as those of the Group. Associated and joint venture companies in general report to the Group according to IFRS accounting principles. Detection Technology, Avain Yhtiöt and real estate joint ventures report according to Finnish Accounting Standards and Ahlström Invest reports according to Dutch GAAP. If and when necessary, the adjustments are made at the Group level when preparing the Group's financial reports. A. Ahlström Group's share of profit of Avain Yhtiöt is calculated after non-controlling interest is extracted. The non-controlling interest relates to companies with right-of-residence apartments that are under special legislation.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group tests the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'share of profit of an associate and a joint venture' in the statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount and the fair value of the retained investment and proceeds from disposal is recognised in the statement of income.

Significant accounting judgments, estimates and assumptions

Management makes judgements and estimates of the control and significant influence it holds in associated companies and joint ventures. In acquisitions certain estimates and assumptions are needed to measure all acquired assets and liabilities at their fair values at acquisition date. The valuation is generally based on future cash flows expected from those assets and liabilities during their useful lives. For significant acquisitions, the measurement is carried out with assistance from independent external appraiser.

20230629570 68

3.1 Revenue from contracts with customers

Revenue recognition

The Group generates revenue primarily from the sales of Decor and Recycling business. Other sources of revenue include mainly forestry and real estate income.

Distribution of revenue by business

MEUR	2022	2021
Decor	109.4	
Recycling	65.8	9.0
Forestry	11.6	10.8
Real estate	9.0	8.5
Others	2.7	2.8
	198.5	**31.0**

Distribution of revenue by geographical area

2022

MEUR	Decor	Recycling	Forestry	Real Estate	Others	Total
Finland	0.2	0.1	11.6	9.0	2.1	22.9
Other Europe	61.4	36.1			0.4	97.8
Rest of the world	47.8	29.7			0.3	77.8
	109.4	**65.8**	**11.6**	**9.0**	**2.7**	**198.5**

2021

MEUR	Decor	Recycling	Forestry	Real Estate	Others	Total
Finland			10.8	8.5	2.5	21.7
Other Europe		5.5			0.3	5.8
Rest of the world		3.5				3.5
	0.0	**9.0**	**10.8**	**8.5**	**2.8**	**31.0**

Timing of the revenue recognition

The Group recognised 100% of its revenue at a point in time during years 2022 and 2021.

Transaction price allocated to the remaining obligation

MEUR	2022	2021
Within one year		2.6
More than one year		
		2.6

Contract balances

MEUR	2022	2021
Contract assets		0.7
Contract liabilities		-1.5
		-0.8

The changes in contract assests and liabilities during 2022 in comparison to 2021 is caused by the discontinuing operations.

Accounting policies

Revenue from contracts with customers is recognised when a customer obtains control over the goods or services, when it is probable that the economic benefits will flow to the Group and when the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account expected returns, value-added tax, trade discounts and rebates.

The Group recognises the revenue from projects and from sale of goods and services based on timing of the transfer of the control either over time or at point in time. The revenue from contracts with customers is assessed according a five-step model determined in IFRS 15.

Goods and services sold by Decor business are recognised at a point in time.
Goods and services sold by Recycling business are recognised at a point in time. Revenue is recognised when the risk for the goods is transferred to the customer according to Incoterms, the price is fixed and determinable and recoverability is reasonably assured (usually prepaid). The company assumes no significant obligations after shipment.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Goods and services sold by Real estate and Forest businesses are recognised at a point in time. Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Revenue from Forest business is recognised according to deliveries. Other revenue is recognised at point in time and is mainly revenue from services.

3.2. Other operating income

MEUR	2022	2021
Gain on sale of other tangible and intangible assets	0.5	1.3
Change in fair value of investment properties	1.1	4.3
Change in fair value of biological assets	25.6	3.6
Fair valuation of Ahlström Invest B.V., share exchange		132.5
Other	0.6	0.2
	27.8	**142.0**

3.3 Materials and services

MEUR	2022	2021
Purchases during the period	-112.7	-5.8
External services	-10.7	-3.6
Change in raw material inventories	2.7	0.6
Change in inventories of finished goods and work in progress	-12.8	-0.1
	-133.5	**-9.0**

3.4. Other operating expenses

MEUR	2022	2021
IT-expenses	-4.8	-0.5
External services	-8.3	-4.6
Non-statutory employee benefits	-1.2	-0.3
Change in fair value of investment properties	-13.7	-1.6
Other expense items	-23.2	-6.0
	-51.2	**-13.0**

Other expense items mainly consists of travelling costs, maintenance and repair costs of real estate and variable other expenses as energy and leased manpower.

Research and development costs recognised in the Statement of Income amount to EUR -0.7 million in 2022 (0.0). The research and development costs relate to personnel and other costs. There were no capitalised development expenditures during the reporting period (0.0).

Auditor's fee

MEUR	2022	2021
Audit fee	-0.5	-0.4
Tax consultancy	0.0	-0.2
Other services	0.0	-0.1
	-0.6	**-0.7**

20230629570 69

3.5. Government grants

There were no government grants received in the reporting period (0.5). In 2021 government grants mainly related to employment items and an energy efficiency investment in Etelä-Esplanadi 14 property. There are no unfulfilled conditions or contingencies attached to these grants.

MEUR	2022	2021
Received during the year and recognised in the statement of income		0.4
Received during the year and recognised in the statement of financial position		0.1
		0.5

Accounting policies

Government or other grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. Investment grants related to acquisitions of property, plant and equipment and intangible assets are deducted from the cost of the asset in question in the statement of financial position and recognised as income on a systematic basis over the useful life of the asset in the form of reduced depreciation expense.

3.6. Financial income and expenses

Financial income

MEUR	2022	2021
Interest income	2.7	3.1
Dividends		1.5
Gain on assets at fair value through profit and loss	6.8	9.3
Other financial income		2.6
	9.5	**16.4**

Financial expenses

MEUR	2022	2021
Interest expenses from financial liabilities	-2.6	-0.7
Interest expenses on leases	-0.1	
Impairment on investments	-10.6	
Other financial expenses	-2.4	-1.0
	-15.8	**-1.7**

Net gain and loss on financial instruments at fair value through statement of income relates to derivatives that did not qualify for hedge accounting.

Accounting policies

Interest income from interest bearing financial assets at amortised cost is recorded using the effective interest rate (EIR). Interest income is included in financial income in the statement of income. Revenue concerning dividends is recognised when the Group's right to receive the payment is established, generally when shareholders approve the dividend.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

3.7. Employee benefits and number of employees

Employee benefits

MEUR	2022	2021
Wages and salaries and other remunerations	-36.0	-9.8
Pension costs	-2.1	-1.6
Other wage-related costs	-1.7	-0.5
	-39.8	**-11.8**
CEO's salaries	-1.0	-0.6
of which variable compensation	-0.6	-0.2
Remunerations to Board members	-0.5	-0.5

Salaries and other benefits for CEO and remunerations to Board members refer to the parent company only.

Average number of personnel	2022	2021
Salaried	502	152
Blue-collar	922	63
	1,424	**215**

LTI program in A. Ahlström Oy

The Board of Directors (the Board) of A. Ahlström Oy (the Company) implemented a long-term cash-settled incentive program (the LTI) for the management of the Company in 2015. The purpose of the LTI is to align the objectives of the shareholders and the management in order to increase the value of the Company in the long-term, to commit the management to the Company's long-term business goals and guarantee competitive and comparative total compensation to the management.

The Company's LTI program includes currently three consecutive and overlapping three-year performance periods: 2020–2022, 2021–2023 and 2022–2024. The program ending 2022 resulted in reward equivalent to 52.4% of participant's annual salary, maximum being capped at 133%. The reward for the performance period will be payable the year after the period ends

The Board has decided the required performance criterion, the participants and amount of reward separately for each performance period. For all performance periods the approved key earning criteria are based on the development of the external fair value (EFV) of the A. Ahlström Oy's share. In addition, the 2021–2023 and 2022–2024 programs include total return targets for the industrial or the real estate portfolio for some participants. The maximum reward range of continuing programs are from 100–166% of annual salary.

The effect of the LTI programs in A. Ahlström Group's employee benefits expense in 2022 was EUR 0.2 million (1.1) and related liability at the end of 2022 EUR 1.2 million (1.9). At the end of 2021 discontinued operations had no liabilities related to LTI programs.

20230629570

3.8. Pension and other post-employment benefit plans

Net employee defined benefit liability

MEUR	2022	2021
Finland	0.6	0.7
France	8.4	
Germany	1.2	
Switzerland		1.8
	10.2	**2.6**

Changes in the defined benefit obligation and fair value of the plan assets

MEUR	2022	2021
Opening Balance	**2.6**	**9.6**
Business combination	9.1	
Discontinued operations	-1.8	-3.2
Cost charged to statement of income		
Service cost of current period	0.0	0.9
Service cost of past periods	-0.1	
Plan settlement		-4.4
Jubilee plans		-0.1
Remeasurement gains/losses in other comprehensive income		
Actuarial gains/losses	0.6	0.5
Benefits paid	-0.2	-1.0
Exchange difference		0.2
Closing Balance	**10.2**	**2.6**

The expected benefit payments for the following financial year are EUR 0.8 million (0.8). The main actuarial assumptions relate to discount rate and future salary increases. In the Group the weighted average discount rate used is 3.3% (0.6) and weighted average increase in future salaries is 2.6% (2.4).

Accounting policies

The Group operates defined benefit pension plans in some European countries, which requires contributions to be made to a separately administered fund. Most of the pension benefit plans in the Group are defined contribution plans (DCP) by nature. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Under defined benefit plans (DBP), a liability recognised in the statement of financial position equals the net of the present value of the defined benefit obligation less the fair value of the plan assets at the closing of the annual accounts. Actuarial gains and losses are recognised in the consolidated statement of comprehensive income as remeasurement items when they occur. Remeasurement recorded in the other comprehensive income is not recycled. Past service cost is recognised in the statement of income in the period of plan amendment. The Group presents service cost, past-service cost, gains and losses on curtailments and settlements and net interest expense or income as employee benefit expense.

Independent actuaries calculate the defined benefit obligation by applying the Projected Unit Credit Method (PUCM).

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under cost of sales, administration expenses and selling and distribution expenses in the statement of income (by function):

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

Significant accounting judgments, estimates and assumptions

The cost of defined benefit pension plans and other post-employment benefits and the present value of the pension obligation are determined using independent external actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, changes in health care costs, inflation, future salary increases, retirement rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

4.1. Intangible assets

2022 MEUR	Goodwill	Intangible rights	Develop-ment costs	Other intangible assets	Advances paid	Total
Acquisition cost						
January 1	30.5	26.1	2.3	12.1		71.1
Additions		0.0	0.4		0.1	0.6
Disposals		-0.8				-0.8
Business disposals	-0.9	-28.1		-0.8		-29.8
Business combinations	-0.2	22.2		67.9	0.8	90.6
Reclassification		1.8		0.2	-0.7	1.3
Exchange differences	0.0	2.3		0.4		2.7
December 31	29.4	23.4	2.7	79.8	0.2	135.6
Accumulated amortisation and impairment						
January 1	0.0	-22.5	0.0	-0.9		-23.5
Amortisation for the year	0.0	-1.2	-0.5	-5.4		-7.2
Disposals		0.9				0.9
Business disposals		23.8		0.8		24.6
Exchange differences	0.0	-1.8	0.0	0.0		-1.7
December 31		-0.9	-0.6	-5.6		-7.0
Net book value December 31, 2022	**29.4**	**22.6**	**2.2**	**74.3**	**0.2**	**128.6**

2021 MEUR	Goodwill	Intangible rights	Develop-ment costs	Other intangible assets	Advances paid	Total
Acquisition cost						
January 1	84.5	35.5	0.1	0.8		120.9
Additions		0.7	0.1			0.8
Disposals		-2.0	-0.1			-2.1
Business disposals	-85.4	-12.3				-97.7
Business combinations	29.6	0.3	2.2	11.3		43.4
Reclassification		2.7				2.7
Reclassification to HFS assets	1.8					1.8
Exchange differences	0.1	1.2				1.2
December 31	30.5	26.1	2.3	12.1		71.1
Accumulated amortisation and impairment						
January 1		-31.0	-0.1	-0.8		-31.9
Amortisation for the year		-2.4		-0.2		-2.5
Disposals		1.7	0.1			1.8
Business disposals		10.3				10.3
Exchange differences		-1.1				-1.1
December 31	0.0	-22.5	0.0	-0.9	0.0	-23.5
Net book value December 31, 2021	**30.5**	**3.6**	**2.3**	**11.2**	**0.0**	**47.6**

20230629570 71

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Accounting policies

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either definite or indefinite. Intangible assets with definite lives are amortised on a straight-line basis over the useful economic life (3–5 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a definite useful life are reviewed at least annually.

Other intangible assets, e.g. customer relationships, acquired in business combinations are recorded at fair value at the acquisition date. These intangible assets have a definite useful life and are carried at cost less accumulated straight-line amortisation over the expected life of the intangible asset.

A gain or loss arising from the sale of intangible assets is recognised in other operating income or other operating expenses in the statement of income.

Intangible assets with indefinite useful lives are not amortised, and are tested for impairment at least annually and whenever there is an indication that the intangible asset may be impaired, either individually or at the cash-generating unit level.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset if the requirements for recognition as an asset are met:

Following the initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. It is amortised over the period of expected future benefit.

4.2 Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to A. Ahlström's portfolio companies regarded as cash-generating units (CGU), which are also operating and reportable segments for impairment testing.

The divestment of Enics affected the amount of goodwill during 2022. Transaction was completed in October.

Carrying amount of goodwill allocated to each of the CGUs

MEUR	2022	2021
M&J Recycling	29.4	29.6
Enics		0.9
	29.4	**30.5**

The annual impairment tests are based on valuation reports prepared by external independent valuer. In 2022, the impairment test was conducted regarding the goodwill allocated to M&J. The goodwill was slightly adjusted during 2022 due to the final opening balance sheet. The acquisition of M&J Recycling was completed in December 2021 and the amount of goodwill was measured at cost in initial recognition.

Key assumptions used in value in use calculations

The calculation of value in use is sensitive to discount rates and growth rates used to extrapolate cash flows beyond the forecast period.

The discount rate used was 11.5%.

The growth rate used was 2.0%, which is aligned with the latest Euro area 5-year inflation forecast.

Sensitivity to changes in assumptions

Sensitivity analysis on M&J with a 1% long term growth rate will not imply a writedown; higher growth rates imply increased values in use. Similarly higher discount rates will yield a writedown need only at unrealistically high levels.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Accounting policies

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Significant accounting judgments, estimates and assumptions

Impairment testing at Group level is based on external valuation reports. Key assumptions used in value in use calculations are that the value in use is sensitive to discount rates and growth rates used to extrapolate cash flows beyond the forecast period. In addition, customary valuation methods such as peer group valuation are used to support valuation of companies. Discount rates represent the current market assessment of the risks specific to each cash-generating unit taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Industrial-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. WACC rates are defined by external valuers as part of the valuation processes.

Growth rate estimates are based on perceived long-term economic growth prospects, based on recorded historic average growth rates of the advanced economies, which are generally roughly 2% per annum. A. Ahlström portfolio companies are expected to grow organically, generally in tandem with the economy.

20230629570T2

4.3. Property, plant and equipment

2022 MEUR	Land and water areas	Land areas, right-of-use	Buildings and constructions	"Buildings, right-of-use"	Machinery and equipment	Machinery and equipment, right-of-use	Other tangible assets	Advances paid and construction in progress	Total
Acquisition cost									
January 1	5.4	0.0	38.6	21.5	100.5	4.8	2.6	3.2	176.6
Additions			0.1	7.2	2.1	1.5		15.3	26.3
Disposals			0.0	-3.5	-12.4	-0.3	0.0	0.0	-16.4
Discontinued operations	-0.4	0.0	-26.0	-23.1	-92.3	-4.3		-2.7	-148.7
Business combinations	22.9		38.0	2.4	112.6	2.1	1.7	11.2	190.8
Reclassifications	0.0		1.0		10.4		0.2	-12.9	-1.3
Exchange differences	0.2		0.2	0.2	-0.4	0.1		-0.3	0.1
December 31	**28.2**	**0.0**	**51.9**	**4.8**	**120.5**	**3.9**	**4.5**	**13.9**	**227.5**
Accumulated depreciation and impairment									
January 1			-18.1	-10.7	-66.4	-3.2	-1.1		-99.4
Depreciation for the year			-2.0	-2.5	-8.1	-1.0	-0.3		-13.8
Impairment			0.2						0.2
Disposals			0.0	3.3	10.8	0.3	0.0		14.4
Discontinued operations			14.1	10.1	59.0	3.3			86.5
Reclassifications									
Reclassifications to HFS assets									0.0
Exchange differences			-0.5	-0.1	-1.1	-0.2			-1.9
December 31		**0.0**	**-6.4**	**0.2**	**-5.9**	**-0.8**	**-1.3**		**-14.1**
Net book value December 31, 2022	**28.2**	**0.0**	**45.5**	**5.0**	**114.6**	**3.1**	**3.1**	**13.9**	**213.4**

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

2021 MEUR	Land and water areas	Land areas, right-of-use	Buildings and constructions	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other tangible assets	Advances paid and construction in progress	Total
Acquisition cost									
January 1	6.5	0.5	40.6	33.9	156.1	16.3	27.6	6.6	288.1
Additions		0.2	1.5	7.0	5.9	2.5		17.6	34.7
Disposals	-0.3		-3.7	-3.6	-8.5	-3.5	-1.0	-0.1	-20.7
Discontinued operations	-1.8	-0.7	-7.0	-14.4	-69.5	-11.1	-24.0	-3.6	-132.1
Business combinations	1.1		2.7		0.6	0.3			4.7
Revaluation				-1.9					-1.9
Reclassifications			3.4		13.3			-17.6	-0.9
Exchange differences			1.1	0.6	2.5	0.3		0.3	4.8
December 31	**5.5**	**0.0**	**38.6**	**21.5**	**100.5**	**4.8**	**2.5**	**3.2**	**176.6**
Accumulated depreciation and impairment									
January 1	-0.1	-0.2	-22.6	-13.6	-98.4	-7.9	-7.6		-150.4
Depreciation for the year		-0.2	-1.9	-8.0	-13.9	-3.6	-0.3		-27.9
Impairment			-0.2		-0.1				-0.3
Disposals			2.9	3.5	7.4	3.5			17.2
Discontinued operations	0.1	0.3	4.8	7.8	42.3	5.1	6.8		67.4
Reclassifications to HFS assets					-1.9				-1.9
Exchange differences			-1.1	-0.3	-1.9	-0.2	0.0		-3.5
December 31	**0.0**	**0.0**	**-18.1**	**-10.7**	**-66.4**	**-3.2**	**-1.1**	**0.0**	**-99.4**
Net book value December 31, 2021	**5.5**	**0.0**	**20.5**	**10.9**	**34.1**	**1.6**	**1.5**	**3.2**	**77.2**

On December 31, 2022 the Group had contractual commitments EUR 1,9 million total (2.7) and recognised relating to these commitments EUR 0.0 million (1.4) in advances paid and constructions in progress.

Accounting policies

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in the statement of income as incurred. Grants received are reported as a reduction of costs. The property, plant and equipment of acquired subsidiaries are measured at their fair value at the acquisition date. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings 25–50 years
- Heavy machinery 10–20 years
- Other machinery 3–10 years

Land is not depreciated, as its useful life is considered as infinite. The estimated useful lives and the residual values are reviewed at least at the end of each financial year, and if they differ significantly from previous estimates, depreciation periods are adjusted accordingly.

A gain or loss arising from the sale of property, plant and equipment is recognised in other operating income or other operating expenses in the statement of income.

20230629570 73

4.4. Leases

The Group has recognised land areas, office and other premises and machinery as right-of-use assets based on its leasing contracts. A leased land area that is part of a property classified as an investment property, is recognised according to IAS 40. The discount rates used in measuring the liability in the Group range from 0.5% to 4.0%. Right-of-use assets are presented in asset groups in note 4.3.

Right-of-use assets*

MEUR	2022	2021
Opening Balance	**14.6**	**31.2**
Additions	10.4	5.7
Disposals	-0.3	-0.2
Acquisition through business combination	4.5	0.3
Business disposal	-14.0	-15.2
Depreciation	-3.4	-5.9
Revaluation		-1.6
Change in fair value	-0.1	-0.1
Exchange differences	0.1	0.3
Closing Balance	**11.7**	**14.6**

*Including leasing contract classified to investment property

Lease liabilities

MEUR	2022	2021
Non-current lease liabilities	10.1	10.0
Current lease liabilities	1.7	5.5
	11.9	**15.5**

IFRS 16 has an impact on proft and loss through depreciations, material and services, other operating expenses and financial expenses. Assets which are classified as investment property are not depreciated but the revaluation is recognised as change in fair value in other operating expenses. Short-term and low-value leases are recognised in profit and loss. The total expenses of right-of-use assets and other leases in the statement of income is EUR 1.1 million (0.2). Total cash outflow from leasing contracts is EUR 22.8 million (24.6) including cash flow from discontinuing operations EUR -4.5 million (-15.4).

Accounting policies

The asset is recognised as right-of-use asset and lease liability in the statement of financial position, when the Group is a lessee. It is assessed if the contract conveys the right to control the use of an identified asset for a certain period of time in exchange for consideration. When the conditions are met the right-of-use asset is measured at cost and the lease liability at the present value of future lease payments. The Group companies discount the present value by using the incremental borrowing rate, in case the internal discount rate for the lease contract cannot be determined.

On subsequent periods the right-of-use asset is measured at cost and depreciated for the leasing period. Lease liabilities are amortised during the leasing period and the interest is calculated for the outstanding amount by using the discount rate. Interest is recognised as financial expense. Some of the Group's leasing contracts are classified to investment property and are reported according to IAS 40 Investment property. Investment properties are not depreciated but amount equal to depreciation of right-of-use asset is recognised as change in fair value through profit and loss. Leasing contracts that are short-term (under twelve months) or with low-value assets are not recognised as right-of-use assets but as rental expenses in profit or loss.

The Group as a lessor leases the investment properties and some other properties it owns. All the relevant risks and rewards essential to underlying assets remain in the Group and these leasing contracts are classified as operating leases. Assets are recognised in the statement of financial position as investment property or as property, plant and equipment by their nature.

Significant accounting judgments, estimates and assumptions

The value of lease liability as well as discount rate used in measurement are among other things affected by the leased asset, leasing period, location and currency.

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

4.5. Investment properties

The Group's investment properties consist of land areas and buildings that are held to earn rentals or capital appreciation or both. Properties that are used in production or supply of goods or services or for administrative purposes are reported according to IAS 16. The Group has chosen a fair value model to measure investment properties. Further information on the Group's fair value measurement in Note 6.5.

The property at Eteläesplanadi 14 is included in the investment properties. A small part of this property is used as A. Ahlström Oy's premises. The Management has deemed such own use to be minimal, and therefore the entire property has been recognised as an investment property and measured at fair value.

On December 31, 2022, the fair values of the investment properties are mostly based on valuations performed by an accredited external independent valuer covering the total value of built investment properties. The rest of the investment properties consists of forest land and other land areas.

The real estate project started in 2021 in Tampere is estimated to be completed during 2023. The street level premises of Eteläesplanadi 14 was renovated to restaurant use during 2022.

A leased land area that is part of a property classified as an investment property, is recognised according IAS 40. The value of leased land area is calculated based on IFRS 16. For more information see Note 4.4.

Forest land is valued as a part of Forest assets by an external independent valuer. More information about the valuation principles in Note 4.6.

Profit arising from investment properties carried out at fair value

MEUR	2022	2021
Rental income derived from investment properties	8.0	7.1
Direct operating expenses generating rental income	-2.9	-2.2
	5.1	**4.9**

Specification by use of the investment properties

2022 MEUR	Office and retail properties	Factory and logistics properties	Forest land	Unbuilt land and other properties	Total
January 1	119.5	19.9	20.1	5.3	164.7
Additions	28.0		0.3	0.4	28.7
Disposals			-0.1	-1.0	-1.0
Change in fair value	-1.3	0.2	-11.7	0.2	-12.6
December 31	**146.2**	**20.1**	**8.7**	**4.9**	**179.8**

2021 MEUR	Office and retail properties	Factory and logistics properties	Forest land	Unbuilt land and other properties	Total
January 1	107.1	19.2	17.9	5.8	149.9
Additions	12.2	0.2	0.2	0.0	12.7
Disposals				-0.7	-0.7
Change in fair value	0.2	0.5	2.0	0.1	2.8
December 31	**119.5**	**19.9**	**20.1**	**5.2**	**164.7**

20230629570T4

Sensitivity analysis

A sensitivity analysis for the value of investment properties was made to find out the uncertainties in future development. The lease agreements are examined by change in yield rate. The primary yield rate varies and the rate is defined separately for each property. The sensitivity analysis is based on valuations performed by an external valuer and it covers the built investment properties. Buildings under construction are not included in sensitivity analysis.

MEUR	December 31, 2022	December 31, 2021
Yield -0,5 percentage point	139.6	133.1
Yield +/-0 percentage point	128.6	128.0
Yield +0,5 percentage point	119.9	123.1

Accounting policies

Investment properties are measured at their fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

The investment property that is under construction is measured at cost. As the construction work has been completed such investment property is measured at fair value.

Fair values of the built investment properties are determined based on an annual evaluation performed by independent authorised appraiser. The fair value of forest land is based on discounted future cash flows of bare forest land from regeneration to final cutting. Discount rate used for forest land is the same as used in valuation of biological assets. The fair value of other land areas is based on the external reference information when possible.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Significant accounting judgments, estimates and assumptions

Majority of fair values are determined based on an annual evaluation performed by independent authorised appraiser. Estimates and assumptions are also needed from management to measure e.g. yield requirements, market rents and maintenance costs.

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

4.6. Biological assets

The Group's biological assets consist of current growing stock value. Its forest assets are approximately 35 thousand hectares. The total volume of growing stock in the company's forests is 5.5 million m³. In 2022, the harvested industrial wood quantity was approximately 162,000 m³ (164,000). The harvested energy wood quantity was 27,000 m³ (19,000). In 2022, Group has purchased round 623 hectares of forest. Total effect in forest assets was EUR 3.8 million.

In 2022 the main reasons for the increase in both forest land and biological asset value are increases in wood prices, productive forest land area and decrease in the discount rate. Stricter harvesting constraints applied in comparison to the previous valuation had a minor negative impact on the asset value. The timber prices assumed in the cash flow model were estimated with the use of the 5-year regional averages during 2017–2022. In 2020 the Finnish national growth model was updated which reflects more accurately the current real growth. The growth of forests has increased based on good and sustainable forestry. The valuation method of forest land was updated in 2022 and the value of terminal logging is discounted to the present value of forest land.

The discount rate used for 2022 valuation is 4.2% (4.5) real weighted-average-cost-of-capital (WACC). The study of the used discount rate was made by an external valuer in 2022. The WACC incorporates the capital structure of the forest owning company as well as the cost of different financing types. The cashflows are calculated without inflation and the discount rate used is pre-tax real WACC.

The changes in fair value are recognised in the income statement as other operating income and expense. Further information on the Group's fair value measurement in Note 6.5.

The land of forest areas is reported as investment property according to IAS 40 (Note 4.5). The value of forest land was EUR 8.7 million in 2022 (20.1). The total value of growing stock and forest land was EUR 177.2 million in 2022 (159.9).

The change in the value of the growing forests

2022

MEUR	Biological assets	Forest land*	Forest. total
January 1	139.8	20.1	159.9
Additions	3.5	0.3	3.8
Disposals	-0.3	-0.1	-0.4
Change due to harvesting	-6.9		-6.9
Change due annual growth	7.3		7.3
Change in fair value	25.3	-11.7	13.6
December 31	**168.5**	**8.7**	**177.2**

2021

MEUR	Biological assets	Forest land*	Forest total
January 1	134.9	17.9	152.8
Additions	1.6	0.2	1.9
Disposals	-0.4	0.0	-0.4
Change due to harvesting	-7.1	0.0	-7.1
Change due annual growth	6.7	0.0	6.7
Change in fair value	3.9	2.0	6.0
December 31	**139.8**	**20.1**	**159.9**

*Forest land reported according IAS 40 as investment property, see Note 4.5.

20230629570T5

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Sensitivity analysis

A sensitivity analysis for the value of growing stock was made to find out the uncertainties in future development. The analysis shows that changes in timber prices and discount rates have a major effect on the value of forest assets. Changes in operational costs have a minor effect.

2022	Discount rate		
MEUR	**3.2%**	**4.2%**	**5.2%**
Timber prices -10%	185.9	148.4	121.7
Timber prices +10%	232.1	185.6	152.6
Stable prices and costs	209.0	167.0	137.1
Costs -10%	211.0	168.7	138.6
Costs +10%	207.0	165.3	135.7

2021	Discount rate		
MEUR	**3.5%**	**4.5%**	**5.5%**
Timber prices -10%	154.1	124.1	102.6
Timber prices +10%	192.8	155.5	128.8
Stable prices and costs	173.5	139.8	115.7
Costs -10%	175.3	141.4	117.1
Costs +10%	171.6	138.2	114.3

Accounting policies

Biological assets are measured at their fair value less costs to sell. The Groups biological assets consist of growing stock of forest assets. The value of forest land is reported in investment properties and measured at fair value. Gains or losses arising from changes in the fair values of biological assets are included in the statement of income in the period in which they arise, including the corresponding tax effect.

There are no existing active markets for forest assets as extensive as the Group's holdings. Therefore, the valuation is made by using the discounted future cash flows method modelled by an external appraiser. The cash flows are based on Group's forest management and harvesting plan that include forestry costs and harvesting incomes of current growing stock until final cutting. The regeneration costs are included in forest land value, which is presented as investment property. Discount rate used is weighted average cost of capital separately calculated for forest assets. The discount rate is assessed annually. The cash flows are calculated on a pre-tax basis without inflation.

Significant accounting judgments, estimates and assumptions

The valuation model requires key input data such as Group's current stand register, forest management and harvesting plan, discount rate, and estimation of future costs, wood prices and growth potential.The most significant estimates are related to future harvesting plans, changes in pulpwood and timber prices and discount rate used. The growth of forest affects harvesting plans. The key factors affecting the growth and yield includes site quality, tree species, maturity of forest and density and volume of forests, which is dependent on past forest management activities. The national Finnish growth model is used in Groups forest valuation.

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

5.1. Inventories

MEUR	2022	2021
Raw materials	27.6	146.7
Work in progress	8.2	22.7
Finished goods	86.2	21.4
Advance payments for inventories		1.5
	122.0	**192.4**

Inventories are valued at the lower of cost and net realisable value. In 2022, EUR 7.1 million (2.9) impairment for inventories has been recognised in the consolidated statement of income.

The changes in inventory during 2022 in comparison to 2021 is caused mainly by the disposal of Enics and acquisition of Munksjö Group.

Accounting policies

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- raw materials: purchase cost on a first in, first out basis or weighted-average cost method basis; and
- finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

5.2. Current trade and other receivables

MEUR	2022	2021
Trade receivables	67.7	75.8
Trade receivables from associates		1.9
Contract assets		0.7
Other receivables	18.9	11.3
Loan receivables	0.4	6.0
Accrued receivables	4.9	3.4
Accrued receivables from associates	0.6	0.8
Derivatives		0.3
	92.5	**100.1**

Trade receivables are non-interest-bearing and generally payments terms of 30 to 90 days. Portfolio companies asses they credit risk independently according their business and credit policy. Part of the receivables are covered with a credit insurance when considered necessary. Some receivables are sold on a non-recourse basis. Those receivables that are sold on a non-recourse basis, affect no credit losses to Group. There are no significant risk concentration in receivables. Expected credit losses are assessed independently by portfolio companies.

Individually impaired trade receivables and contract assets

MEUR	2022	2021
Opening Balance	0.9	1.0
Addition of provisions for expected losses	0.2	1.4
Unused amounts reversed		-1.1
Discontinued operations	-0.8	-0.3
Closing Balance	**0.3**	**0.9**

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Ageing analysis of trade receivables and contract assets

Expected credit losses by ageing classes

	Trade receivables		Expected credit losses		Percentage of expected credit losses	
MEUR	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Neither past due nor impaired	54.0	56.7	0.0	0.0	0%	0%
Past due but not impaired						
< 30 days	10.5	13.9	0.0	0.0	0%	0%
30–60 days	1.8	3.2	0.0	0.0	1%	1%
61–90 days	0.5	1.9	0.1	0.1	3%	3%
> 90 days	1.0	2.7	0.8	0.8	23%	22%
	67.7	**78.4**	**0.9**	**0.8**		

5.3. Cash and cash equivalents

MEUR	**2022**	**2021**
Cash in hand and at bank	108.3	155.1
Other short-term cash investments		60.0
	108.3	**215.1**

Accounting policies

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and current deposits with a maturity of three months or less. The corresponding items are considered in the consolidated statement of cash flows as cash and cash equivalents.

5.4. Provisions

2022

MEUR	**Warranty provision**	**Restructuring provision**	**Environmental provisions**	**Other provisions**	**Total**
January 1	1.7	4.4	1.4	0.9	8.5
Discontinued operations	-0.7	-4.4		-0.1	-5.2
Business combinations	0.3				0.3
Arising during the year	0.1			1.2	1.3
Utilised	-0.3				-0.3
Other change	-0.3			0.3	0.0
December 31	**0.8**	**0.0**	**1.4**	**2.3**	**4.5**
Non-current			**1.4**	**1.3**	**2.7**
Current	**0.8**			**0.9**	**1.7**

2021

MEUR	**Warranty provision**	**Restructuring provision**	**Environmental provisions**	**Other provisions**	**Total**
January 1	3.4	1.3	12.9	4.6	22.2
Exchange differences		0.1			0.1
Discontinued operations	-2.6		-11.5	-2.9	-16.9
Business combinations	1.0				1.0
Arising during the year	0.2	5.0		0.1	5.3
Utilised	-0.2	-2.0		-0.1	-2.3
Unused amounts reversed				-0.8	-0.8
December 31	**1.8**	**4.4**	**1.4**	**0.9**	**8.5**
Non-current	**0.3**		**1.4**	**0.9**	**2.6**
Current	**1.5**	**4.4**			**5.9**

Warranty, restructuring, environmental and other provisions

Warranty provisions have been booked to cover any obligations during the warranty period of contractual agreements. They are based on experiences from previous years. Restructuring

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

provision relates to cost for personnel affected and notified by structural changes in the Group. The Group has an environmental provision recorded for cleaning costs of a contaminated land area. Other provisions include mainly provision for disputes and some other provisions.

Accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The Group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plan's main features.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial cost.

5.5. Trade and other payables

MEUR	2022	2021
Trade payables	78.5	145.6
Contract liabilities		1.5
Other payables	29.7	14.7
Accrued liabilities	37.3	35.8
Derivatives		0.4
	145.5	**198.1**

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6.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to maximise the shareholder value, meaning the External Fair Value of the share. The External Fair Value (EFV) of the share represents the expected market value of the asset in question that would be received in an orderly transaction between market participants, subtracting assumed transaction costs and other related liabilities. In effect, this means that the EFV of A. Ahlström's share is the sum of the EFVs of the underlying assets within A. Ahlström Group less the relevant liabilities. In order to determine the EFV of A. Ahlström's share, the EFV of the underlying assets is appraised at each measurement date.

Listed securities are measured at the market rate. Regarding investments in non-listed shares, A. Ahlström's valuation policies comply with the IPEV guidelines (International Private Equity and Venture Capital Valuation Guidelines), according to which external fair value is a price at which the ownership of an investment could be transferred between market parties on the reporting date. Regarding the investments in real estate, A. Ahlström's valuation policies comply with the EPRA guidelines (European Public Real Estate Association). International Financial Reporting Standards (IFRS) are applied to valuing forest and other holdings.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims at ensuring that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. To manage the financial risk, the financing of subsidiaries and sub-groups are, to the extent possible, financed as ring-fenced entities without recourse on other entities. There are financial covenants on certain outstanding loans. The levels are generally agreed in advance with sufficient headroom to the plans combined with pre-agreed remedy mechanisms. These are closely monitored. Breach of these covenants would in some cases limit the companies' ability to finance their operations or permit the creditor to call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group primarily adjusts its financing needs by increasing or decreasing external debt by maintaining sufficient financing reserves at all times, but may additionally adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The dividend policy is a stable and over time increasing dividend.

MEUR	2022	2021
Non-current interest-bearing loans and borrowings (Note 6.4)	311.2	120.5
Current interest-bearing loans and borrowings (Note 6.4)	36.5	60.8
Less: cash and short-term deposits (Note 5.3)	-108.3	-215.1
Net cash (-)/ net debt (+)	**239.3**	**-33.8**
External Fair Value	1,087.1	1,197.2
Shareholders equity (incl. non-controlling interest)	1,183.7	1,101.5
EFV adjusted net gearing	22.0%	-2.8%
Net gearing (IFRS / Book value based)	20.2%	-3.1%

6.2. Share capital and reserves

2022 MEUR	Share capital	Share premium	Reserve for invested non-restricted equity	Treasury shares	Legal reserve	Total
January 1	38.8	12.8	104.3	-1.1	3.6	158.3
Acquisition of treasury shares				-53.0		-53.0
Invalidation of treasury shares				1.1		1.1
Reclassifications					-3.6	-3.6
December 31	**38.8**	**12.8**	**104.3**	**-53.0**	**0.0**	**102.9**

2021 MEUR	Share capital	Share premium	Reserve for invested non-restricted equity	Treasury shares	Legal reserve	Total
January 1	38.8	12.8	104.3	-1.5	3.3	157.6
Acquisition of treasury shares				-1.1		-1.1
Invalidation of treasury shares				1.5		1.5
Reclassifications					0.3	0.3
December 31	**38.8**	**12.8**	**104.3**	**-1.1**	**3.6**	**158.3**

The registered share capital of A. Ahlström Oy totals 38,771,470 euros. The number of registered shares in the company on December 31, 2022 was 62,221,485. A. Ahlström has one series of shares. Each share entitles one vote in the General Meeting of the shareholders and all the shares have equal rights to dividend or other distribution of company assets.

The Annual General Meeting held on April 6, 2022, resolved to authorize the Board of Directors to decide on the repurchase of a maximum of 400,000 shares. The purchase price is the external fair value of the share at the end of September 2022 with a 20% discount. The authorisation is valid until the end of the next Annual General Meeting. The board of directors resolved to commence the repurchase of shares in November.

The extraordinary general meeting held on September 15, 2022 resolved to authorize the Board of Directors to decide on the repurchase of shares from a limited number of shareholders outside the Ahlström family. The maximum number of authorization was 3,051,800 shares. The purchase price was determined to be the external fair value of the share at the end of June 2022 reduced by 12 percent and for Mutual Employee Pension Insurance Company Varma, reduced by 10 percent. The authorization is valid until the end of the next annual general meeting.

The extraordinary general meeting held on November 25, 2022 resolved to change the authorization given by the annual general meeting to the board of directors to decide to repurchase of shares to the maximum number of authorizations of 650,000 shares., The total value of the shares to be repurchased could not exceed 10 million euros during the calendar year. The purchase price was determined to be the external fair value of the share at the end of September 2022, reduced by 12 percent. The authorization is valid until the end of the next annual general meeting.

The Annual General Meeting of A. Ahlström Oy held on April 12, 2021, resolved to authorize the Board of Directors to decide on the repurchase of a maximum of 400,000 shares. The purchase price is the external fair value of the share at the end of September with a 20% discount. The authorisation is valid until the end of the next Annual General Meeting. The board of directors resolved to commence the repurchase of shares in November.

On December 31, 2021, A. Ahlström held 73,664 treasury shares (0.1%) following the share repurchase program. The repurchased shares were invalidated in January 2022 based on the Board of Directors' decision in December 2021.

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Other Comprehensive Income, net of tax

The disaggregation of changes of OCI by each type of reserve in equity

2022 MEUR	Fair value reserve	Hedging reserve	Translation reserve	Retained earnings	Non-controlling interests	Total OCI
Exchange differences on translation of foreign operations			-2.8		-2.3	-5.0
Hedges - net change in fair value		19.2				19.2
Remeasurement of defined benefit plans				-0.4	-0.3	-0.7
Share of other comprehensive income of associates		0.2	0.3	-0.4		0.1
Reclassification of OCI of associate			4.4	0.4		4.8
Changes of OCI		**19.4**	**1.9**	**-0.4**		**18.4**

2021 MEUR	Fair value reserve	Hedging reserve	Translation reserve	Retained earnings	Non-controlling interests	Total OCI
Exchange differences on translation of foreign operations			4.3			4.3
Hedges - net change in fair value		-1.2				-1.2
Remeasurement of defined benefit plans				-2.4		-2.4
Share of other comprehensive income of associates	-0.2		4.0	-0.4		3.4
Reclassification of OCI of associate		-1.1	23.5	6.6		28.9
Changes of OCI	**-0.2**	**-2.4**	**31.7**	**3.8**		**32.9**

Accounting principles

The total shareholders' equity consists of share capital, share premium, unrestricted equity reserve, treasury shares, legal reserve, fair value reserve, hedging reserve, foreign currency translation reserve and retained earnings. The share premium account includes the value of shares in excess of the accounting par value of the shares. Treasury shares consist of the repurchased own shares. Legal reserves consist of amounts created from retained earnings due to specific legislation in certain countries. Fair value reserve includes changes in the fair values of financial assets in investments recognised through OCI. Hedging reserve include changes in the fair values of derivative financial instruments used to hedge operational cash flows. Foreign currency translation reserve includes the differences resulting from the translation of foreign subsidiaries.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

6.3 Financial Risk Management

A. Ahlström Oy is a family owned investment company, which invests primarily in listed and non-listed industrial companies, as well as in commercial real estate and forest assets. Non-listed industrial companies Munksjö Paper, GPV and M&J Recycling referred to as portfolio companies, operate as independent operational subgroups. Holding companies manage investments in listed companies, real estates and forest assets. Note 2.1 Group information shows the list of all group companies and their main activities.

The Group is exposed through its operations to different types of financial risks. The overall objective of financial risk management is to minimise the unfavourable effects of financial market fluctuations. Financial and capital market risks are managed through diversification and hedging.

The Group's treasury policy defines the way of managing the Group's finance related issues and risks related to it. Treasury policy sets the guidelines for all group companies. Each portfolio company has its own treasury policy that focuses more detailed in company's own business specific issues. The portfolio companies are responsible for managing operational risks, following the guidelines set at group level.

Financing risk

The Group has a solid financial position which is secured by sufficient committed credit lines to support its business and investment activities. To maintain this position, A. Ahlström strives to uphold a good reputation among market participants. This objective includes management of the Group companies' financial structure and financing negotiations, in order to maintain healthy statement of income conditions throughout the Group. The ability to cover financing costs is monitored across the Group and supported by the avoidance of excess indebtedness and leverage. A. Ahlström Group has diverse and strong financing sources and is not dependent on any single financing source or instrument.

The portfolio companies are responsible for maintaining their ring-fenced financing supporting their operations according to their own treasury policy. A. Ahlström participates actively on the strategic level of financing related to its subsidiaries. The portfolio companies independently make sure that they have adequate credit limits for operational and cash management purposes. A. Ahlström Oy together with Holding companies hold adequate amount of credit limits for cash management purposes and to seize investment opportunities.

A. Ahlström Oy and its Holding companies have utilised certain real estate, forest and shares as collateral for financing facilities. Utilisation of listed shares contains the risk of margin calls depending on the development of the share values in question. A. Ahlström Oy as parent company monitors the share and collateral value developments related to these financing facilities closely. Diversity in Group's assets reduces the risk of insufficient collaterals for financing facilities.

The portfolio companies have a possibility to utilise a variety of real estates and shares as collateral for their own generally ring-fenced financing arrangements.

Market risk

Currency risk

A. Ahlström Group has a relatively limited exposure to exchange rate risks, as the overwhelming majority of its businesses operate with the euro. Majority of the Group's revenue is in euro. In the portfolio companies there is some exposure to other major currencies such as the US dollar, the Chinese renminbi, the Swedish krona, the Brazilian real and the Danish crown, which may result limited fluctuations in the euro value of any such cash flows.

The portfolio companies are responsible for managing operational currency risk, following the guidelines set at group level. The portfolio companies utilise hedging against currency risks. Hedging is made individually in portfolio companies taken into account each company's own net position in different currencies. Since the currency forward hedging is used in portfolio companies the impact of changing currency rates is reduced also on group level.

In Real Estate operations Group's exposure to currency risk is minimal. Forest assets are situated in Finland and operational currency is Euro.

Interest rate risk

To manage the Group's interest rate risk, leverage across the Group is kept at a moderate level and policy is to utilise hedging against interest rate risk. Speculative trading for profit without underlying exposure is not allowed. The portfolio companies are responsible for managing interest rate risk independently and reporting to the Group. The portfolio companies must ensure, that the hedging decisions are in line with the Group's net financing position.

Some refinancing arrangements have been settled in the Group and interest rate hedging is used against interest rate changes according treasury policies. Interest rate level has remained at low level during the year. In October 2021, A. Ahlström Oy agreed of interest rate hedging for nominal amount EUR 100.0 million to secure cost of long-term financing.

Credit Risk

The risk of credit losses due to third parties' inability to service their liabilities towards the Group is not a significant risk at the group level, due to the relatively small amount of receivables from others. A. Ahlström Oy is responsible for managing credit risk of the financial instruments and transactions on a group level. The main principle is that the financial institution's credit rating is to be checked and approved before entering into an agreement or transaction. A. Ahlström maintains a counterparty list and separate rules and principles are in force when investing excess liquidity. At year end it was mainly deposited at European reputable banks that are relationship banks to A. Ahlström Group or their short-term liquidity fund solutions.

In portfolio companies the receivables risk can be considerable, with significant variations in the amount and age structure of receivables between companies. The portfolio companies manage credit risk by their credit policies and their ways vary depending the type of the busi-

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ness. E.g. limitations for the outstanding credits and terms are used, credit insurances have been applied and prepayments and collaterals are asked when needed. Analysing the new and existing business relationships and investigating the creditworthiness regularly are common to real estate, forest as well as portfolio companies' businesses.

Liquidity risk

Liquidity risk materialises if a group company ceases to have cash or has insufficient credit limits and borrowing facilities to meet its contractual obligations. The Group's liquidity risk is managed by the maintenance of several potential financing facilities, backed by the Group's assets and supplemented by a considerable amount of assets that have good value as security (e.g. listed shares). The Group maintains sufficient liquidity resources and borrowing facilities in order to secure the availability of liquidity needs arising from new investment opportunities to the Group. At the end of the year existing facilities in A. Ahlström Oy and in its Holding companies included credit facilities (RCF and committed overdrafts) amounting to EUR 268.0 (230.0) million of which EUR 180.0 (180.0) million was unused. In February 2020, a syndicated secured financing facility up to EUR 200.0 million which is fully committed was signed for A. Ahlström Oy and A. Ahlström Kiinteistöt Oy. The facility is secured by mortgage on the real estate at Eteläesplanadi 14 owned by A. Ahlström Oy and material part of the forest assets held by A. Ahlström Kiinteistöt Oy. There is a group level financial covenant on the facility, which restricts the indebtedness calculated as gross interest-bearing debt in the Group compared to gross fair value of assets (loan to value) of the Group not to exceed 60%. There have been no breaches in the financial covenant in the current period. In the beginning of 2021, the extension option of the facility was used until February 2026. December 2022, a junior term loan facility EUR 38.0 million was signed for A. Ahlström Oy and A. Ahlström Kiinteistöt Oy. The facility is secured by second priority mortgage on the real estate at Eteläesplanadi 14 owned by A. Ahlström Oy and material part of the forest assets held by A. Ahlström Kiinteistöt Oy. The covenants are same as secured syndicated financing mentioned above.

The portfolio companies are responsible for monitoring their own liquidity position and cash flows. They maintain financing facilities that may be utilised if needed. At the end of the year existing facilities in the portfolio companies included credit facilities (RCF and committed overdrafts) amounting to EUR 50.0 (67.2) million which was totally unused (40.2).

The maturity profile of the Group's financial liabilities based on contractual undiscounted payments

2022

MEUR	< 1 year	2–3 years	4–5 years	> 5 years	Total
Interest-bearing loans and borrowings	41.1	211.2	63.8	48.9	365.1
Lease liabilities	1.7	2.4	2.3	2.4	8.9
Other financial liabilities	65.9	0.6			66.5
Trade payables	78.5				78.5
Derivatives					
	187.2	**214.2**	**66.1**	**51.3**	**519.0**

2021

MEUR	< 1 year	2–3 years	4–5 years	> 5 years	Total
Interest-bearing loans and borrowings	31.2	75.3	67.4		174.0
Lease liabilities	6.1	7.1	1.5	1.8	16.5
Other financial liabilities	48.9	0.7		0.6	50.2
Trade payables	145.6				145.6
Derivatives	0.4			1.5	2.0
	232.3	**83.1**	**68.9**	**3.9**	**388.2**

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Derivatives designated as hedging instruments

	Fair values		Nominal amounts	
MEUR	2022	2021	2022	2021
Assets				
Interest rate swaps	22.5		100.0	
Liabilities				
Interest rate swaps		1.5		100.0

At the time of a new investment or refinancing, non-current loans relating to the investments may be hedged over the planned investment period. Interest rate derivatives or fixed interest rates are used to hedge against interest rate changes.

Derivatives not designated as hedging instruments

	Fair values		Nominal amounts	
MEUR	2022	2021	2022	2021
Assets				
Foreign currency forward contracts		0.1		9.9
Interest rate derivatives		0.1		30.0
Other derivatives not designated as hedges				
Liabilities				
Foreign currency forward contracts	0.1		37.5	
Interest rate derivatives	0.3		30.0	

A. Ahlström Group has no master netting agreements under ISDA to report.

Accounting policies

Derivative financial instruments and hedge accounting

Any derivative financial instruments are initially recognised at fair value at the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The gains or losses arising from changes in the fair value of derivatives are recognised in the statement of income, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of income when the hedge item affects profit or loss.

Hedge accounting refers to the method of accounting, which aims to assign one or several hedging instruments so that their fair value or cash flows offset completely or partly the changes in fair value or cash flows of the hedged item. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve. The ineffective portion relating to hedging instruments is recognised based on their nature in the statement of income, either in the operating income and expense or as financial income and expense.

Amounts recognised in OCI are transferred to the statement of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

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6.4. Financial Assets and Liabilities

December 31, 2022 MEUR	At amortised cost	At fair value through profit and loss	At fair value through OCI	Total carrying amount
Non-current financial assets				
Other shares and securities	0.1	6.2		6.3
Interest-bearing loan receivables from associates		105.8		105.8
Other receivables	1.8			1.8
Derivatives			22.5	
Current financial assets				
Trade and other receivables	92.1			92.1
Interest-bearing loan receivables and financial assets	0.4			0.4
Other current financial assets	3.0			3.0
Cash and cash equivalents	108.3			108.3
	205.7	**112.0**	**22.5**	**340.2**
Non-current financial liabilities				
Interest-bearing loans and borrowings				
Loans from financial institutions	300.1			300.1
Lease liabilities	10.1			10.1
Other financial liabilities	1.6			1.6
Current financial liabilities				
Interest-bearing loans and borrowings				
Loans from financial institutions	27.4			27.4
Lease liabilities	1.7			1.7
Other liabilities	7.3			7.3
Trade and other payables	145.5			145.5
	493.8			**493.8**

December 31, 2021 MEUR	At amortised cost	At fair value through profit and loss	At fair value through OCI	Total carrying amount
Non-current financial assets				
Other shares and securities		3.4		3.4
Interest-bearing loan receivables from associates	3.6	100.2		103.8
Other receivables	2.5			2.5
Current financial assets				
Trade and other receivables	21.4		72.4	93.8
Interest-bearing loan receivables and financial assets	3.3			3.3
Non-interest-bearing loan receivables and financial assets	2.6			2.6
Derivatives		0.3		0.3
Other current financial assets	3.0			3.0
Cash and cash equivalents	155.1	60.0		215.1
	191.7	**163.8**	**72.4**	**427.9**
Non-current financial liabilities				
Interest-bearing loans and borrowings				
Loans from financial institutions	104.1	6.3		110.4
Lease liabilities	10.0			10.0
Derivatives		1.5		1.5
Other financial liabilities	0.9			0.9
Current financial liabilities				
Interest-bearing loans and borrowings				
Loans from financial institutions	44.0	0.3		44.3
Lease liabilities	5.5			5.5
Other liabilities	11.0			11.0
Derivatives		0.4		0.4
Trade and other payables	197.7			197.7
	373.3	**8.6**		**381.9**

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Changes in liabilities arising from financing activities

2022			Non-cashflow effect					
MEUR	January 1	Cash flows	Changes in foreign exchange rates	Acquisition and disposal of subsidiaries	Re-classification	New leases	Terminations of leasing contracts	December 31
Non-current interest-bearing loans	110.4	239.5	0.1	-39.8	-10.2			300.0
Current interest-bearing loans	55.3	22.8	1.3	-50.8	6.0			34.6
Lease liabilities	15.6	-4.3	0.2	-9.0		9.4		11.9
	181.3	**258.1**	**1.6**	**-99.6**	**-4.3**	**9.4**		**346.6**

2021			Non-cashflow effect					
MEUR	January 1	Cash flows	Changes in foreign exchange rates	Acquisition and disposal of subsidiaries	Re-classification	New leases	Terminations of leasing contracts	December 31
Non-current interest-bearing loans	135.7	30.6			-55.9			110.4
Current interest-bearing loans	59.1	-15.2	0.6	-15.5	26.3			55.3
Lease liabilities	32.2	-12.0	0.5	-12.8		9.6	-1.9	15.6
	226.9	**3.5**	**1.1**	**-28.3**	**-29.6**	**9.6**	**-1.9**	**181.3**

Accounting policies

Financial assets

Financial assets are classified, at initial recognition, as financial assets at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. Financial assets are classified according to the Group's business model and contractual cash flows. All financial assets are recognised initially at fair value except the trade receivables and contract assets if they do not contain a significant financing component. If financial assets are not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included in the initial carrying amount.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets at amortised cost

Financial assets are recognised at amortised cost if the objective is to hold the asset until maturity to collect contractual cash flows. The cash flows are solely payments of principal amount and interest on the principal amount outstanding. After initial measurement, such assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment if any. The amortised cost is calculated by taking into account any discount or premium and fees or costs. The losses arising from impairment are recognised in the statement of income as financial costs in case of loan receivables and as cost of sales or other operating expenses in case of trade receivables.

Measurement at amortised cost generally applies to trade and other receivables and loan receivables. Trade receivables are recognised at their anticipated realisable value, which is the original invoiced amount less an estimated valuation allowance for impairment. Trade receivables may be sold to other lending institutions.

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Financial assets at fair value through other comprehensive income
Financial assets that are held within business model whose objective is both to sell and to hold until maturity and whose cash flows are solely contractual cash flows are measured at fair value through other comprehensive income. Revaluation changes are recognised in fair value reserve. Interest income, impairments, exchange gains and losses as well as final sales gains and losses of these assets are recognised in the statement of income.

In case trade receivables are either sold to financing institutions or held to collect the cash flows, they are measured at fair value through other comprehensive income.

An equity instrument which is qualified as a strategic investment according to Group's business model, may be classified irrevocably to be measured at fair value through other comprehensive income. Only the dividends will be recognised in profit or loss. Revaluation changes are recognised in other comprehensive income in fair value reserve and will never be derecognised in profit or loss even if instrument is impaired or sold.

Financial assets at fair value through profit or loss
Other equity instruments are measured at fair value through profit and loss. These assets are not held to collect contractual cash flows. Quoted shares, unquoted shares and other equity instruments are recognised at their fair value. Under limited conditions the acquisition cost may be the best estimate of fair value for unquoted shares and other equity instruments. The fair value changes are presented in the statement of income as negative or positive net changes of fair value in financial items.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairments
The Group assesses, at each reporting date, the expected credit losses for assets measured at amortised cost and assets measured at fair value through other comprehensive income. These are recognised as an allowance of the expected credit losses. If the credit risk has not increased significantly the Group assesses the allowance to the amount equal to expected credit losses for twelve months. If the credit risk related to specific financial asset has increased significantly after initial recognition, the allowance is recognised in amount equal to expected credit losses for lifetime. The Group assesses the expected credit losses of trade receivables and contract assets by asset groups and loan receivables individually.

Financial liabilities
The Group's financial liabilities are classified as at amortised cost or at fair value through profit and loss. Financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. Derivatives designated as hedging instruments are classified as at fair value through other comprehensive income.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities recognised at fair value through the statement of income
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships.

Gains or losses on liabilities held for trading are recognised in the statement of income as well as realised and unrealised gains and losses arising from changes in fair value of derivatives.

Financial liabilities measured at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss using the EIR method when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. The EIR amortisation is included in financial costs in the statement

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

of income.

Financial guarantee contracts issued by the Group are contracts that require a payment to be made to compensate the holder for a loss it incurs because the specified debtor fails to make a payment when due under the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognising the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income.

Significant accounting judgments, estimates and assumptions

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.5. Fair values and fair value measurement

December 31, 2022		Fair Value			
MEUR	Carrying amount	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Investment properties	179.8			179.8	179.8
Biological assets	168.5			168.5	168.5
Other shares and securities	6.2		0.9	5.4	6.2
Derivatives not designated as hedges	22.5		22.5		22.5
Other current financial assets	3.0		3.0		3.0
Loan receivables at fair value	105.8			105.8	105.8
Assets for which fair values are disclosed					
Loan receivables at amortised cost	0.9			0.9	0.9
	486.8		**26.4**	**460.5**	**486.8**
Liabilities for which fair values are disclosed					
Floating rate borrowings	315.9			315.9	315.9
Fixed rate borrowings	18.9			18.9	18.9
Other liabilites	1.0			1.0	1.0
	335.8			**335.8**	**335.8**

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AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

December 31, 2021		Fair Value			
MEUR	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value					
Investment properties	164.7			164.7	164.7
Biological assets	139.8			139.8	139.8
Other shares and securities	3.4			3.4	3.4
Derivatives not designated as hedges	0.3		0.3		0.3
Other current financial assets	3.0		3.0		3.0
Loan receivables at fair value	103.8			103.8	103.8
Other short-term cash investments	60.0		60.0		60.0
Assets for which fair values are disclosed					
Loan receivables at amortised cost	6.0			6.0	6.0
	480.9		**63.3**	**417.7**	**480.9**
Liabilities measured at fair value					
Derivative financial liabilites	1.5		1.5		1.5
Derivatives not designated as hedges	0.4		0.4		0.4
Liabilities for which fair values are disclosed					
Floating rate borrowings	143.6	87.7		55.9	143.6
Fixed rate borrowings	19.8			19.8	19.8
Other interest-bearing	2.3			2.3	2.3
	167.7	**89.7**	**78.0**		**167.7**

Reconciliation of level 3 fair values of other shares and securities

MEUR	**2022**	**2021**
Opening Balance	3.4	5.2
Remeasurement recognised through profit or loss		0.2
Discontinued operations		-2.0
Disposals	-0.2	
Additions	3.2	
Impairment	-1.1	0.6
Reclassification	0.9	-0.7
Closing balance	**6.2**	**3.4**

Accounting policies

The Group measures financial instruments, such as derivatives and non-financial assets such as investment properties, at their fair value at each reporting date.

Fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether shifts have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

6.6. Commitments and contingencies

Capital commitments

The Group has contracts regarding new real estate development projects. Committed investments amounted to approximately EUR 27.0 million at the end of December 2022.

Derivative contracts

October 2021, The Group agreed of interest rate hedging for principal amount EUR 100.0 million to secure cost of long term financing.

Commitments and contingencies on own behalf

MEUR	2022	2021
Secured loans		
Loans from financial institutions and others	88.0	90.6
Pledged assets		
Real estate mortgages	178.9	188.8
Pledged shares	73.8	122.2
Guarantees	9.7	94.5

Pledges are used as collaterals for certain credit facilities. A substantial part of Group's investment properties (note 4.5) and forest assets (note 4.6) have been utilised as collaterals for these credit facilities and reported as real estate mortgages in commitments.

A. Ahlström Group has a contingent VAT liability on real estate investments EUR 3.7 million (4.3) on December 31, 2022. As founder shareholder A. Ahlström Group has certain commitments according to Finnish act of Housing Transactions. Provisions have been made to cover the commitments.

Commitments on behalf of others

A. Ahlström Group has guarantees given on behalf of others EUR 0.1 million (0.1) on December 31, 2022.

Accounting principles

Contingent liabilities are present obligations that have arisen from past events, such as rental agreements commencing in the future, possible defaults of deliveries in the ordinary course of business for which the Group has guarantee commitments and sales of accounts receivable under factoring agreements. Contingent liabilities are not recognised in the statement of financial position because it is not probable that an outflow of recourses embodying economic benefits will be required to settle the obligations. However, since it cannot be precluded that an outflow of resources embodying economic benefits can be required to settle the obligations, the Group discloses the possible contingencies separately.

20230629570 83

7.1. Income tax

The major components of income tax expense

MEUR	2022	2021
Consolidated statement of income		
Current income tax		
Current tax expense	-5.2	-34.6
Taxes from previous years	0.2	-0.4
Deferred tax		
Change in deferred taxes	6.2	-2.9
Income tax expense reported in the statement of income	**1.2**	**-37.8**
Income tax expense is attributable to		
Profit from continuing operations	3.9	-2.4
Profit from discontinued operations	-2.8	-35.5
	1.2	**-37.8**
Consolidated statement of other comprehensive income		
Deferred tax related to items recognised in OCI during the year		
Related to remeasurements of defined benefit plans	0.1	0.6
Related to changes in cash flow hedges	**-4.8**	**0.3**
Income tax charged to other comprehensive income	**-4.7**	**0.9**

Reconciliation of tax expense and the accounting profit multiplied by Finland's domestic tax rate

MEUR	2022	2021
Profit from continuing operations before tax	12.2	214.0
Profit from discontinued operations before tax	57.2	152.8
Tax calculated using Finnish tax rates (20%, 2021: 20%)	-13.9	-73.4
Difference between Finnish and foreign tax rates	-25.0	-3.6
Share in results of associated companies	27.1	12.3
Non-taxable income	4.9	29.0
Taxable income not included in the profit	-0.2	-0.2
Non-deductible expenses	5.1	
Recognition of previously non-deducted expenses	-1.5	
Utilisation of previously unrecognised tax losses	0.2	0.1
Loss for the period, for which no deferred tax asset is recognised	-1.0	-2.4
Adjustments of previous years current income tax	0.2	-0.4
Other	5.2	0.7
Effective income tax -1.7% (10.3%)	**1.2**	**-37.9**
Total income tax for the period	**1.2**	**-37.9**

7.2. Deferred tax

Change in deferred tax assets

2022 MEUR	January 1	Recognised in the statement of income	In other comprehensive income	Recorded directly into equity	Discontinued operations	Business arrangements	Translation difference	December 31
Unused tax losses		1.9				0.6		2.5
Pension benefits	0.2	1.7				1.3		3.2
Provisions	0.8					-0.8		
Inventories internal margin	0.1	0.1				-0.1		0.2
Investment properties	0.4	0.0						0.4
Interest								
Derivatives	0.3		-0.3					
Other	2.4	1.5				1.3		5.2
	4.1	**5.2**	**-0.3**			**2.4**		**11.3**

2021 MEUR	January 1	Recognised in the statement of income	In other comprehensive income	Recorded directly into equity	Discontinued operations	Business arrangements	Translation difference	December 31
Pension benefits	1.4	-0.8		0.1	-0.7		0.0	0.2
Provisions	2.0	0.2			-1.5		0.0	0.8
Inventories internal margin	0.1	0.1					0.0	0.1
Investment properties	0.4	0.0					0.0	0.4
Interest	1.1				-1.1			0.0
Derivatives			0.3					0.3
Other	2.0	0.4			1.1	-1.2	0.1	2.3
	7.0	**-0.1**	**0.3**	**0.1**	**-2.2**	**-1.2**	**0.2**	**4.1**

202306295708 4

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Change in deferred tax liabilities

2022 MEUR	January 1	Recognised in the statement of income	In other comprehen-sive income	Discontinued operations	Business arrangements	Translation difference	Other movements	December 31
Intangible assets and property, plant and equipment	4.4	-3.9			50.9	-0.4		51.2
Investment properties	13.3	0.1						13.4
Biological assets	21.3	2.8						24.1
Derivatives			4.5					4.5
Other	-0.1	-6.1					-0.2	-6.3
	39.0	**-7.2**	**4.5**		**50.9**	**-0.4**	**-0.2**	**86.9**

2021 MEUR	January 1	Translation difference	Other movements	Business arrangements	Recognised in the statement of income	Discontinued operations	Business arrangements	December 31
Intangible assets and property, plant and equipment	3.3			-1.8	2.9			4.4
Investment properties	12.6	0.7						13.3
Biological assets	20.3	1.0						21.3
Derivatives								
Other	0.2	-0.4			0.1			-0.1
	36.5	**1.2**		**-1.8**	**3.1**			**39.0**

Reflected in the statement of financial position

MEUR	2022	2021
Deferred tax assets	11.3	4.1
Deferred tax liabilities	86.9	39.0
Deferred tax assets/liabilities, net	**-75.5**	**-34.9**

On December 31, 2022 The Group had tax loss carry forwards of EUR 9.6 million in total of which EUR 8.2 million has no expiration period. Regarding losses amounting to EUR 9.6 million no deferred tax asset was recognised due to the uncertainty of utilisation of these tax loss carry forwards.

Accounting policies

Taxes

Taxes shown in the consolidated statement of income include income taxes to be paid on the basis of local tax legislations, tax adjustments from previous years as well as the effect of the annual change in the deferred tax liability and deferred tax assets.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in other comprehensive income. Each reporting date the Group evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax assets and liabilities are calculated on temporary differences arising between the tax basis and the book value of assets and liabilities using the liability method.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The main temporary differences arise from unused tax losses, intangible assets, property, plant and equipment, biological assets, investment properties, provisions, defined benefit pension plans, inter-company inventory margin and fair valuation of derivative financial instruments. A deferred tax asset is recognised to the extent that it is probable that it can be utilised.

Deferred tax is not recognised for non-deductible goodwill on initial recognition. Also it is not recognised for an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Significant accounting judgments, estimates and assumptions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

7.3 Related party transactions

The Group's related parties include A. Ahlström's Board of Directors and committees, Shareholders' Nomination Board, CEO, subsidiaries and associated companies and also Antti Ahlström Perilliset Oy, which holds a significant influence in Ahlström Capital Oy. The transactions with associated companies are listed in a separate Note 2.4. Loan transactions with associated companies are presented in the Note 6.4.

Salaries for CEO and remunerations to board and committee members are specified in Note 3.7.

Business transactions with the associated companies and entity with significant influence over the Group

MEUR	2022	2021
Sales to the entity with significant influence over the Group	0.2	0.2

Compensation of persons belonging to the related party of the Group

MEUR	2022	2021
Wages and other short-term employee benefits	1.5	1.1
Post-employment benefits	0.2	0.1
	1.7	**1.2**

The amounts disclosed in the table are those recognised as an expense during the reporting period.

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7.4. Events after the reporting period

In 2022, the assets of the Cleantech fund were surveyed and the investors have jointly approved the final distribution of the assets to take place in early 2023.

The real estate investment made as a joint venture with Aktia Life Insurance and Kirkon Eläkerahasto progressed after the financial year. The plot purchase related to the Espoo Erica real estate project of the real estate business was made in January 2023. The construction work is expected to start in 2023.

Avain Yhtiöt is a Finnish group specialising in building and owning residential projects. Ahlström Group had a 25 per cent shareholding in Avain Yhtiöt during the 2022 financial year. It was decided to redeem the option related to the acquisition of Avain Yhtiöt shares, which increased the shareholding in Avain Yhtiöt to 30 percent of the entire share capital. The deal on the options was completed at the beginning of the 2023 financial year.

A. Ahlström's Extraordinary General Meeting was held on 25 November 2022. The general meeting approved the plan according to which Antti Ahlström Perilliset Oy will merge with A. Ahlström Oy. The purpose of the merger is to create a strong Ahlström family business. The merger will take effect once it has been registered in the Trade Register maintained by the Finnish Patent and Registration Office. In connection with the merger, the name of the parent company changed from Ahlström Capital Oy to A. Ahlström Oy from March 1, 2023.

After the merger of A. Ahlström Oy and Antti Ahlström Perilliset Oy, the company's governing bodies will consist of the Board of Directors and the Supervisory Board in accordance with the Articles of Association. The Supervisory Board oversees the company's administration, which is the responsibility of the Board of Directors and the CEO, and gives the Annual General Meeting a statement on the financial statements, the report of the Board of Directors and the auditor's report. The Supervisory Board issues statements and recommendations on its own or the Board's initiative on matters that are far-reaching and/or fundamentally important for the company, including the owner's will regarding the company's economic and social capital. The Supervisory Board also elects two nomination committees, the Board of Directors' Nomination Committee and the Supervisory Board's Nomination Committee.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Statement of Income, Parent Company (FAS)

TEUR	Note	2022	2021
Revenue	2	6,465	5,729
Other operating income	3	68,040	1
Employee benefits	4	-3,065	-4,520
Depreciation, amortisation and impairment	9	-1,210	-1,184
Other operating expenses	6	-4,670	-3,715
Operating profit / loss		**65,560**	**-3,690**
Financial income	7	20,132	16,646
Financial expenses	7	-8,523	-782
Profit before appropriations and tax		**77,170**	**12,174**
Appropriations	8		
Change in depreciation difference		6	-44
Group contributions		4,220	112,200
Income taxes		8	-21,583
Profit for the period		**81,405**	**102,747**

20230629570 86

Statement of Financial Position, Parent Company (FAS)

TEUR	Note	December 31, 2022	December 31, 2021
Assets			
Non-current assets			
Intangible assets	9		
Intangible rights		197	197
		197	**197**
Tangible assets	9		
Land and water areas		26,254	26,254
Buildings and constructions		24,128	23,735
Machinery and equipment		1,555	1,632
Other tangible assets		70	70
Advances paid and construction in progress		4	0
		52,011	**51,692**
Investments	10		
Investments in Group companies		469,017	431,695
Other investments		65	65
		469,082	**431,760**
Total non-current assets		**521,289**	**483,648**
Current assets			
Long-term receivables		0	0
		0	**0**
Short-term receivables			
Trade receivables		29	98
Receivables from Group companies	16	4,220	112,529
Other receivables		2	1
Accrued receivables	12	98	3
		4,350	**112,630**
Short-term cash investments	11	3,000	63,000
Cash and cash equivalents		45,236	62,521
Total current assets		**52,586**	**238,151**
Total assets		**573,876**	**721,800**

TEUR	Note	December 31, 2022	December 31, 2021
Equity and liabilities			
Equity	13		
Share capital		38,771	38,771
Share premium		12,774	12,774
Reserve for invested non-restricted equity		104,336	104,336
Retained earnings		280,926	263,434
Profit for the period		81,405	102,747
Total equity		**518,213**	**522,063**
Appropriations			
Depreciation difference		1,845	1,852
		1,845	**1,852**
Liabilities			
Long-term liabilities			
Loans from financial institutions	17	20,000	10,000
Accrued liabilities	15	470	889
		20,470	**10,889**
Short-term liabilities			
Advances received		0	5
Trade payables		256	138
Liabilities to Group companies	16	31,401	163,018
Other liabilities		161	268
Accrued liabilities	15	1,529	23,567
		33,348	**186,996**
Total liabilities		**53,818**	**197,885**
Total equity and liabilities		**573,876**	**721,800**

AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Statement of Cash Flows, Parent Company (FAS)

TEUR	2022	2021
Operating activities		
Profit/loss for the period	81,405	102,747
Adjustments to reconcile profit to net cash flows		
Depreciation, amortisation and impairment	1,210	1,184
Financial income and expenses	-11,610	-15,864
Tax on income from operations	-8	21,583
Other adjustments	-72,264	-112,156
Cash flow from operating activities before change in net working capital	-1,267	-2,506
Change in working capital		
Change in short-term receivables	235	-125
Change in short-term non-interest-bearing debts	-867	-670
Change in other short-term receivables	66	-3,066
Net cash flow from operating activities before financing items and taxes	-1,834	-6,367
Interest received and other financing items	20,055	16,552
Interest paid and other financing items	-1,067	-688
Income taxes	-21,578	3
Net cash flow from operating activities	**-4,424**	**9,500**

TEUR	2022	2021
Investing activities		
Other investments	-45,000	-24,138
Disposal of tangible and intangible assets	-1,528	-372
Net cash flows from / used in investing activities	**-46,528**	**-24,509**
Financing activities		
Change in long-term debt	10,000	
Change in short-term debt	-131,617	152,979
Dividends paid	-32,256	-29,902
Group contribution	112,200	3,630
Purchase of treasury shares	-52,999	-1,128
Net cash flows from / used in financing activities	**-94,672**	**125,579**
Net change in cash and cash equivalents	**-145,625**	**110,570**
Other adjustment	68,340	
Cash and cash equivalents on January 1	122,521	11,951
Cash and cash equivalents on December 31	**45,236**	**122,521**

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Notes to the Financial Statements, Parent Company

1. Accounting principles

The financial statements of the parent company A. Ahlström Oy have been prepared in accordance with the Finnish Accounting act and other regulations in force in Finland. They comply with the European Union directives on financial statements and good accounting practices.

The financial statements are presented in euro and are prepared under the historic cost convention.

Revenue recognition

Income from the sale of goods and services is recognised as revenue when the goods are delivered or the services rendered. Net sales are shown net of indirect taxes and discounts. Translation differences attributable to sales are reported as part of net sales.

Items denominated in foreign currency

In the financial statements, receivables and liabilities denominated in foreign currency are translated into euros at the functional currency spot rate of exchange ruling at the one day prior to the reporting date. Translation differences in receivables and liabilities are recognised in profit or loss. Exchange differences attributable to sales are reported as part of net sales. Exchange differences arising from translation of accounts payable are shown as adjustment items under purchase expenses (annual costs or capitalisations).

Exchange differences arising from translation of financial items are shown as financial income or financial expenses.

Investments

Investments that are intended to generate income for more than one accounting period are recognised in non-current assets at cost.

Securities included in the financial assets are stated at the lower of cost or market.

Non-current assets

Non-current assets are disclosed at original cost in the balance sheet, less accumulated depreciation and amortisation.

Depreciation and amortisation is calculated from the original cost or revaluated amounts of non-current assets using the straight-line method over the useful lives of assets.

The estimated useful lives are as follows:

• Buildings	25–40 years
• Heavy machinery	10–20 years
• Other machinery and equipment	3–10 years
• Intangible assets	3–5 years

Land and water areas are not depreciated.

Leasing

Payments of operating leases and financial leases are recognised as rental expenses. Leased assets are not shown on the balance sheet as fixed assets, and future lease payments are not shown as liabilities. The notes to the financial statements show the liabilities arising from currently valid leases.

Taxes

Income taxes consist of taxes paid and payable on taxable income for the most recent and previous accounting periods in accordance with local tax laws, plus deferred taxes.

2. Net sales

Distribution of revenue by country

TEUR	2022	2021
Finland	4,557	4,814
Netherlands	1,908	916
	6,465	**5,729**

Distribution of revenue by business

TEUR	2022	2021
Real estate	4,403	4,378
Others	2,063	1,352
	6,465	**5,729**

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

3. Other operating income

TEUR	2022	2021
Merger difference of Group companies	68,040	
Other	3	1
	68,043	**1**

4. Personnel costs

TEUR	2022	2021
Wages and salaries and other remunerations	2,481	3,730
Pension costs	512	580
Other wage-related costs	72	210
	3,065	**4,520**
CEO's salaries	995	623
of which bonuses	575	203
Remunerations to Board members	529	493

5. Average number of personnel

	2022	2021
Salaried	10	12

6. Other operating expenses

TEUR	2022	2021
Real estate expenses	1,630	1,456
External services	2,032	1,535
Other expence items	1,008	724
	4,670	**3,715**

7. Financial income and expenses

Financial income

TEUR	2022	2021
Dividends from Group companies	20,000	16,500
Interest and financial income from Group companies	82	74
Interest and financial income from others	50	72
	20,132	**16,646**

Financial expenses

TEUR	2022	2021
Impairment on investments from Group companies	7,375	
Interest and financing expenses to Group companies	41	0
Interest and financial expenses to others		
Interest expenses	85	85
Other financial expenses	1,022	696
	8,523	**782**
Total financial income and expenses	**11,610**	**15,864**

8. Appropriations

TEUR	2021	2021
Change in depreciation difference	6	-44
Group contribution, received	4,220	112,200
	4,226	**112,156**

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AHLSTROM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

9. Intangible and tangible assets, appreciations, depreciations and write-offs

2022 TEUR	Intangible rights	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost						
January 1	1,598	26,254	39,130	3,619	70	0
Additions			7			1,522
Disposals						
Reclassification			1,410	109		-1,518
December 31	1,598	26,254	40,546	3,728	70	4
Accumulated depreciation and impairment						
January 1	1,401		15,394	1,987		
Amortisation for the year			1,024	186		
December 31	1,401		16,418	2,173		
Net book value December 31, 2022	**197**	**26,254**	**24,129**	**1,555**	**70**	**4**

2021 TEUR	Intangible rights	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Acquisition cost						
January 1	1,598	26,254	38,990	3,164	70	224
Additions			6			365
Disposals						
Reclassification			134	455		-589
December 31	1,598	26,254	39,130	3,619	70	0
Accumulated depreciation and impairment						
January 1	1,401		14,387	1,810		
Amortisation for the year			1,007	177		
December 31	1,401		15,394	1,987		
Net book value on December 31, 2021	**197**	**26,254**	**23,736**	**1,632**	**70**	**0**

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

10. Long-term investments

2022 TEUR	Investments in Group companies	Other shares
January 1	431,695	65
Additions	45,000	
Disposals	-303	
Impairments	-7,375	
December 31	**469,017**	**65**

2021 TEUR	Investments in Group companies	Other shares
January 1	407,557	65
Additions	56,500	
Disposals	-32,363	
December 31	**431,695**	**65**

11. Short-term investments

TEUR	2022	2021
Short-term cash investments	3,000	63,000
	3,000	**63,000**

12. Accrued receivables

TEUR	2022	2021
Short-term		
Periodisation of costs	98	3
	98	**3**

13. Equity

TEUR	2022	2021
Restricted equity		
Equity on January 1	38,771	38,771
Equity on December 31	38,771	38,771
Share premium on January 1	12,774	12,774
Capital in excess of par value on December 31	12,774	12,774
Restricted equity, total	**51,546**	**51,546**
Unrestricted equity		
Reserve for invested non-restricted equity	104,336	104,336
Retained earnings (loss) on January 1	366,181	294,464
Distribution of profits	-32,256	-29,902
Acquisition of treasury shares	-52,999	-1,128
Profit from previous financial years on December 31	**280,926**	**263,434**
Profit for the period	**81,405**	**102,747**
Unrestricted equity, total	**466,667**	**470,517**
Equity, total	**518,213**	**522,062**

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AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

14. Share capital on December 31

	Number of shares	EUR
Shares January 1	62,295,149	38,771,470
Invalidation of shares	-73,664	
Shares December 31	**62,221,485**	**38,771,470**

1 vote / share, with redemption clause

The Annual General Meeting held on April 6, 2022 decided to authorise the Board of Directors to decide on the repurchase of up to 400,000 shares. The purchase price is the external fair value of the share at the end of September at a discount of 20%. The authorisation is valid until the end of the next Annual General Meeting. The board decided to begin repurchasing shares in November.

The Extraordinary General Meeting of A. Ahlström Oy held on September 15, 2022 decided to authorise the Board of Directors to decide on the repurchase of the company's own shares from a limited number of shareholders outside the Ahlström family. The authorization was capped at 3,051,800 shares. The purchase price was determined to be the external fair value of the share at the end of June 2022 reduced by 12 percent and for Mutual Employee Pension Insurance Company Varma by 10 percent. The authorisation will be valid until the end of the next Annual General Meeting. The company purchased a total of 2,751,800 shares from shareholders outside the Ahlström family.

The Extraordinary General Meeting of A. Ahlström Oy held on November 25, 2022 decided to amend the authorisation granted to the Board of Directors by the Annual General Meeting to decide to implement the company's annual repurchase programme of own shares. The authorisation was capped at 650,000 shares so that the total value of the shares to be acquired could not exceed EUR 10 million during the calendar year. The purchase price was determined to be the external fair value of the share at the end of September 2022 reduced by 12 percent. The authorisation will be valid until the end of the next Annual General Meeting. The company repurchased a total of 516,714 shares.

15. Accrued liabilities

TEUR	2022	2021
Long-term		
Personnel costs	470	889
Short-term		
Personnel costs	1,377	1,957
Periodisation of costs	152	24
Income taxes	0	
	1,999	**2,870**

16. Receivables from and liabilities to Group companies

Receivables from group companies

TEUR	2022	2021
Other receivable	0	66
Trade receivables	0	258
Accrued receivables	4,220	112,205
	4,220	**112,529**

Liabilities to group companies

TEUR	2022	2021
Other short-term liabilities	31,401	163,018
	31,401	**163,018**

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

• Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

17. Collaterals

TEUR	2022	2021
For own liabilities		
Credit facilities	200,000	200,000
of which in use	10,000	10,000
Other long-term facilities	10,000	
Pledged assets	130,000	130,000

At the end of the year A. Ahlström Oy has credit facilities amounting to EUR 200.0 million of which EUR 150.0 million was unused. In February 2020, a syndicated secured financing facility up to EUR 200.0 million which is fully committed was signed for A. Ahlström Oy and A. Ahlström Kiinteistöt Oy. The facility is secured by mortgage on the real estate at Eteläesplanadi 14 owned by A. Ahlström Oy and material part of the forest assets held by A. Ahlström Kiinteistöt Oy. There is a group level financial covenant on the facility, which restricts the indebtedness calculated as gross interest-bearing debt in the Group compared to gross fair value of assets (loan to value) of the Group not to exceed 60%. There have been no breaches in the financial covenant in the current period. In the beginning of 2021, the extension option of the facility was used until February 2026.

In October 2021, A Ahlström Oy agreed of interest rate hedging for principal amount EUR 100.0 million until 2041 to secure cost of long-term financing.

In December 2022, A. Ahlström Oy and A. Ahlström Kiinteistöt Oy signed a new joint Junior financing agreement of EUR 38.0 million, which was fully implemented in the financial year 2022. A. Ahlström Oy's share of the contract is EUR 10.0 million.

18. Contingent liabilities

TEUR		
Leasing and rental commitments		
Current portion	14	25
Non-current portion	9	23
	23	**48**

Commitments on behalf of Group companies

A. Ahlström Oy has provided guarantees for the credit facilities of certain subsidiaries.

TEUR		
Contingent liabilities for Real Estate investment's VAT	682	466

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Auditor's report

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

To the Annual General Meeting of A.Ahlström Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of A.Ahlström Oy (business identity code 1670034-3) for the year ended 31 December 2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

Report of the Board of Directors

Key figures

Financial Statements

• Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Other opinions

The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the President and CEO be discharged from liability for the financial period audited by us.

Helsinki, 2 March 2023
KPMG OY AB

KIM JÄRVI
Authorised Public Accountant, KHT

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Proposal for the Distribution of Profits

According to the parent company's balance sheet as at December 31, 2022, the total distributable funds are:

	EUR
Reserve for invested non-restricted equity	104,335,800.65
Retained earnings	280,926,193.34
Profit for the period	81,404,729.94
Total distributable funds	466,666,723.93

The Board of Directors proposes that a dividend of EUR 0.48 per share be paid on the 59,421,902 shares and the remainder retained. The dividend is proposed to be paid in two instalments: the first payment of EUR 0.24 per share in April 2023 and the second payment of EUR 0.24 per share in October 2023. The total proposed dividend for 2023 is EUR 28,522,512.96.

Helsinki, March 2, 2023

Peter Seligson
Chairman of the Board

Klaus Cawén

Kari Kauniskangas

Casper von Koskull

Nelli Paasikivi-Ahlström

Sebastian Bondestam

Fredrik Persson

Marcus Ahlström

Lasse Heinonen
President and CEO

AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

FINANCIAL REPORT

FINANCIAL REPORT

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

• Shares and shareholders

Information for shareholders

Shares and shareholders

Shares and share capital

A. Ahlström's registered share capital on December 31, 2022 was EUR 38,771,470. The Company has one series of shares. Each share entitles the holder to one vote in the general meeting of shareholders.The Articles of Association include a redemption clause as defined in Chapter 3, section 7 of the Limited Liability Companies Act.

Shareholdings

At the end of 2022, A. Ahlström had 263 shareholders. More information on shareholders is pre-sented in the Report of the Board of Directors.

Shareholdings of the Board of Directors

On December 31, 2022 members of the Board of Directors held 1,209,300 shares in A. Ahlström Oy, which represents 1.94 per cent of the shares and voting rights.

Shareholders by group on December 31, 2022

	Number of Shares	Percentage of capital stock
Companies	3,936,219	6.7%
Financial and insurance institutions	31,200	0.1%
Households	43,938,045	74.5%
Non-profit organisations	623,544	1.1%
Foreign owners	10,421,363	17.7%
Total	**58,950,371**	**100.0%**

Distribution of shareholdings on December 31, 2022

	Number of shareholders	Percentage of shareholders	Number of shares and votes	Percentage of shares and votes	Average number of shares held
1–10,000	81	30.8%	215,088	0.4%	2,655
10,000–50,000	52	19.8%	1,547,593	2.6%	29,761
50,000–100,000	30	11.4%	2,022,917	3.4%	67,431
100,000–500,000	63	24.0%	16,274,710	27.6%	258,329
500,000–	37	14.1%	38,890,063	66.0%	1,051,083
total	**263**	**100.0%**	**58,950,371**	**100.0%**	**224,146**

On December 31, 2022 the number of issued shares was 62,221,485, of which 3,271,114 shares were on the waiting list and 516,714 shares were repurchased and waiting to be invalidated.

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AHLSTRÖM CAPITAL

YEAR 2022

INDUSTRIAL INVESTMENTS

REAL ESTATE INVESTMENTS

SUSTAINABILITY AND HISTORY

CORPORATE GOVERNANCE

Report of the Board of Directors

Key figures

Financial Statements

Auditor's report

Proposal for the Distribution of Profits

Shares and shareholders

Information for shareholders

Information for shareholders

Annual general meeting

The Annual General Meeting 2023 is to be held on Wednesday, 12 April 2023 at 5 p.m. in Helsinki.

Financial information

A. Ahlström's Annual Report 2022 is available on the company's website at ahlstromcapital.com. In 2023, the company will inform the shareholders about the development of its performance on a quarterly basis. The company's annual report 2022 is estimated to be published in March 2023.

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Årsredovisning

Munksjö Paper Holding AB

559353-7284

Styrelsen avger följande årsredovisning för
räkenskapsåret 2021-12-14 - 2022-12-31.

Om inte annat särskilt anges, redovisas alla belopp i hela euro (eur).

INNEHÅLLSFÖRTECKNING	SIDA
- Förvaltningsberättelse	2
- Resultaträkning	3
- Balansräkning	4 - 5
- Noter	6
- Underskrifter	7

FASTSTÄLLELSEINTYG

Undertecknad styrelseledamot i Munksjö Paper Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-05-29. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.
Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Andreas Elving

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Årsredovisning

Munksjö Paper Holding AB

559353-7284

Styrelsen avger följande årsredovisning för
räkenskapsåret 2021-12-14 - 2022-12-31.

Om inte annat särskilt anges, redovisas alla belopp i hela euro (eur).

INNEHÅLLSFÖRTECKNING SIDA

- Förvaltningsberättelse 2
- Resultaträkning 3
- Balansräkning 4 - 5
- Noter 6
- Underskrifter 7

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FÖRVALTNINGSBERÄTTELSE

VERKSAMHETEN

Verksamhet

Företaget äger samtliga aktier i Munksjö Paper AB, 559368-7444, som den 1 oktober 2022 förvärvade Ahlström-Munksjö´s Dekor verksamhet där Munksjö är en ledande aktör globalt. Munksjö var de första på den internationella marknaden med inriktining enbart mot dekorpapper.
Dekorverksamheten har varit verksam under Munksjös varumärke under mer än 25 år. Varumärket är välkänt för sin enastående kvalitét och förstaklassiga service inom industrin.

Företaget har euro som redovisningsvaluta.

FLERÅRSÖVERSIKT

Beloppen i flerårsöversikten är angivna i tusental euro om inte annat anges.

	2112-2212
Resultat efter finansiella poster	-228
Soliditet %	93
Balansomslutning	139 942

FÖRÄNDRINGAR I EGET KAPITAL

	Aktiekapital	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Nybildning	6 500				**6 500**
Nyemission	2 166	32 497 834			**32 500 000**
Aktieägartillskott			97 500 000		**97 500 000**
Årets resultat				-228 109	**-228 109**
Belopp vid årets utgång	**8 666**	**32 497 834**	**97 500 000**	**-228 109**	**129 778 391**

RESULTATDISPOSITION

Medel att disponera:	
Fri överkursfond	32 497 834
Balanserat resultat	97 500 000
Årets resultat	-228 109
Summa	*129 769 725*
Förslag till disposition:	
Balanseras i ny räkning	*129 769 725*
Summa	*129 769 725*

Bolagets resultat och ställning framgår av efterföljande resultat- och balansräkning med noter.

DocuSign Envelope ID: 89F18121-2E54-40B3-BEF0-F88561764103

20230823061947

RESULTATRÄKNING

1

	2021-12-14 2022-12-31
Rörelsekostnader	
Övriga externa kostnader	-227 644
Summa rörelsekostnader	**-227 644**
Rörelseresultat	***-227 644***
Finansiella poster	
Övriga ränteintäkter och liknande resultatposter	299
Räntekostnader och liknande resultatposter	-764
Summa finansiella poster	**-465**
Resultat efter finansiella poster	***-228 109***
Resultat före skatt	***-228 109***
Årets resultat	***-228 109***

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BALANSRÄKNING

1

		2022-12-31
TILLGÅNGAR		
Anläggningstillgångar		
Finansiella anläggningstillgångar		
Andelar i koncernföretag	2	139 006 500
Summa finansiella anläggningstillgångar		*139 006 500*
Summa anläggningstillgångar		**139 006 500**
Omsättningstillgångar		
Kassa och bank		
Kassa och bank		935 098
Summa kassa och bank		*935 098*
Summa omsättningstillgångar		**935 098**
SUMMA TILLGÅNGAR		**139 941 598**

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2022-12-31

EGET KAPITAL OCH SKULDER

Eget kapital	
Bundet eget kapital	
Aktiekapital	8 666
Summa bundet eget kapital	*8 666*
Fritt eget kapital	
Fri överkursfond	32 497 834
Balanserat resultat	97 500 000
Årets resultat	-228 109
Summa fritt eget kapital	*129 769 725*
Summa eget kapital	**129 778 391**
Långfristiga skulder	
Övriga skulder	10 000 000
Summa långfristiga skulder	**10 000 000**
Kortfristiga skulder	
Leverantörsskulder	156 708
Övriga skulder	*6 500*
Summa kortfristiga skulder	**163 208**
SUMMA EGET KAPITAL OCH SKULDER	**139 941 598**

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NOTER

Not 1 ALLMÄNNA UPPLYSNINGAR

Redovisnings- och värderingsprinciper

Årsredovisningen har upprättats enligt årsredovisningslagen och BFNAR 2012:1, Årsredovisning och koncernredovisning (K3).

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde.

Finansiella instrument
Företagets finansiella instrument värderas utifrån anskaffningsvärdet enligt kapitel 11 i BFNAR 2012:1.

Fordringar och skulder i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs.

Kursvinster och kursförluster på monetära poster redovisas i resultaträkningen de år de uppkommer. Kursdifferenser som uppkommer på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet och kursdifferenser på finansiella fordringar och skulder redovisas bland finansiella poster.

Not 2 Andelar i dotterföretag

	2022-12-31
Munksjö Paper AB	139 006 500
	139 006 500

Not 3 Väsentliga händelser efter räkenskapsårets slut

Företaget har efter räkenskapsårs utgång erhållit ett aktieägartillskott om 10 000 200 euro från sina aktieägare, samt lämnat ett aktieägartillskott till Munksjö Paper AB om 10 000 000 euro.

Not 4 Koncernuppgifter

Företaget ägs till 60% av Ahlstrom Capital B.V, till 25% av Ahlstrom Oy samt 15% av Nidoco AB.
Företaget som utgör holdingbolag för en koncern med dotterföretag enligt not 2, upprättar med hänvisning till ÅRL 7kap 2§, ej koncernredovisning då företagen omfattas av en koncernredovising som upprättas av A. Ahlström Oy.

Not 5 Ställda säkerheter

	2022-12-31
Aktier i dotterföretag	*139 006 500*

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20230823065951

UNDERSKRIFTER med datum enligt elektronisk signatur

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Peter Seligson
C88387F3D32C42E...
Peter Seligson

DocuSigned by:
Sebastian Burmeister
88819AF5F280480...
Sebastian Burmeister

DocuSigned by:
Andreas Elving
884E5B4509F2404...
Andreas Elving

DocuSigned by:
1FCEFCA1B94B42F...
Patrick Castren

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift

KPMG AB

DocuSigned by:
33D575E2485A478...
Olle Nilsson
Huvudansvarig revisor

DocuSign

Certificate Of Completion

Envelope Id: 89F181212E5440B3BEF0F88561764103
Status: Completed
Subject: Complete with DocuSign: Årsredovisning 31.12.2022 Munksjö Paper Holding AB.pdf
Source Envelope:
Document Pages: 7
Signatures: 5
Certificate Pages: 6
Initials: 0
AutoNav: Enabled
Envelopeld Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Marcus Stoltz
PO Box 50768
Malmö, SE -202 71
marcus.stoltz@kpmg.se
IP Address: 195.84.56.2

20230823069S2

Record Tracking

Status: Original
5/29/2023 9:31:46 AM
Holder: Marcus Stoltz
marcus.stoltz@kpmg.se
Location: DocuSign

Signer Events

Andreas Elving
andreas.elving@ahlstrom.com
General Counsel
Ahlstrom Oyj
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
Andreas Elving
884E5B4509F2404...

Signature Adoption: Pre-selected Style
Using IP Address: 78.72.38.113

Timestamp

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Signed: 5/29/2023 10:07:47 AM

Authentication Details
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Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 028f148f-293f-58ca-99e5-3dcbef5d32fb
Country or Region of ID: SE
Result: Passed
Performed: 5/29/2023 10:07:17 AM

Electronic Record and Signature Disclosure:
Accepted: 5/29/2023 10:07:31 AM
ID: c3c33db1-4ffa-4cdb-a3eb-1a0a2a5b5b52

Olof Nilsson
olle.nilsson@kpmg.se
KPMG AB
Security Level: Email, Account Authentication (None)

DocuSigned by:
33D575E2485A478...

Signature Adoption: Drawn on Device
Using IP Address: 37.196.247.5

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Signed: 5/29/2023 11:39:12 PM

Authentication Details
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Workflow Name: DocuSign ID Verification
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Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 6ee4ed4c-4e20-52af-8542-b39eba9f151a
Country or Region of ID: SE
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Signer Events	Signature	Timestamp

Identity Verification Details:
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 6ee4ed4c-4e20-52af-8542-b39eba9f151a
Country or Region of ID: SE
Result: Passed
Performed: 5/29/2023 11:38:05 PM

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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: c70f5858-9ab9-5a88-a3a9-6f19512bacb2
Country or Region of ID: SE
Result: Failed
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Identity Verification Details:
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: c70f5858-9ab9-5a88-a3a9-6f19512bacb2
Country or Region of ID: SE
Result: Passed
Performed: 5/29/2023 11:40:49 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Patrick Castrén
patrick.castren@nidoco.se
Managing Director
Nidoco AB
Security Level: Email, Account Authentication (None)

DocuSigned by:
1FCEFCA1B94B42F...

Sent: 5/29/2023 9:35:26 AM
Viewed: 5/29/2023 9:44:07 AM
Signed: 5/29/2023 9:48:35 AM

Signature Adoption: Uploaded Signature Image
Using IP Address: 151.236.204.118

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
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Country or Region of ID: SE
Result: Passed
Performed: 5/29/2023 9:43:51 AM

Electronic Record and Signature Disclosure:
Accepted: 2/21/2023 10:16:08 AM
ID: 2d05f97e-05db-455d-a164-39d3a21671f0

Peter Seligson
peter.seligson@ahlstrominvest.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
Peter Seligson
C88387F3D32C42E...

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Viewed: 5/29/2023 9:39:42 AM
Signed: 5/29/2023 9:39:55 AM

Signature Adoption: Pre-selected Style
Using IP Address: 89.98.86.99

Authentication Details

20230823061953

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: Finnish Bank eIDs (FTN)
Transaction Unique ID: 44bc70a1-596e-532e-ab6c-a56d02e870e6
Country or Region of ID: FI
Result: Passed
Performed: 5/29/2023 9:39:29 AM

Electronic Record and Signature Disclosure:
Accepted: 5/29/2023 9:39:42 AM
ID: 96c3d651-41f6-49b6-b264-c68005b3c285

Sebastian Burmeister sebastian.burmeister@ahlstromcapital.com Managing Director Ahlstrom Capital BV Security Level: Email, Account Authentication (None)	DocuSigned by: Sebastian Burmeister B8819AF5F280480...	Sent: 5/29/2023 9:35:28 AM Viewed: 5/29/2023 10:31:17 AM Signed: 5/29/2023 10:31:35 AM
	Signature Adoption: Pre-selected Style Using IP Address: 82.168.247.154 *Signed using mobile*	

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: iDIN
Transaction Unique ID: deb11842-4ad0-50cc-bfb1-9a7120fe4e21
Country or Region of ID: NL
Result: Passed
Performed: 5/29/2023 10:30:58 AM

Electronic Record and Signature Disclosure:
Accepted: 5/29/2023 10:31:17 AM
ID: 674e6fa8-21f0-4df3-82da-ae37628c40eb

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/29/2023 9:35:30 AM
Certified Delivered	Security Checked	5/29/2023 10:31:17 AM
Signing Complete	Security Checked	5/29/2023 10:31:35 AM
Completed	Security Checked	5/29/2023 11:39:12 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

20230823061954

DocuSign Envelope ID: 1E0E6A0B-8C42-45B6-86D0-C009A95597CA

20230905001113

Revisionsberättelse

Till bolagsstämman i Munksjö Paper Holding AB, org. nr 559353-7284

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Munksjö Paper Holding AB för räkenskapsåret 2021-12-14—2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Munksjö Paper Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för räkenskapsåret enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Munksjö Paper Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20230905001114

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Munksjö Paper Holding AB för räkenskapsåret 2021-12-14—2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Munksjö Paper Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- *företagit någon åtgärd eller gjort sig skyldig till någon* försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Jönköping med datum enligt elektronisk signatur

KPMG AB

DocuSigned by:
33D575E2485A478...

Olle Nilsson
Auktoriserad revisor

DocuSign

Certificate Of Completion

Envelope Id: 1E0E6A0B8C4245B686D0C009A95597CA
Status: Completed
Subject: Complete with DocuSign: Revisionsberättelse Munksjö Paper Holding AB årsredovisning - Svenska.pdf
Source Envelope:
Document Pages: 2
Signatures: 1
Certificate Pages: 2
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Pernilla Sundén Bengtsson
PO Box 50768
Malmö, SE -202 71
pernilla.sunden@kpmg.se
IP Address: 195.84.56.2

20230905001115

Record Tracking

Status: Original
5/25/2023 10:07:19 AM

Holder: Pernilla Sundén Bengtsson
pernilla.sunden@kpmg.se

Location: DocuSign

Signer Events

Olof Nilsson
olle.nilsson@kpmg.se
KPMG AB
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
33D575E2485A478...

Signature Adoption: Drawn on Device
Using IP Address: 37.196.247.5

Timestamp

Sent: 5/25/2023 10:16:17 AM
Viewed: 5/29/2023 11:33:48 PM
Signed: 5/29/2023 11:34:09 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 000a8584-4886-5588-885d-de8d14bb1cc2
Country or Region of ID: SE
Result: Passed
Performed: 5/29/2023 11:33:33 PM

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: a8bb8479-2c92-5a43-931b-016684632e2e
Country or Region of ID: SE
Result: Passed
Performed: 5/29/2023 11:35:28 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**

Notary Events	Signature	Timestamp
Envelope Summary Events	**Status**	**Timestamps**
Envelope Sent	Hashed/Encrypted	5/25/2023 10:16:17 AM
Certified Delivered	Security Checked	5/29/2023 11:33:48 PM
Signing Complete	Security Checked	5/29/2023 11:34:09 PM
Completed	Security Checked	5/29/2023 11:34:09 PM
Payment Events	**Status**	**Timestamps**

20230905001116